

AN EVALUATION OF CO-PAY CARD UTILIZATION IN BRANDS AFTER GENERIC COMPETITOR LAUNCH

Introduction

Patient savings programs, in particular co-pay card programs, continue to bear scrutiny across the industry. Co-pay card programs are patient-based programs designed by manufacturers to assist commercially insured and cash paying patients in affording their medications. Industry stakeholders are especially critical of these programs, claiming they incentivize the use of high-cost therapies - including the purchase of branded drugs over their less expensive, generic equivalents. In an effort to quantify the use of patient savings programs among brands that have lost exclusivity on their patents (LOE) and have generic equivalents in the market, IQVIA identified post-LOE brands in pharmacy claims data and measured co-pay card use within them.

Approach

IQVIA analyzed retail, pharmaceutical, patient claims-level data from 2013 through 2017 to quantify the use of co-pay card programs in brands that have lost exclusivity. Brands with at least one generic equivalent were identified as “post-LOE” in the analysis. IQVIA further categorized the post-LOE brands by those with a manufacturer co-pay offset program (i.e, brands that demonstrated at least 1% of volume adjudicated with a co-pay card while a generic was available). Claims

volumes were aggregated and compared across these different market cohorts (summarized in Figure 1).

Co-pay card use is captured in the IQVIA data at a claim level using the secondary payer information present on the claim. Among commercial claims, secondary payers predominantly are attributed to co-pay card programs provided by manufacturers.

Figure 1: Market Cohort Definitions

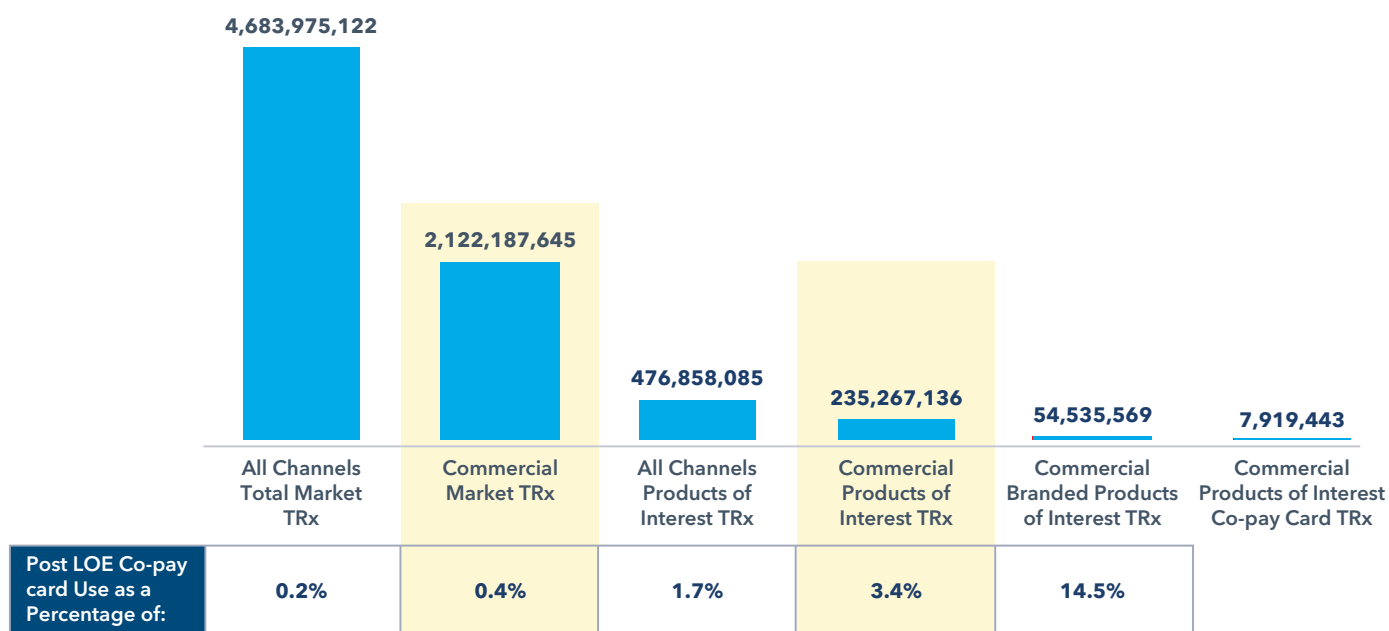
MARKET COHORT	DESCRIPTION	BRAND/OR G
All Channels Total Market TRx	Encompasses all volume across payer channels.	Brand & Generic
Commercial Market TRx	Limits to commercial volume only.	Brand & Generic
All Channels Products of Interest TRx	Flags brands with at least one generic entry and further refines by limiting to brands that had at least 1% of their volume adjudicated with a co-pay card post-LOE. The generic volume associated with these brands is also included to reflect the molecule's volume across payer channels.	Brand & Generic
Commercial Products of Interest TRx	Limits to the commercial volume for Products of Interest.	Brand & Generic
Commercial Branded Products of Interest TRx	Reflects the branded commercial volume for the products of interest.	Brand Only
Commercial Products of Interest Co-pay Card TRx	Represents the branded products of interest that were filled with a co-pay card.	Brand Only

Results:

Despite continued public attention, patient co-pay assistance program claims only make up a small proportion of commercial, prescription volume for post-LOE products with co-pay card programs. As demonstrated in Figure 2, a small subset of commercial volume is represented by post-LOE brands with evidence of a manufacturer-sponsored co-pay card programs. While co-pay cards are still being utilized by patients

on brand scripts after LOE, the use is limited and only makes up 0.4% of the total commercial market volume. The total commercial volume for post-LOE products with a co-pay card program available (the brands and their generic counterparts) represent 11.1% of commercial volume. For prescriptions filled with a post-LOE brand that sponsors a patient support program, 14.5% of claims are associated with these programs.

Figure 2: Claims Volume by Market Cohort (2017)



Source: IQVIA NSP, NPA, and FIA data sets; IQVIA Analysis

Implications:

While some manufacturers may implement strategies to retain brand volume after the loss of exclusivity, manufacturer co-pay assistance programs appear to have limited use and represent only part of a brand’s potential retention strategy. Formulary exclusions and automatic generic substitution at the pharmacy are effective tools for promoting generic uptake, thereby curtailing co-pay card use among post-LOE brands. Additionally, co-pay card use on branded scripts post-

LOE represents a sliver of the total commercial market, making up only 0.4% of volume across all products. When narrowing in on the total commercial volume for products where manufacturer co-pay assistance is available, only 3.4% of total volume is attributable to prescriptions using these programs. If patient savings programs were having a substantial impact on generic product uptake after loss of exclusivity, one would expect to see higher utilization in the market.