

“The Pink Sheet” DAILY

SEPTEMBER 5, 2012

Oncologists Giving Less Time To Sales Reps

Pharma sales representatives are having a harder time getting access to oncologists even as cancer drugs become more readily available.

Even as cancer drugs fill most big pharma pipelines, pharmaceutical companies are facing increasing challenges when trying to get face time for their sales representatives with oncologists.

According to the 2012 AccessMonitor report released by consulting firm ZS Associates in August, approximately 61% of oncologists are restricting visits from pharmaceutical sales reps – making oncology the most restrictive of the 20 most common therapeutic specialties. Sales reps have an easier time getting access to other specialty physicians – only 47% of cardiologists restrict access, while 38% of primary care physicians keep reps at arm’s length. By comparison, OB/GYN’s are the least restrictive with access – placing no restrictions on reps 86% of the time.

Ben Bonifant, president of consulting firm Bonifant Insights Group, attributes the tough access environment to the relatively small number of oncologists compared with the high number of drugs being approved in the sector. “Oncologists have some real choices to be made – there are now alternatives for treatment that didn’t exist before,” said Bonifant.

Oncology is the fastest-growing therapeutic area in terms of number of new drugs, with more than 1,000 cancer drugs currently in the pipeline. Several cancer drugs have been approved this year – Pfizer Inc. gained approval for the renal cell carcinoma drug Inlyta (axitinib), Roche/Genentech Inc. and Curis Inc. got the FDA okay for basal carcinoma drug Erivedge (vismodegib), and Onyx Pharmaceuticals Inc. for the multiple myeloma treatment Kyprolis (carfilzomib) (“*New Molecular Entities Approved In 2012*” — *Pharmaceutical Approvals Monthly, August 2012*). Most recently, Pfizer got the green light on its Philadelphia chromosome-positive chronic myelogenous leukemia drug Bosulif (bosutinib) (“*Pfizer Prices Bosulif With Eye Towards Leveling CML Playing Field*” — “*The Pink Sheet*” DAILY, Sep. 4, 2012).

“While oncologists still see some value in rep visits, increased patient load and more time spent on reimbursement issues limit the time they have available,” said Ganesh Vedarajan, principal and leader of the oncology and specialty therapeutics practice at ZS Associates in the report. “Most practices now require reps to schedule appointments in advance – and generally provide only two or three potential openings per week.”

Vedarajan added that this is a particular problem because there are now more reps because of the increase of drugs vying for those two to three appointments.

The AccessMonitor report tracks sales call reports from 200 different pharmaceutical sales teams and details how often more than 350,000 physicians around the U.S. meet with the sales representatives. The report placed these physicians into three groups – those who are very accessible, those who offer moderate access and those who offer severely limited access, i.e., only meeting with reps 30% of the time they are called upon. Meanwhile, the accessible group met with reps 70% of the time and the moderately restrictive group met with reps in the range of 30-70% of the time.

According to the report, only 39% of oncologists fell into the “accessible” category compared to 65% of all prescribers. Meanwhile, 11% of oncologists placed severe access restrictions on reps, compared to 9% of all prescribers.

“The sales model also must evolve to take a different sales approach to institutions,” adds Vedarajan. “Some institutions do not allow sales reps at all. As the industry consolidates and more physician practices are acquired by institutions, this problem will become worse. Companies should think about steps to adapt for continued success.”

Vedarajan added in an interview that the changes to reimbursement and pricing in physician-administered drugs have had a particular effect on the oncology sector. Many oncology drugs are administered via infusion or injection

in physician offices, as opposed to oral drugs that are self-administered by patients, and therefore are reimbursed through a patient's medical benefits instead of their pharmacy benefits. Oncologists rely heavily on drugs for revenue because they are reimbursed based on the buy and bill model: physicians (instead of patients) buy the drug from providers and administer it in their offices – getting reimbursed for the cost of the drug – at a high mark-up, but only marginally for the administration of the drug. Recently, that amount physicians get reimbursed for drugs has gone down dramatically due to shifts in CMS policy, but have not changed for the services, ultimately, cutting into physician revenues.

“Oncologists are the most affected by the changes in the reimbursement landscape,” he said. “Their income has

dropped about one-third in the last 10 years as reimbursement went from being based on wholesale prices to average selling price. More than two-thirds of their income comes from drug reimbursement than from the services they provide.”

ZS Associates recommends putting more emphasis on the personal touches and making the sales rep/physician experience a more interactive one. The consulting firm said that it saw a higher rate of response from physicians who received e-mails from the reps themselves rather than an email coming from a head office.

“Reps have to be seen as a resource to the whole office,” said Bonifant, suggesting reps make themselves available to answer questions about administrative issues, as well as reimbursement questions.

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