



US PAYERS AND THE IMPACT OF COVID-19

A DISCUSSION WITH MCCANN HEALTH MANAGED MARKETS' PROPRIETARY PAYER PANEL

Health care, the country, and the world are currently being challenged in an unprecedented way. Everyone has been impacted by the COVID-19 crisis with health care stakeholders at the forefront of the public health response.

Payers are critical to this response and are being challenged with balancing 2 key areas: facilitating access to care and ensuring business sustainability.

WHAT ARE PAYERS FOCUSING ON DURING THIS CRISIS?



ACCESS TO CARE

Removing barriers

Plans are facilitating easier access to prescriptions where appropriate by:

- Extending existing authorization
- Relaxing early refill limits
- Encouraging dispensing of 90-day supplies

Expanding coverage for telemedicine

Proactive outreach to at-risk-members

Care managers are focused on supportive care, comorbidities, social determinants of health and behavioral health



FINANCIAL HEALTH

Impact on revenue

- Projected unemployment will result in a loss of commercial members (further impacted by future premium increases)
- Some members will become uninsured, some will seek coverage in the individual market, and some will be eligible for coverage under Medicaid expansion

Medical expense will increase

Driven by COVID-19 expenditures (testing, hospitalizations, and medications) and absorbing patient cost sharing

Employer pressure

Employers may seek price concessions or deferred payments



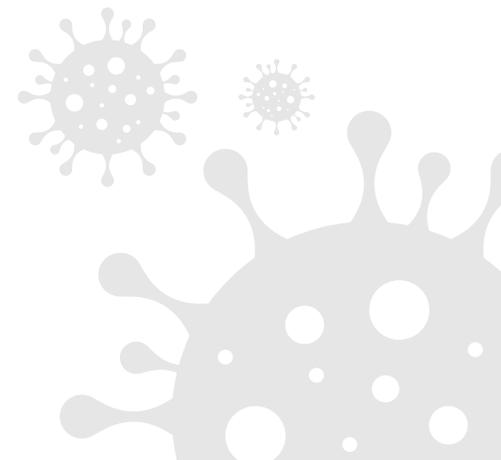
BUSINESS CONTINUITY

Conducting business remotely

Organizations pivoting to more efficient ways of interacting with other stakeholders

Short- and long-term solvency

Actuarial modeling will be used to guide strategic direction





WHAT ARE THE IMPLICATIONS?

-  **Accessibility and engagement disruption** with payers, HCPs, and patients
-  **Relaxed prescription refill restrictions** and extended supply may result in increased patient utilization and duration of therapy
-  **Increase in uninsured/underinsured patients** and personal economic hardship may result in prescription abandonment
-  **Financial pressures** may cause payers to increase scrutiny on pharmaceutical spend
-  **Shifts in membership** from commercial to safety-net programs may impact pharma revenue models
-  **Potential disruptions to P&T process** may delay some formulary reviews

WHAT CAN PHARMACEUTICAL MANUFACTURERS DO?



Empower Account teams to appropriately engage with payers (eg, training, roadmap, FAQs)



Provide proactive partnership and support by engaging with customers the way they want, when they want, and where they want

- Empathy and tone are important
- Partnership outreach communications
- Supply chain updates
- Virtual and nonpersonal engagement and digital resources
- Integration with telemedicine platforms



Monitor payer areas of focus and local market dynamics to navigate this fluid environment



Track and optimize engagements and communications



Align to evolving care management (care managers) approaches to support payers and outreach to their members