



Branding Science
Group

The complex challenge faced by Global and Regional Market Access Teams

March 2024



The situation:

The major barrier to the success of Global and Regional Market Access teams

Success for Global and Regional Market Access teams (“global and regional”) generally means broad access with reimbursement and a high price across many individual markets. Achieving these goals across markets is particularly critical to global and regional teams as their success is reliant on cross-market success. This represents a difficulty from these teams’ perspective, as they are not directly involved in any of the negotiations taking place in individual markets that collectively define their success.

Achieving a high price in individual markets is particularly important as reimbursed

prices will be referenced by other markets through international reference pricing (IRP). Many more countries across the globe utilise formal reference pricing as opposed to undertaking their own health technology assessments (HTA), and even those that undertake HTA’s are unlikely to ignore a low price in another country (i.e. informal referencing)! Considering Europe as an example, a far greater number of countries pursue either formal or informal reference pricing than don’t. If a Local Market Access (“local”) team was to accept a low price, this wouldn’t just impact local revenues, it would have a broader global impact.

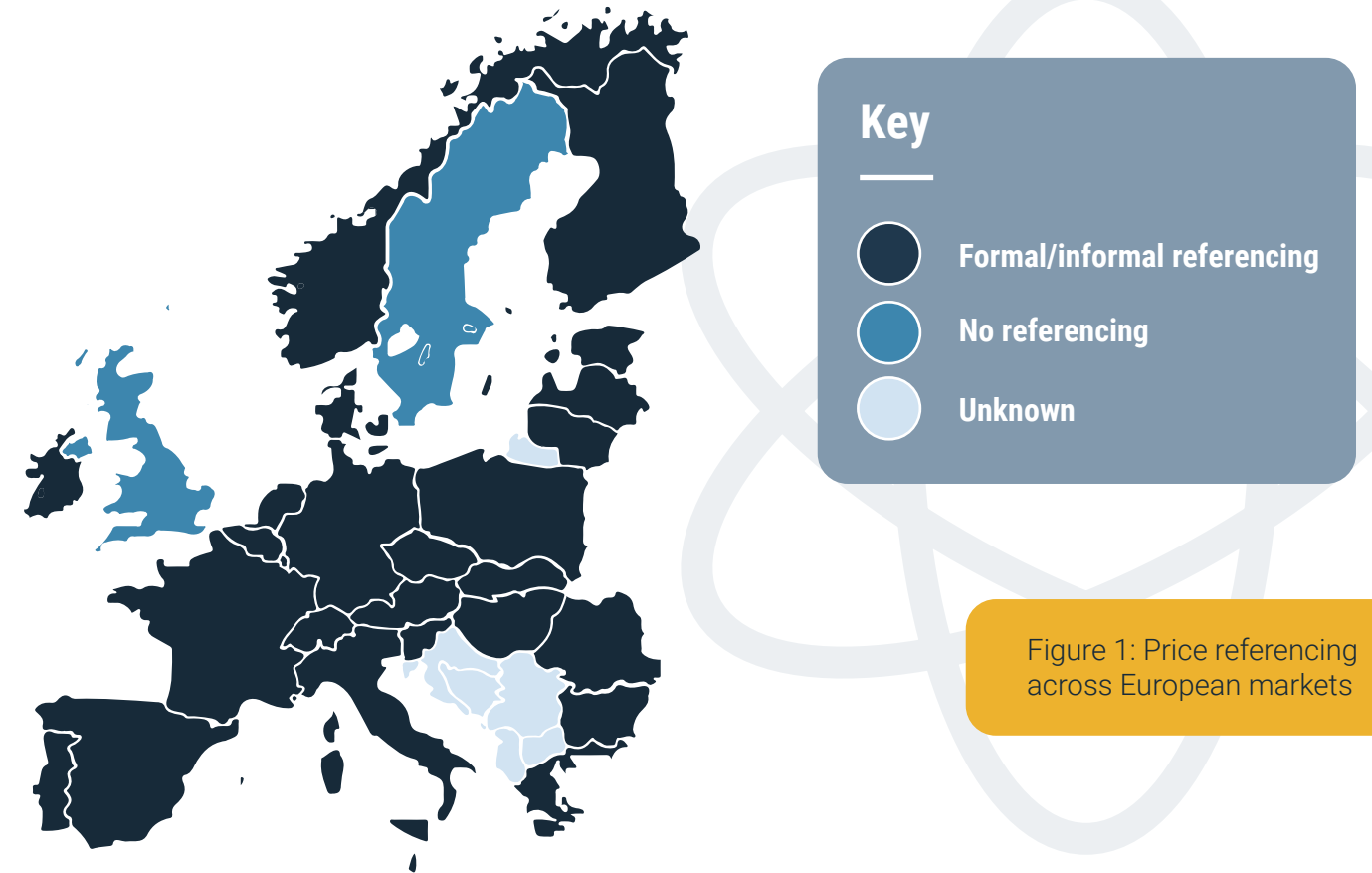


Figure 1: Price referencing across European markets

The importance of not accepting a low price is increasingly crucial as reopening negotiations usually only results in prices being reduced (in response to the launch of a new indication for example). With pricing negotiations at the start of the revenue generating lifecycle, it’s clear that a single market accepting a lower price can have a major impact on global revenues. This heightened importance of local pricing negotiations creates tension for global and regional teams as they are not directly involved in these discussions.



Tensions:

The difficulties experienced across global/regional and local market access teams

Global and regional teams find themselves in this difficult position where they are unable to directly control the most important metric that dictates their teams' performance. This creates a major problem for global and regional teams and poses an interesting question around the exact tensions that are experienced across these teams and their local counterparts when working to secure local access (outlined in figure 2).



| |  Global or Regional Market Access Team |  Local Market Access Team |
|---|---|---|
| Core KPIs | Revenue and profit globally or across the region | Access to the local market |
| Key drivers of KPI | Price, level of reimbursement, and speed of access across countries | Local market negotiations |
| Team impact on KPI | Low | High |
| Tensions from team's perspective | <p>Perceive that Local team:</p> <ul style="list-style-type: none"> Give up on price too quickly and easily Accept a small reimbursable patient population Don't explore alternative routes to access | <p>Perceive that Global/Regional team:</p> <ul style="list-style-type: none"> Don't address or allow for the lack of time and resource within the local team Provide non-localised content |

Figure 2: Demonstration of tension between Global & Regional Teams and their Local counterparts

1. Global or regional teams and local teams pinning their expectations to different prices

Global and regional teams commonly perceive that local teams give up on price too early and easily. Local teams will usually communicate that they expect negotiations with their country's payers to take place in a lower pricing corridor than the global or regional team has set. Usually this is backed up by local rationale from the market, outside of the global or regional teams' core knowledge base. Local teams are experts within their market and so global or regional teams tend to trust their local market-specific judgement. This constitutes a core mistake that global and regional teams commonly make, in not working with their local teams to assess all pathways to achieving a high price. By not doing so, global and regional teams have pinned their expectations to a far higher price than local teams from the outset of negotiations.

2. Misfiring support from global and regional teams

Global and regional teams regularly outline the extent of the support they offer local teams. Many materials are provided, specifically global and regional value propositions, value stories, cost-effectiveness analysis, budget-impact models and outputs from payer and KOL research. The breadth and depth of content provided is extensive and has required significant investment. Given the importance of success in local negotiations it's understandable that global and regional teams invest so heavily in support. The open question is whether this support is useful, and delivered in a timely fashion to meet the needs of the local market.

Experience working with these local teams demonstrates that the most useful support is tailored, and localised to market-specific negotiations and decision-making. When local teams receive extensive value stories, launch timelines, payer, and KOL research, they need to localise this to their market. This takes time and effort that local teams simply don't have. Or worse still, the materials arrive too late, and the local team has already had to build an approach without this support! This results in many global-and-regional-provided materials not being used to the expected extent and disengages local teams from their global and regional colleagues' efforts.

3. Local strategy being impacted by a lack of local resource

Lack of resource, in terms of headcount, spare capacity and financial resources is often clear immediately when working with local teams. These teams are predominantly focused on the steps required in bringing their product to market, with little resource available outside of that to consider specific strategies. Many local teams are made up of just a few individuals that must take care of everything concerning access. In addition to having lean headcount, many of these teams lack the financial resource required to support the development of more innovative strategies. Undertaking HTA processes is not cheap and the vast majority of available finance is spent on the submission! Local teams therefore rely heavily on global and regional teams for support beyond this.

Given local teams predominantly focus on navigating local access processes to achieve reimbursement, and the key barometer for success for these teams being access, it's no surprise that teams focus their limited resources on this. Time to access becomes a far greater priority than developing optimum access strategies. This leads to global and regional teams' observations that their local teams accept low prices too easily during negotiations.

Overcoming the tensions: The right support to be provided by global and regional teams

1. Payer Research

Local teams must understand how valuable their drug is to their local market stakeholders, specifically payers. The global or regional programme of payer and KOL research during drug development will focus on core markets, but this never includes every market, and the overall value of the drug compared to current and future comparators is rarely laid out in detail at a country-specific level (of course, relative launch timelines vary across markets). Understanding the overall value of the drug is of utmost importance as this impacts the extent to which stakeholders will make concessions to secure access. Local teams rarely understand the full extent of value offered by their drug, and how much leverage is therefore available during negotiations. Local primary research is critical for local teams to undertake prior to negotiations.

Primary research can take the form of telephone depth interviews, advisory boards, and alternative methods of early payer engagement in the local market. Ideally these involve a broad group of stakeholders, including both payers and KOLs, with perceptions ranging from expected supporters to likely detractors! All too often, advisory board invites are sent out to payers and KOLs who are 'friends of the company' which can lead to skewed insight. A key benefit of working with an external agency is the capability to find, engage and understand the likely detractors.

A core focus of primary research should be on ascertaining the level of unmet need within subgroups of patients, and the extent that current and future comparators are likely to address this, including expected timelines.

Drugs being launched in smaller patient populations with high unmet need and no near-term alternative option on the horizon will have greater leverage when entering negotiations, and it's critical for local teams to build an understanding of this.

This understanding is important as access to drugs becomes an increasingly political topic. If a drug is of suitably high value that patients, patient organisations, HCPs, and others will campaign for access, then pharmaceutical companies should build awareness to take advantage and secure more attractive access. A good example concerns Vertex Pharmaceuticals and their cystic fibrosis treatments, Orkambi, Symkevi and Kaftrio. NICE and the SMC deemed the drugs to be above their cost-effectiveness thresholds during their initial reviews. Vertex decided not to pursue reimbursement on the terms available, knowing the leverage they held. This led to further negotiations where Vertex could negotiate to secure more attractive access.

2. Tailored Negotiation Positions

Understanding the value of the drug to patients and the broader healthcare system is a core input for the next step. Figure 3 outlines the overall access target that global and regional teams have for their drug. The target consists of how fast they expect access, the price at which they expect reimbursement, and the patient population for which this reimbursement is secured.

When global and regional teams provide valuable insight such as global value propositions, value stories, and outputs from payer and KOL research without appropriate localisation, it can come across as 'creating content in the hope that it will be adopted' by local teams. All local teams receive the same globally or regionally focused content, and usually lack appropriate time and resources to

localise these, let alone translate insights from this localisation through to optimised local strategy. This contrasts with relevant localised input that can immediately direct local negotiations, which proves most useful. Global and regional teams can support local teams effectively in many ways – the focus here is on some of the most successful methods.



Figure 3: Price, population, and time are the metrics that make up the Global Access Target and dictate strength of access

As is expected from the name, this is the most ambitious access that can be expected. It is usually only achievable in a handful of the highest value markets, if at all.

Although the global or regional team's target consists of these 3 parameters, the key performance indicator for local teams is usually securing access. Global and regional teams regularly share their frustrations of feeling that local teams give up on price or population too quickly and easily to achieve this goal. Local teams regularly forecast lower prices and smaller reimbursable populations than global or regional teams expect. On prompting, it becomes clear that certain messages, models, or routes to market could yield more attractive access from the price and population perspective. To tease these out, global and regional teams need to work more closely with their local colleagues. Together, teams need to identify local challenges with the potential to impact the global access target.

These challenges then need to be addressed by discussing potential solutions as a broader team and committing to these.

Tailored negotiation positions should be co-developed by global or regional teams and their local counterparts. These are positions relating to the price and population that the local team will negotiate based on. The global access target is the first negotiation position, and this is followed by back-up negotiation positions which may consist of a lower target price, and/or a smaller target reimbursed population. The local team is then required to negotiate based on each of these back-up positions. The global or regional team should work with and support the training of their local teams to address specific negotiation challenges that are expected at each position.

The third point of the global access target is time. Global and regional teams should work with local teams to decide how long negotiations can last before access should be secured. Negotiating on 5 back-up positions in some markets will take a long time, and even if primary research has identified a high level of unmet need and a lack of alternative treatment options, taking time to secure a higher price and larger patient population does come at the cost of less time on the market (before loss of exclusivity). The financial impact of each proposed negotiation position should be modelled, to drive which positions are the preferred back-ups. The modelled financial impact should also dictate which prices and populations in an individual market would have a negative global impact to the extent that access in the market should be abandoned.

Having the global or regional team collaborate with the local team to co-create predefined positions for negotiations, then solve specific access challenges at each position, has had a significant positive impact on the local team approach and outcomes.

3. Value Drivers

Global and regional teams spend time and resources building value dossiers, value stories and value propositions. These are supplied to local teams and typically outline the core value messages resonating with payers that can drive successful negotiations. They are usually developed based on the highest value markets alone. Each payer's perspective of value varies though. The core value drivers that resonate with a local payer in market A can be vastly different from those that resonate with a national payer in market B.

Several different payer archetypes including deal-driven, budget-impact driven, cost-effectiveness driven, and therapeutic-benefit driven exist (outlined in figure 4).

Archetype naming convention varies, but this generally covers the four core payer archetypes that market access teams need to secure access with (markets where patients generally fund their healthcare out-of-pocket can constitute a fifth archetype). Payers from each archetype generally perceive value in similar ways, but this is not exhaustive and two different cost-effectiveness driven payers in different markets may have differences of opinion.

Local teams are aware of the payers they need to negotiate with to secure access, but global materials don't generally detail drug-specific value drivers that will resonate with each of these. Instead, value drivers are more general, appealing across the scope of different payers from varying archetypes. A range of different approaches should be undertaken to identify which value drivers resonate with the specific payers that the local team needs to engage with. Insight should be gathered by testing potential value drivers with payers as well as during other programmes of primary research.

Primary research that prompts payers to compare commonly provides most benefit. Many payers perceive value when given a single message in isolation. Messaging that brings less value is quickly identified however, when asked to compare with another relevant therapy. As well as comparing different value drivers across drugs is particularly useful in situations where several drugs are either in, or close to market. Market access teams regularly find pitching their drugs value drivers against that of their competitors particularly useful. When ran across several rounds with many different payers, feedback provided delivers greater insight into which value drivers will be most effective in negotiations.

4. Mock Negotiations

Local teams can understand the value of their product, have clear positions to negotiate on, and know their key drivers of value, but if they don't negotiate well, this can all be futile. Although many companies employ skilled negotiators, there is no substitute for mock negotiations to fully understand how payers are likely to respond to different messages and data. Reactions and pointers uncovered can prove priceless should they inform local teams of how to communicate the value of their product, or more importantly, how not to erode its value. Since the Covid-19 pandemic in 2020, the format for negotiations has changed in some markets, with hybrid or even virtual negotiations becoming the norm. Experience on how to approach negotiations has become even more valuable as a result.

Payer grouping across 4 key archetypes

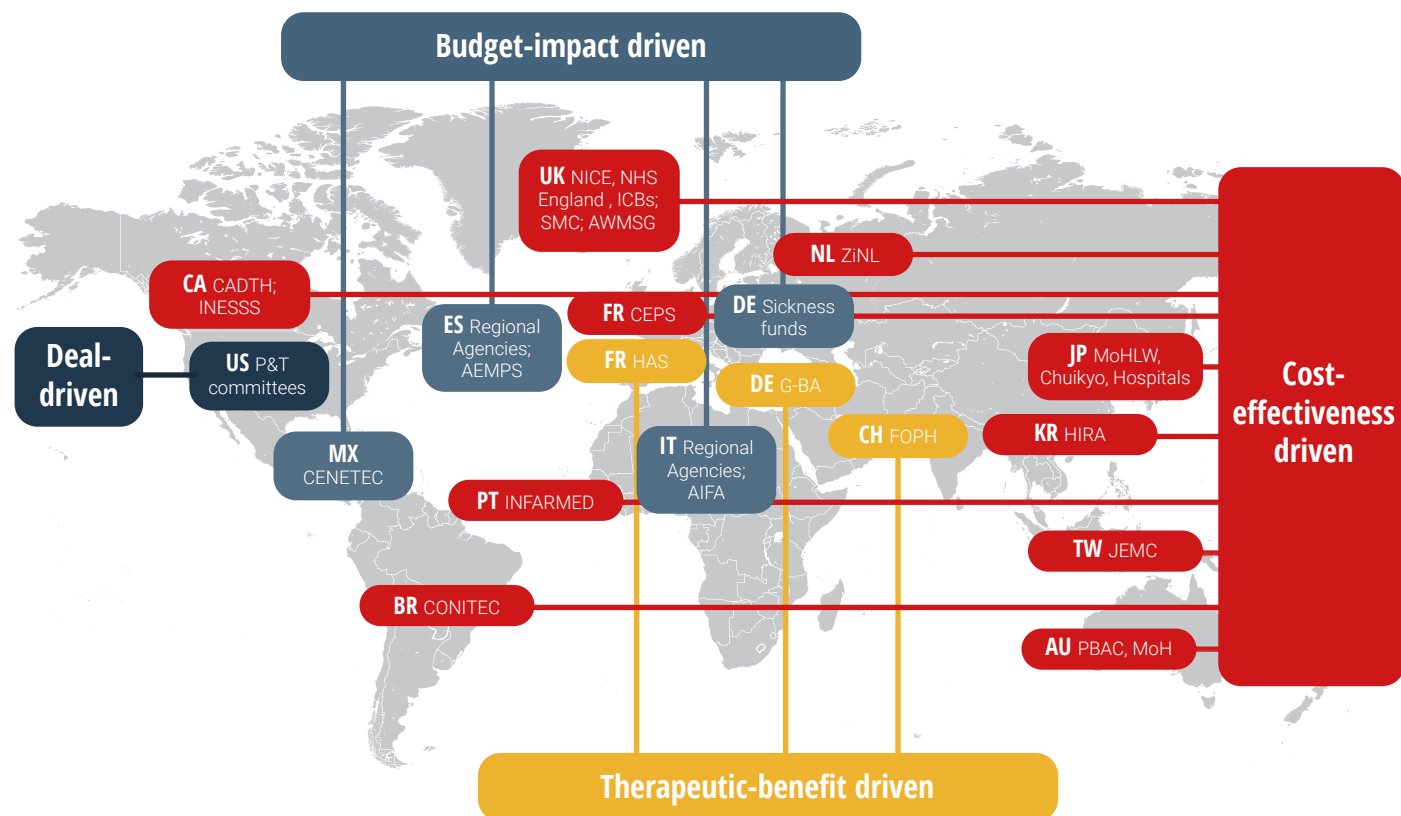


Figure 4: Payer grouping across 4 key archetypes impacting perception of value





The benefits: Setting the local markets up for success

These simple steps will transform local market access teams' strategies. Knowing the drug's value, how to communicate it, and parameters for negotiation means local teams can maximise drug value within an overarching strategy co-developed with their global or regional colleagues. Local market access therefore progresses from achieving access, to ensuring the best access.

These activities will also ease the tensions highlighted earlier. Global or regional teams investing time and resources into developing local strategies means that local teams can focus their limited time on submissions, without needing to deprioritise moulding a local access strategy. Local teams following co-developed negotiation positions with specific value drivers at each, will ensure effort is focused on securing higher pricing and broader populations, removing the perception of reducing price or population too quickly and easily. Finally, the applicability of these activities ensures that global and regional teams are providing the most tailored support possible negating any local perceptions around lack of use.

By moving closer to their local teams, understanding their market-specific hurdles, co-developing solutions and proactively offering support, global and regional teams can both eliminate any tension and ensure the best possible access.



Why is Branding Science the perfect partner?

Global and regional teams want and need their local teams to succeed and invest significantly in attempting to make this happen. At Branding Science, we recognise this and specialise in bringing teams together to align on their objectives and path for achievement. We have years of experience supporting market access teams from global to local level and across multiple markets. We focus on offering bespoke guidance leveraging both our pharma and agency experience of solving similar challenges to those you currently experience.

The support outlined here can be undertaken in all markets, or targeted at select markets based on where global and regional teams identify the greatest need for success, or the biggest challenges. We regularly work with teams on specific aspects of this support; for example, only payer interviews or solely mock negotiations, and we design a bespoke approach fully targeted at solving your core challenges.



Branding Science
Group

BEHAVIOURAL SENSEMAKERS,
STRATEGIC CHANGEMAKERS

If you would like to discuss the approaches outlined here, how we can assist you more broadly, or you just want to have an access related chat, then please do reach out to us at



Matthew Sims

matthew.sims@branding-science.com

We are more than happy to discuss any access challenges as well as how we can support you!

March 2024
