



# COVID-19 Payer Pulse

# Contents

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- Survey Overview
- Executive Summary
- Summary of Global Insights
- Country-Specific Insights

# Survey Overview



# ZS conducted the Payer Pulse survey to understand payer perspectives on the impact of the COVID-19 public health crisis and the implications for our industry

<p><b>FIELDING DATES</b> March 30 to April 7, 2020</p> 	<p><b>RESPONDENTS</b> 25 Global Payers</p> 	<p><b>DATA COLLECTION</b> Online PayerLIVE Platform</p> 	<p><b>SURVEY DURATION</b> 45 mins</p> 
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Countries Covered	Number of Respondents	STAKEHOLDER ROLES
	10	<ul style="list-style-type: none"> <li>National MCOs; Regional MCOs; PBM; IDN</li> </ul>
	1	<ul style="list-style-type: none"> <li>Former provincial drug plan manager, advisory to public health department and Ministry of Health, co-chair of national HTA (CADTH and pCODR)</li> </ul>
	3	<ul style="list-style-type: none"> <li>Ex-NICE; CCG; Regional Area Prescribing Committee; NICE Advisor &amp; Hospital Pharmacist</li> </ul>
	3	<ul style="list-style-type: none"> <li>Member of Arbitration Board of drug prices; Regional KK; National SHI</li> </ul>
	3	<ul style="list-style-type: none"> <li>Ex-HAS; Ex-CEPs</li> </ul>
	3	<ul style="list-style-type: none"> <li>Former regional payer; DGFPS; Hospital Pharmacy Director</li> </ul>
	3	<ul style="list-style-type: none"> <li>Ex-AIFA (Scientific committee and pricing and reimbursement committee); Regional payers</li> </ul>

# Executive Summary



## Payers believe industry has responded well to the crisis and as a result show increased willingness to collaborate on key initiatives

**50%** of payers believe that industry, or at least some sections, have **responded strongly** to the public health emergency

**20%** of payers have an **improved perception** of industry as a result

Payers have **increased willingness to collaborate** with industry:

- **85%** vaccine programs
- **80%** diagnostic programs
- **77%** digital & connected health
- **60%** RWE



However, the COVID-19 pandemic will cause delays to P&R timelines and cause a significant reduction in payer budgets due to decreased contributions and expected reallocations

**US payers** expect delays of **2-4 months**.  
**Europe** could see **12-month** delays in regionalized systems

Payers will have to **make prioritization decisions**, as they expect **budget retractions** ranging from **~15% (US)** to **25% (Italy/Spain)**

Resources are expected to be **reallocated** towards **infrastructure investments**, **diagnostic and digital platforms**, **anti-infectives** and **vaccine programs**



## Healthcare system capacity, new responsibilities and working models are the key operational concerns of payers

Most payers expressed concern at **system capacity** to manage the **peak** of the crisis, as well as **staff training** and **equipment**

Payers expect their organizations to be operating at **70-90% capacity** for the **next six months**

Some payers are taking on **new roles**, such as **managing off-label medicines** and **clinical trial protocols**

Most payer organizations are moving to **virtual models** and despite some challenges report **early success**



Payers expect to implement new Rx controls post-pandemic but are seriously concerned with the supply chain and ensuring the continuity of existing care

**50%** of payers expect increased Rx controls as a result of COVID-19. **15%** expect more freedom

**53%** express significant concerns over the continuity of the supply chain, with only **11%** believing the current infrastructure can cope

There is little agreement between US payers on the impact this will have on P&R policy reforms with only **10%** expecting acceleration



To maintain relationships post-pandemic, industry needs to be empathetic with payers' situation, delay non-essential activities, identify their needs and find ways to collaborate effectively

Payers want industry to be **empathetic**, as they **juggle priorities**, **add responsibilities** to their “day jobs,” and **make funding decisions**

Any lack of support, such as **provision of essential or effective treatments**, will destroy relationships with payers

All US payers believe **price increases** should be **postponed**



# Summary of global insights



# Short- and medium-term impact on pharma-payer working relationship will largely affect timelines, in-person meetings and willingness to pay

1

## Delays in submission reviews and P&R decisions

 “This will **delay all registration procedures**. Only in medium or long period the industry will probably be able to access the regular procedure of drug approval”

 “In P&R decisions at the central level, **delays are taking place**; in terms of regional governments, something similar to national; hospitals will have similar relationships with the industry”

 “**Delay all HTA and reimbursement decisions** outside COVID emergencies”

2

## Moving towards a virtual working relationship

 “The use of teleconferences during pandemic will allow us to **better value virtual interactions and relationships**”

 “**Virtual meetings have increased to close the gap.** Online meetings and quarterly meeting are at a peak. Industry has had to quickly reformulate how they interact and present their messaging”

 “Most interaction will **shift to virtual** but other than that it's business as usual, all business can be conducted/managed without being face to face”

3

## Price pressure and higher discount expectations

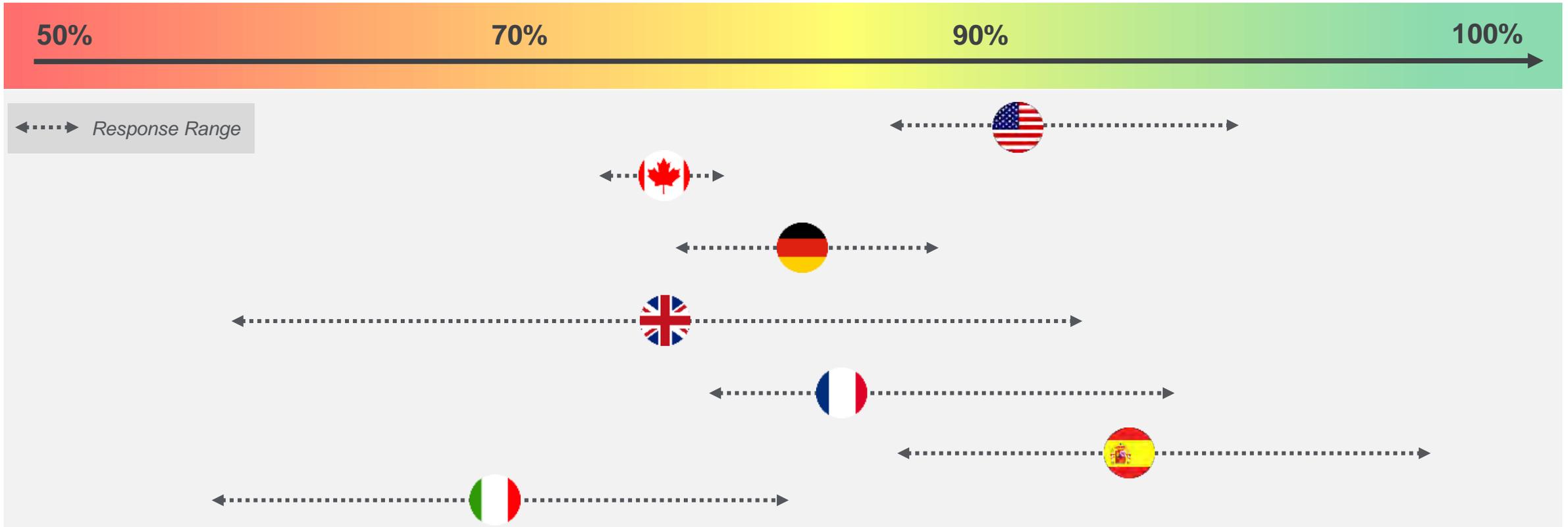
 “Medium-term **impact on willingness to fund very high prices** and focus on **cost-saving initiatives** to compensate for the costs occurred in the crisis”

 “More importantly given the fiscal pressures **payers will expect greater price discounts and longer times to get listed**”

 “On longer term, the question of availability of treatments and management of shortage will become a real concern. **Only a few price agreements enforce a minimum volume of supply**”

Overall, payer organizations are expected to be working at 70-90% capacity over the next six months with some differences across markets

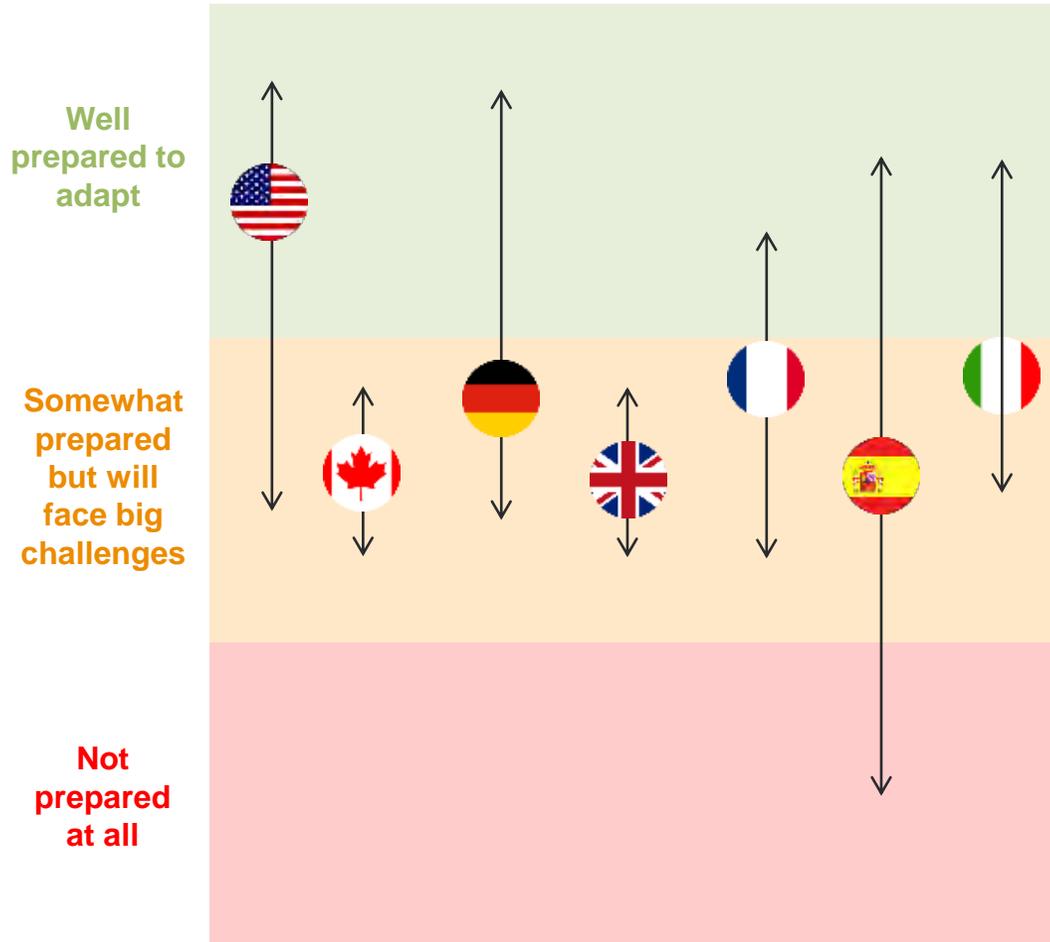
*Expected level of capacity for the next six months*



**US and ES payer organizations are expected to be working at >90% capacity, which is the highest among all markets**

# Payer organizations feel somewhat prepared to deal with changes resulting from COVID-19, although most acknowledge that they'll have to face big challenges

Level of preparedness to deal with change after COVID-19



Key areas of concern mentioned by payers

- 

“The only concerns that we have is **supply in our mail order pharmacies** and monitoring what FEMA is doing with stockpiling respiratory inhalers and IF we need to open up access to non preferred or NOT covered **respiratory inhalers**”
- 

“**Staff** replacement, **financial** resource constraints; and need for expedited **catch up planning** are main areas of concern”
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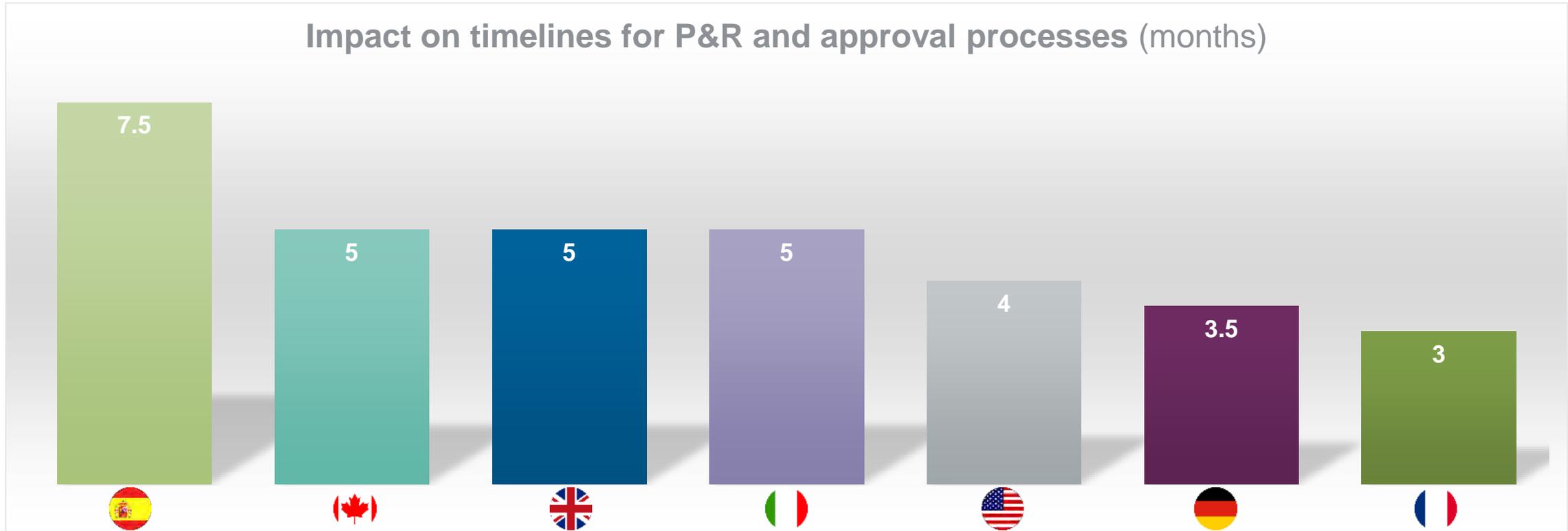
“Health insurance companies in general tend to be conservative, but the transfer from **face to face to virtual** worked and was managed astonishingly well. Of course infrastructure had to be scaled up, so that everybody could work from home, but it was done quickly and without the usual debates about possible problems”
- 

How **services** we commission **will need to be amended** in direct response to C-19 (e.g. rehabilitation for C-19 survivors, mental health services for those most severely affected, supporting primary care to recover from the additional burdens placed on them by supporting (as they are now expected to do) those in their registered population who have mild-moderate C-19 and those discharged from hospital after C-19 treatment.
- 

“CEPS needs to reconsider its **pricing doctrine**: availability of treatments, production and logistic organizations need to be **factored in to determine price level**. Focus must be put on the organization of healthcare and the gathering of clinical information, **drug treatment** can not be considered anymore as independent from other healthcare services”
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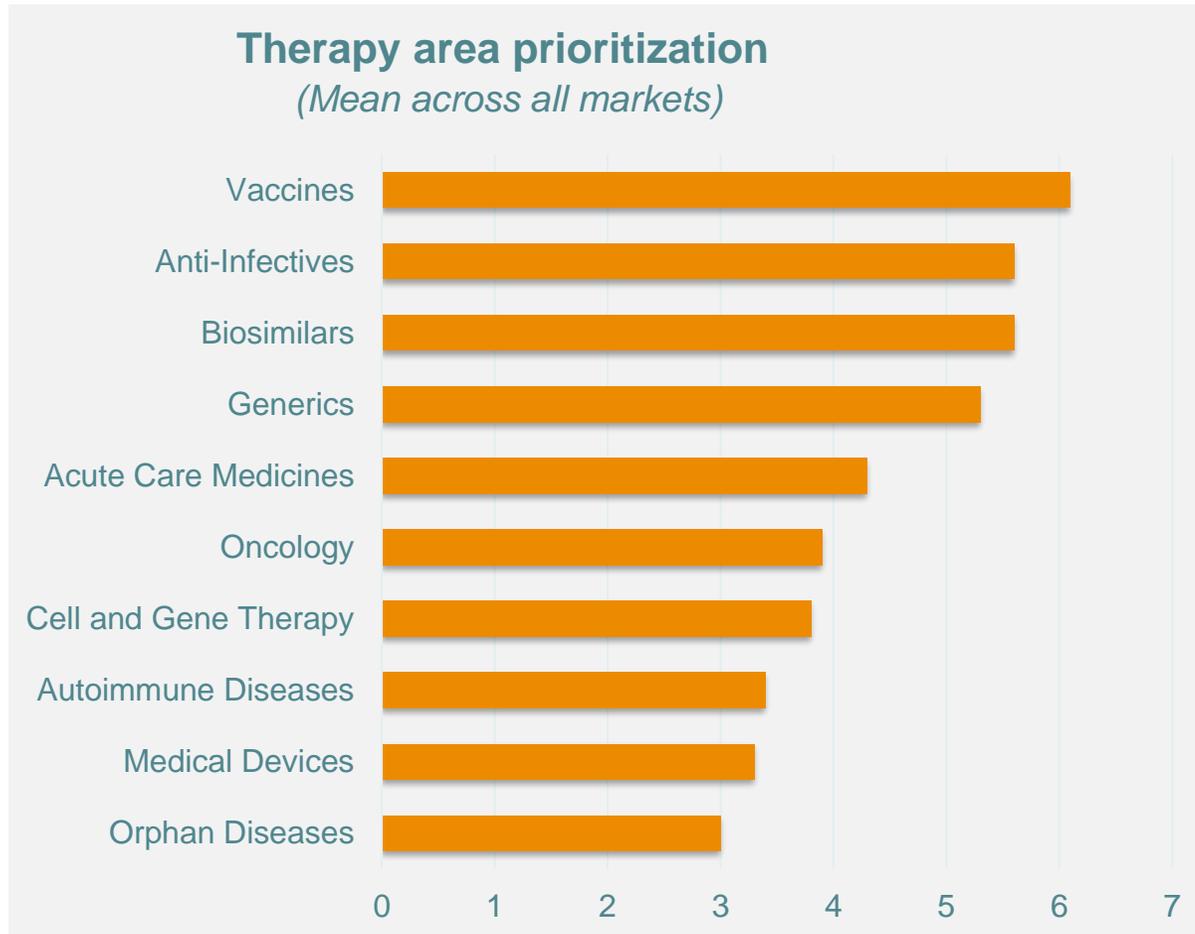
“Everything will depend on the **budget constrains** after the pandemic. People trust more the health care sector and there is unanimity in getting better funding; then, it will be a less complex financial situation for the sector. However, if financial constrains still remain tough, then more **restrictions to get access to drugs may be put in place**”

An average delay of 4-6 months is reported on P&R and approval processes, with Spain being the most pessimistic (+6 months delay) and Germany and France the most optimistic (<4 months)



*Those countries whose P&R procedures contemplate additional decision points at the regional/local levels are likely to experience higher delays on the overall access process of a new product*

Due to the financial and logistical burden of COVID-19, payers are prioritizing drug prices and reliable supply chains; from a clinical standpoint, vaccines and anti-infectives will be in focus



**Key:**

**0:** No additional prioritization – **7:** Extremely high prioritization

*“[Expect] less willingness to pay very high prices for drugs, [but] more investment in disease prevention and medicines’ supply infrastructure including even more willingness to invest in generics supplied from Europe...”*

 (G-BA Advisor)

*“The immediate focus is reimbursement and funding for COVID outbreak. We have massive concern on supply chain management and investment in factories for bio-pharmaceuticals in France/EU including generics, biosimilars and essential drugs and chemical ingredients”*

 (Former CEPS member)

*“Much more time on social determinants of health and assuring things such as making sure our members have food; vaccines will get more attention; the stress on medical costs will mean more pressure on drug pricing”*

 (Regional Payer MCO)

*“The current strain on finances means that we still need to emphasize the use of generics and biosimilars... this has not and will not change”*

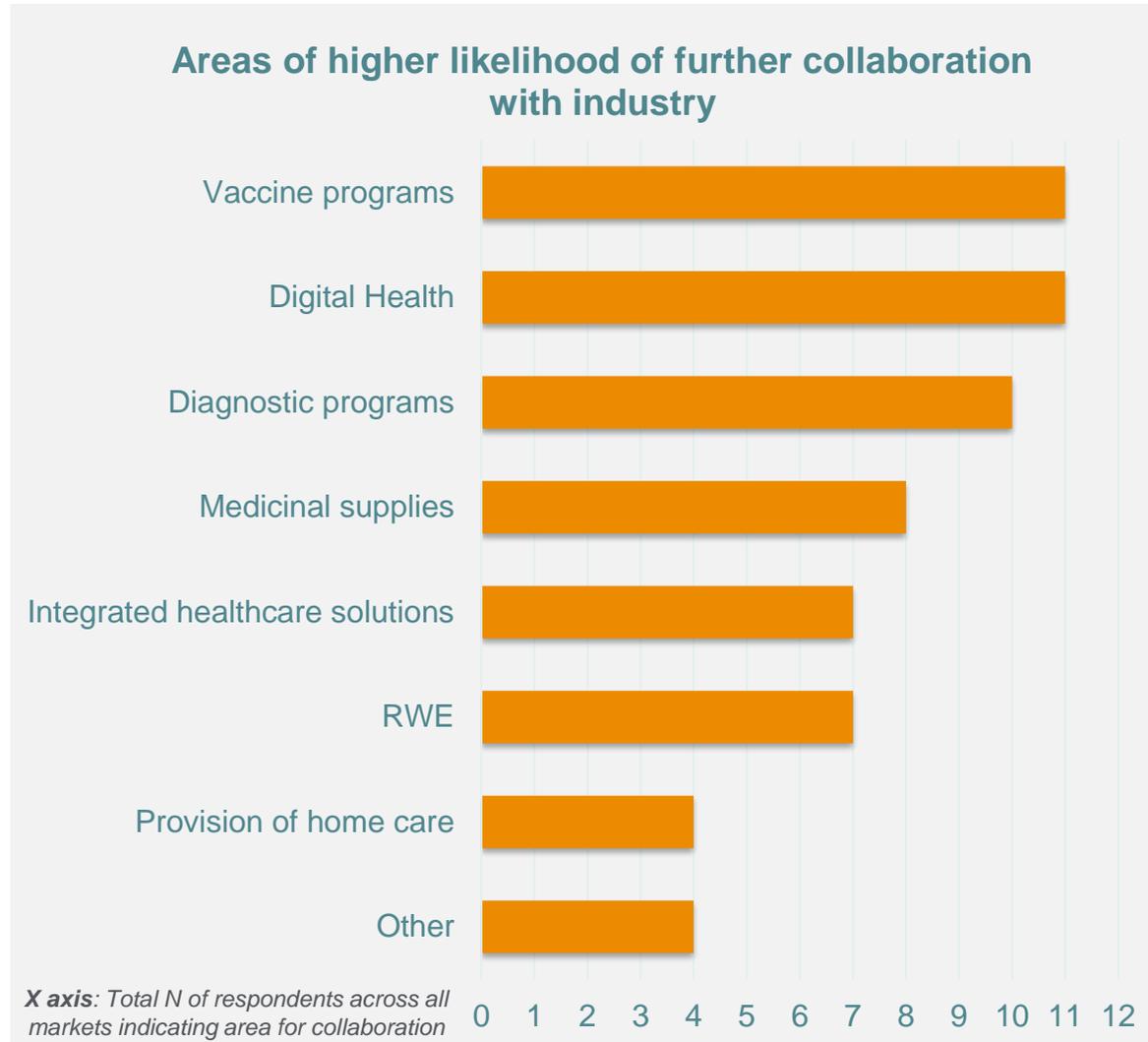
 (Ex-NICE member)

There are different perceptions in terms of industry response and the resulting impression, with Italy, the UK and the US being positive, and France and Canada seeming less satisfied

	How well do you think industry has responded to the crisis with their efforts to provide support to the healthcare system?				How has your perception of the industry changed as a result of that?		
	<i>Really well</i>	<i>Some have responded strongly</i>	<i>OK, generally</i>	<i>Industry should be doing more</i>	<i>Improved</i>	<i>Not much really</i>	<i>Worse</i>
DE (N=3)			 			 	
ES (N=3)					 		
FR (N=3)						 	
IT (N=3)		 			 		
UK (N=3)		 			  		
CAN (N=1)							
US (N=10)	 	   	 	 	 	     	

**N.B.** Every flag represents a respondent

# Payers see vaccines, diagnostic programs and digital health as the top areas for collaboration with the industry



**Digital and connected health**, which has developed slowly in the last 3 years, is now a key asset; examples of this are video consultation, which is now widely used by GP and tracking of patients affected by COVID19  
**(CEPS Payer)**

Improving development of **Diagnostic program** with analysis on real life events. Development **new vaccine** for viral disease  
**(National Payer IT)**

This crisis has modified the priorities to other areas, such as **diagnostics**, prevention (**vaccines** development), guarantees of **medicinal supplies** and also **telehealth**, as many patients cannot go to their usual points of care  
**(National and Regional Payer, ES)**

“This crises has pointed to the success that can be realized from rapidly mobilizing private and public funding. **Testing has been a success story with availability of tests but rapid innovation in rapid testing and now point of care testing**”  
**(Regional Payer – MCO/IDN/ACO)**

# Payers consistently refer to empathy, security of supply and support in COVID-19 medication-related activities as the top things that they expect from industry at the moment

## What can industry do to support you right now?

<p>1</p> <p><b>Empathize with the current situation and shifting priorities</b></p>	<p>“Be <b>patient</b> and kind in their approach to those whom they wish to talk to about new products. <b>Send information</b> rather than seeking face to face or phone interactions. Understand that the decision-makers will do better if you can <b>give them time and space</b> to evaluate the evidence and implications; good drugs will do well as they will show they can deliver” </p>	<p>“I can imagine that the industry could <b>adapt to the current needs</b> to tackle the pandemic” </p> <p>“Be <b>flexible</b> in requesting payment” </p> <p>Appreciate they are <b>busy</b> and focused on COVID19 </p>	<p>“<b>To understand</b> and to take into accounts the <b>priorities</b> once they will be clarified by health authorities, which may have impact on <b>P&amp;R decisions</b>” </p>	
<p>2</p> <p><b>Ensure security supply to avoid unexpected shortages</b></p>	<p>“Increase <b>supply</b> and <b>production</b> as required - be flexible to community and provider demands, and focus on the <b>shortages</b> and extreme demand during the crisis” </p>	<p>“To help identify which products might be subject to <b>supply issues</b>” </p> <p>“Endeavor to <b>keep supply of all drugs</b> consistent so shortages of, e.g, CV drugs does not occur” </p>	<p><b>Supply chain management commitment</b> with emergency local stock of at least 3 months coverage of needs in advance to avoid shortage </p> <p>“Provide continuous <b>supply updates</b> on a weekly basis” </p> <p>“Invest in <b>EU production plants</b>” </p>	<p>“Apply their best efforts to ensuring that <b>supplies of medicines</b> are maintained as far as is possible. If there are <b>shortages</b> industry can help patients by considering publication of guidance of options which health care professionals can use to help people obtain sufficient medication for their needs” </p>
<p>3</p> <p><b>Support all COVID-19 medication-related activities</b></p>	<p>“Supplying <b>off-label drugs</b> potentially active in COVID-19 patients in <b>compassionate use</b> programs. Supporting <b>clinical no-profit trials</b> on the efficacy and safety of drugs potentially active in COVID-19 patients or financing randomized clinical trials for the development of a new drug active in these patients” </p>	<p>“Do research to offer <b>new curative treatments</b> (design and organize new clinical trials given the cumulated knowledge in this area); <b>release some patents</b>, if needed, to provide cheaper medications worldwide (this will improve the reputation of the industry, worldwide too)” </p>	<p>“COVID-19 <b>medications</b> (development/testing), being realistic with drug prices” and increase <b>vaccine production</b>” </p>	<p>“Support <b>accelerated clinical trials</b> for drugs to prevent/treat COVID-19. For example, <b>IL-6 evaluations</b>. Step up <b>production of confirmed therapies</b>, and <b>facilitating shipment</b> to needed sites/patients/locations as low cost” </p>

With regards to what payers do *not* expect from industry in this situation, they consistently point to having high P&R expectations and insisting on driving their own agendas, ignoring the new reality

**What should industry avoid doing right now?**

1

**Having high P&R expectations for products**

“Large **price increases** ignoring financial and operational stress on rest of health care system” 

“**Price increases** in areas without regulated prices and shortages in areas where the demand is high due to the crisis. **Policy initiatives** to improve the position of the industry in pricing and reimbursement after the crisis” 

“To increase **pricing expectation** to cover losses resulting from the COVID19 pandemic” 

Asking **increase of price**; revision in Managed Entry Agreements; **decrease in discount**” 

“**Insist on reimbursement** for an extension of a current available drug for a new indication with a small incremental medical benefit [small effect size in oncology with PFS improvement; 6 months, 25% Relative risk reduction in an orphan indication...]” 

2

**Put pressure to drive industry agenda instead of supporting new priorities**

“Badger on the “need to present whatever virtually “now” or “when a product will be reviewed for coverage”. **Let us drive the need for interaction** and please be **responsive to our needs/timeline**” 

“Try to push their formulary access agenda too hard on us now during a busy time working to help patients infected with COVID-19, **NOT communicate with us on an “as-needed” basis** or just to check in if there are any questions, no others” 

“**Reduce interactions with payers**; Assume payers are not interested in any other topic except COVID-19” 

“**Do not bombard colleagues in the NHS** with emails asking for appointments even if these are on-line/video/Zoom. To do their job, and to help you do yours of getting new drugs into use, payers need to secure information and engagement from front-line clinicians; implementation depends upon those connections and during the crisis and for some time after that clinicians will have other priorities” 

“**Not to prioritize their sales targets** that are not related to urgent situation. **Not to prioritize access to new drugs** not related to urgent situation until September” 

“Do not imagine that **your newly licensed or NICE’d drug** is the most important or urgent issue for a payer or patients to deal with” 

“**Visits of representatives** and focus on new drugs in non-core areas” 

“**Refusing to supply drugs** potentially active in COVID-19 patients in any type of early access programs. Supporting clinical trials on drugs potentially active in COVID-19 patients only in **centers** that are potentially **more interesting for marketing reasons. Refusing to support non-profit trials** on drugs potentially active in COVID-19 patients” 

German payers are optimistic on maintaining current levels of funding and reimbursement, UK payers expect significant changes, and the US indicate a need for more savings

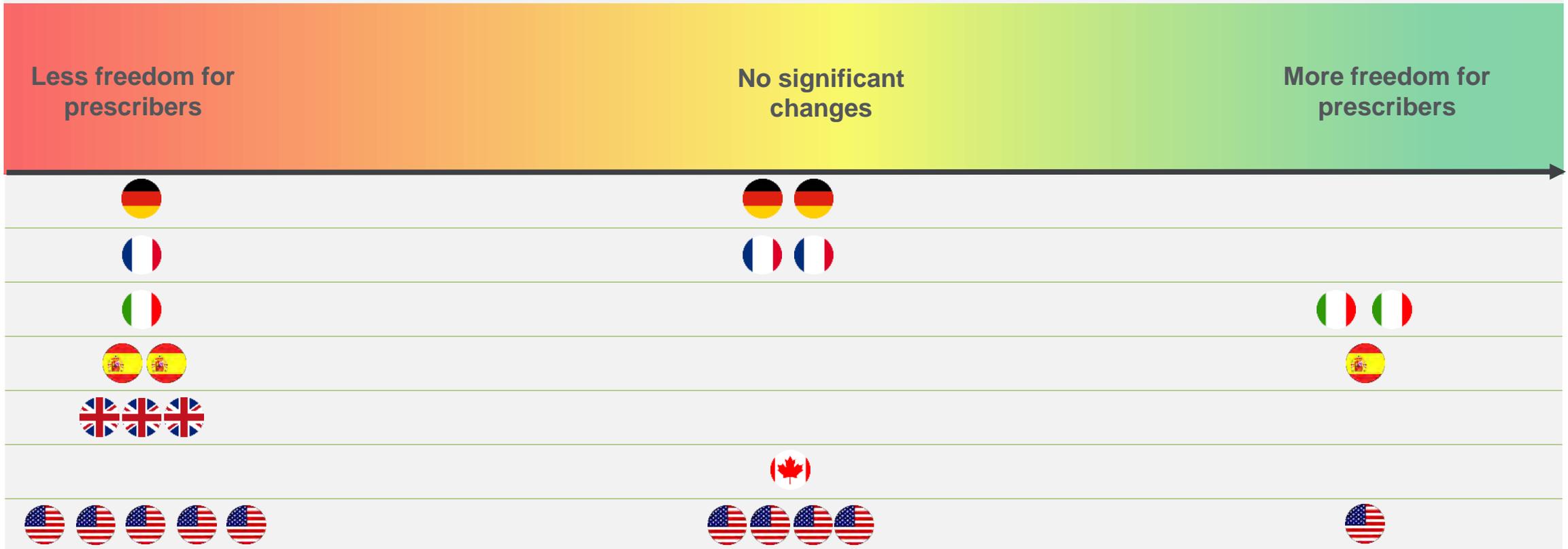
*Will healthcare systems be able to sustain the current level of pre-crisis funding and reimbursement?*



*Every flag represents a respondent*

With the exception of Italy, most respondents report less freedom for prescribers moving forward and only a few do not expect significant changes in current prescribing and utilization restrictions

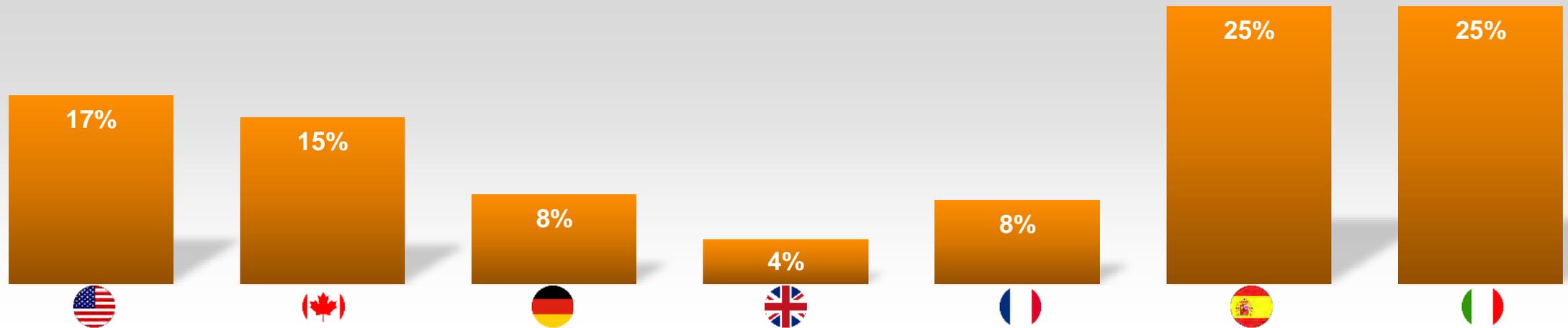
*What changes might we see in terms of how prescribing and utilization is managed?*



*Every flag represents a respondent*

On average, payers expect to lose ~20% of their budget due to reduced taxation and reallocation of funding, although there are relevant differences across markets, with the UK being the least pessimistic

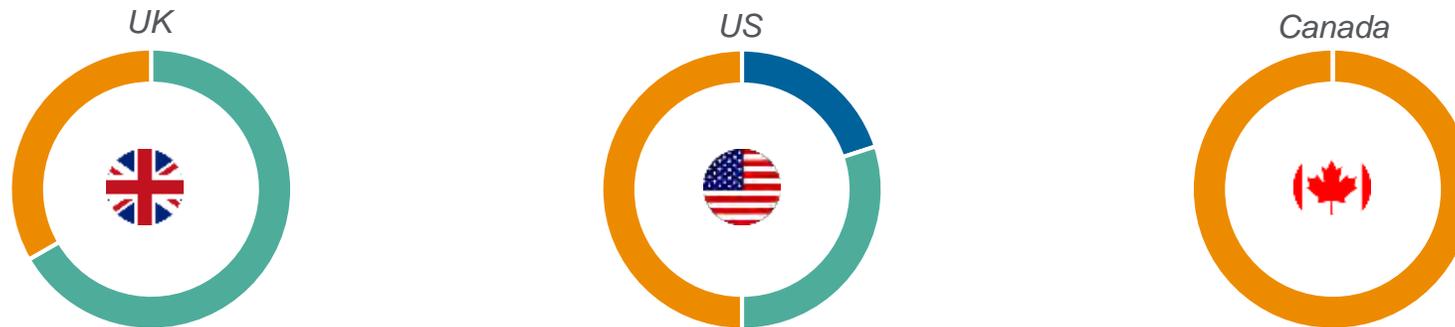
### Expected loss of budget % due to reallocation



All payers report some level of concern regarding continuity of medicinal supply, with more than 50% reporting as significant; only one Italian payer and three in the US have no concerns



*How concerned are you with the continuity of medicinal supply, either due to supply chains, treatment switching or discontinuations, patient's ability to access pharmacy?*



**Key:**



Yes, I have significant concerns over the continuity of medicinal supplies



Some specific areas are at a higher risk-levels



The infrastructure is strong enough to cope, mainly

# Country-specific insights





## US: Market-specific insights





## US payers do not foresee significant impact in the short-/medium-term as a result of COVID-19 other than moving towards virtual engagement and potential issues with supply

 “We do not expect any significant changes other than the **use of more virtual engagements and presentations**”  
(Regional Payer)

 “**Virtual meetings have increased to close the gap.** Online meetings and quarterly meeting are at a peak. Industry has had to quickly reformulate how they interact and present their messaging”  
(Regional Payer)

 “Most interaction will **shift to virtual** but other than that it's **business as usual**, all business can be conducted/managed without being face to face”  
(Regional Payer)

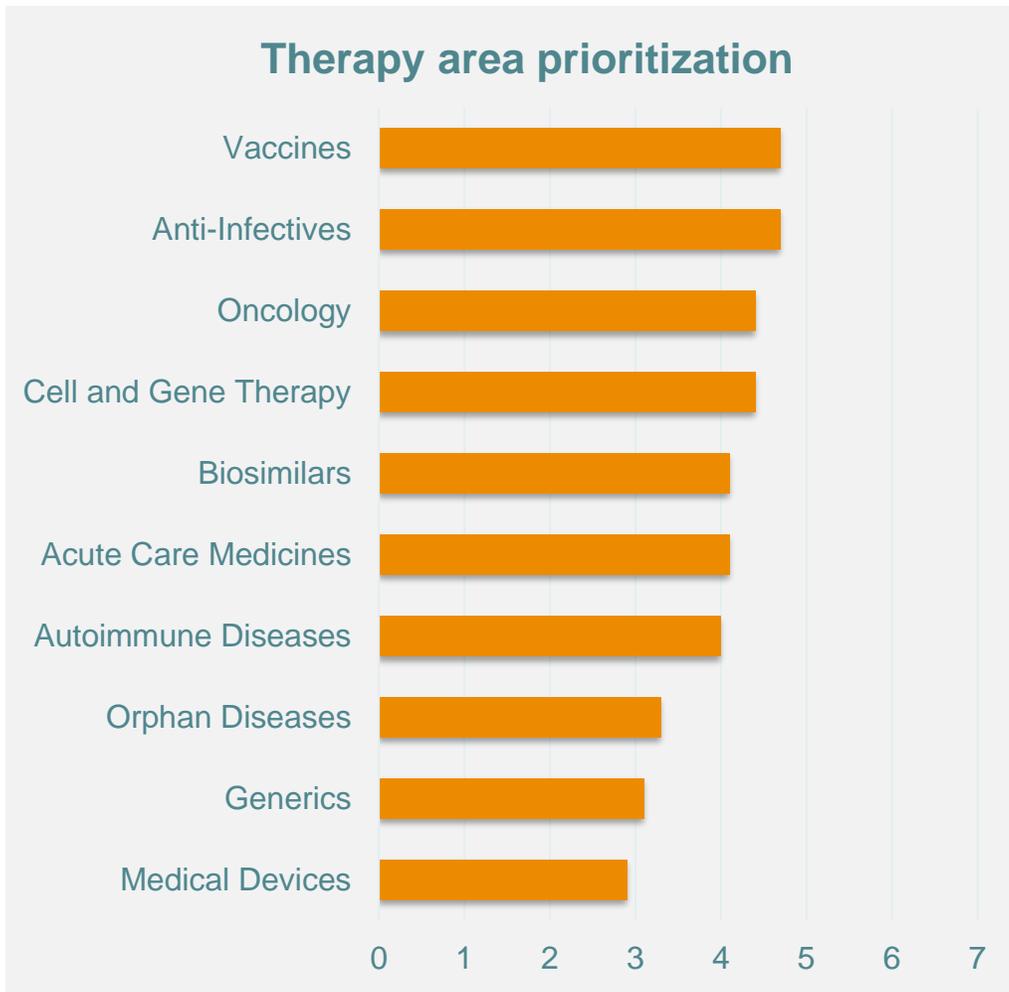
 “**Impact will be minimal.** Decisions about the July formulary changes has already been complete. Work on the January changes will be ramping up in the next few weeks”  
(National integrated benefits carrier)

 “In person meetings have stopped, but **virtual meetings have increased** to close the gap. Online meetings and quarterly meeting are at a peak. **Industry has had to quickly reformulate** how they interact and present their messaging, calls are at an all time high and scheduling is the key. We think this will continue for at least 3 quarters”  
(Regional Payer)

 “Short and Medium term impacts due to COVID-19 would be issues with **supply of certain medications**, potential to add competitors in the respiratory space due to shortages that may impact rebates and net cost projections in the class”  
(National Payer and PBM)



US payers refer to vaccines, anti-infectives, oncology, and cell and gene therapies as the highest priority therapy areas; telehealth, drug costs and patient support are also deemed priorities



(0 no additional prioritization – 7 extremely high prioritization)

### Other top priorities/comments mentioned by payers

“Shift institutional resources and infrastructure to **acute care**, use telehealth for outpatient management, and triage defer/delay elective procedures”  
**(Regional Payer – MCO/IDN/ACO)**

“**Drug acquisition costs, patient support** (both Rx and medical), **behavioral health support**”  
**(National integrated benefits carrier)**

“Increase/improve **tele-health options**; adjust staffing for **call centers** to account for increased volume; **remove patient cost share** for all COVID 19 related services, such as testing, tele health visits, office visits” **(Regional Payer)**

“**Patient support tools** are moving to the top on the list along with **acute care focus**; resources are shifted to **communication and tele-health services**” **(Regional Payer)**

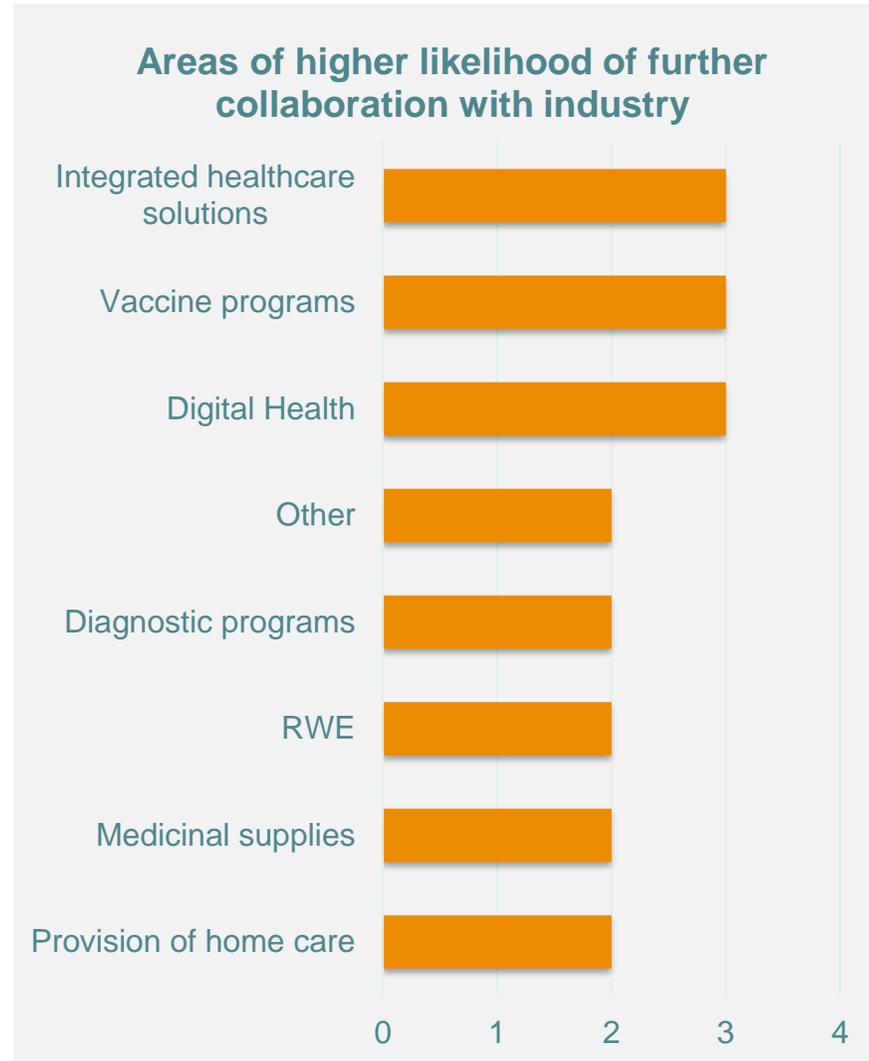
“Much more time on social determinants of health and assuring things such as making sure our members have food; vaccines will get more attention; the stress on medical costs will mean **more pressure on drug pricing**” **(Regional Payer MCO)**

“**Respiratory inhaler supply, drug acquisition costs** and opening up **access for additional medications** and/or allowing more 90-day fills” **(Regional Payer)**

“Member education regarding Covid-19; Increasing call center resources to address increased call volume; Patient support programs” **(Regional Payer and PBM)**



# US payers have identified integrated healthcare solutions, vaccine programs and digital health as the top three areas in terms of willingness to explore partnership opportunities with the industry



Ordered by number of mentions by payers

“This crises has pointed to the success that can be realized from rapidly mobilizing private and public funding. Testing has been a success story with availability of tests but rapid innovation in rapid testing and now point of care testing” **(Regional Payer – MCO/IDN/ACO)**

“Being that my company is an integrated carrier we place great value in assessing Real World evidence and **Integrated solutions** that augment the Rx benefit being imbedded with the medical benefit. Furthermore, in this era of keeping ones distance, the expansion of digital solution and home care options is ripe to explore. Naturally, working with manufactures to promote the importance of **Vaccines** would be well worth the partnering” **(National integrated benefits carrier)**

“As a payor, our interaction with Industry, would not significantly alter as there would not be a reason to alter such. PERHAPS. if/when we obtain covid-19 vaccine, **vaccine programs** that pharma has may be of interest” **(Regional Payer)**

“Always interested in **RWE** especially in the areas of Immunology-oncology, genetic interventions; **Medicinal supplies**: Acquisition and supply chain changes in view of the current strain and specialty distributions affected by the decreased timeliness of the supply chain. Also, al though there is a decrease in medical expenditures, especially for elective surgery in the short term, is likely to soar in the long term. **Vaccines**: what we are seeing is a rocketing demand, especially in elderly populations for pneumonia and related vaccines. New methods and payment methodologies are being developed to combat the crisis and look forward to a COVID Vaccine. **Diagnostics** related to the immediate crisis are increased, but should return to some normalcy in the long term” **(Regional Payer)**

“Need to figure out how to do more for members in their **home** from medical care to drug delivery” **(Regional Payer MCO)**

“Increased willingness to partner on initiatives that provide effective treatment and management through **digital means**” **(Regional Payer)**

“Pharma's response to any COVID-19 issues **does not increase our willingness to work with them post COVID-19** as our business goals and formulary willingness will be the same pre and post-COVID 19 with manufacturers” **(Regional Payer and PBM)**



# US payers highlight the need for industry to support them in drug distribution, cost-sharing and COVID-19-focused R&D, and to avoid adding pressure by focusing on other diseases

## What are the top three things that industry can do right now to support the payer community and patients?

“**Education, support, home care/home infusion, telehealth, fund PPE, vaccine, develop effective treatment options**” (Regional Payer – MCO/IDN/ACO)

“Ensure **access** to drugs; provide **financial assistance**; avoid egregious price inflation” (National integrated benefits carrier)

“Support **accelerated clinical trials** for drugs to prevent/treat COVID-19 directly or the sequela of infection. For example, **IL-6 evaluations**. Step up **production of therapies**, once known/confirmed and **facilitating shipment** to needed sites/patients/locations as low cost. IE **park the "whatever the market will bear" attitude in pricing**. Endeavor to **keep supply of all drugs** consistent so shortages of, for example, Cardiovascular drugs does not occur. Recognize the **need for flexibility** and take the queue from us” (Regional Payer)

“Increase **supply** and **production** as required - be flexible to community and provider demands, and focus on the **shortages** and extreme demand during the crisis” (Regional Payer)

“Helping **get drugs physically to members; donations** for support of social needs for members; **limiting price increases** for the rest of the year” (Regional Payer MCO)

“Provide continuous **supply updates** on a weekly basis, create a **vaccine** to provide a cure, start any and all FDA trials for COVID-19 treatments” (National Payer and PBM)

“Continue to **engage with payers** regularly and as before; Increase willingness to partner on initiatives that provide effective treatment and management through **digital** means; **Keep payers up to date** on manufacturer programs and offerings” (Regional Payer)

## What are the top three things you need industry *not* to do during the crisis period?

“Create even more **pressure** on system”  
(Regional Payer – MCO/IDN/ACO)

“Raise **prices**; reduce **drugs**; cut **financial assistance** programs”  
(National integrated benefits carrier)

“Badger on the "need to present whatever virtually "now" or "when a product will be reviewed for coverage". **Let us drive the need for interaction** and please be **responsive to our needs/timeline**” (Regional Payer)

“Progress will always take place, but a **reactive approach** to the short term needs of the medical community are needed right now. **Support acquisition and supply issues** to save lives. Delay other **non-essential activities**. Convert to **online communication** with payers and providers, but be judicious”  
(Regional Payer)

“Large **price increases**; ignoring **financial and operational stress** on rest of health care system; more DTC” (National Payer and PBM)

“Try to push their formulary access agenda too hard on us now during a busy time working to help patients infected with COVID-19, **NOT communicate with us on an "as-needed" basis** or just to check in if there are any questions, no others” (Regional Payer)

“**Reduce interactions** with payers; Assume payers are not interested in any other topic except COVID-19; Do not change how they **partner with payers**” (National Payer and PBM)



# Whereas ~40% of US payers anticipate some changes to the design of benefit plans, most expect no impact in the timelines regarding US pricing policies

	Do you think the COVID-19 pandemic will result in changes to the design of benefit plans?			What impact do you believe the COVID-19 pandemic will have on US pricing policies, such as IRP, ICER, rebates?		
	<i>Yes, we will have to implement significant changes</i>	<i>There will be some big changes, but most will remain the same</i>	<i>No, things will be largely the same</i>	<i>Dramatic acceleration</i>	<i>Will not change the timelines</i>	<i>Slow them down</i>
<b>Regional Payer MCO/IDN/ACO</b>						
<b>National integrated benefits carrier</b>						
<b>Regional Payer</b>						
<b>Regional Payer</b>						
<b>Regional Payer MCO</b>						
<b>National Payer and PBM</b>						
<i>Regional Payer</i>						



## Canada: Market-specific insights





## In Canada, payers expect immediate delays in submission reviews and provincial benefit listing with greater price discount expectations and longer times to product listing in the mid-term



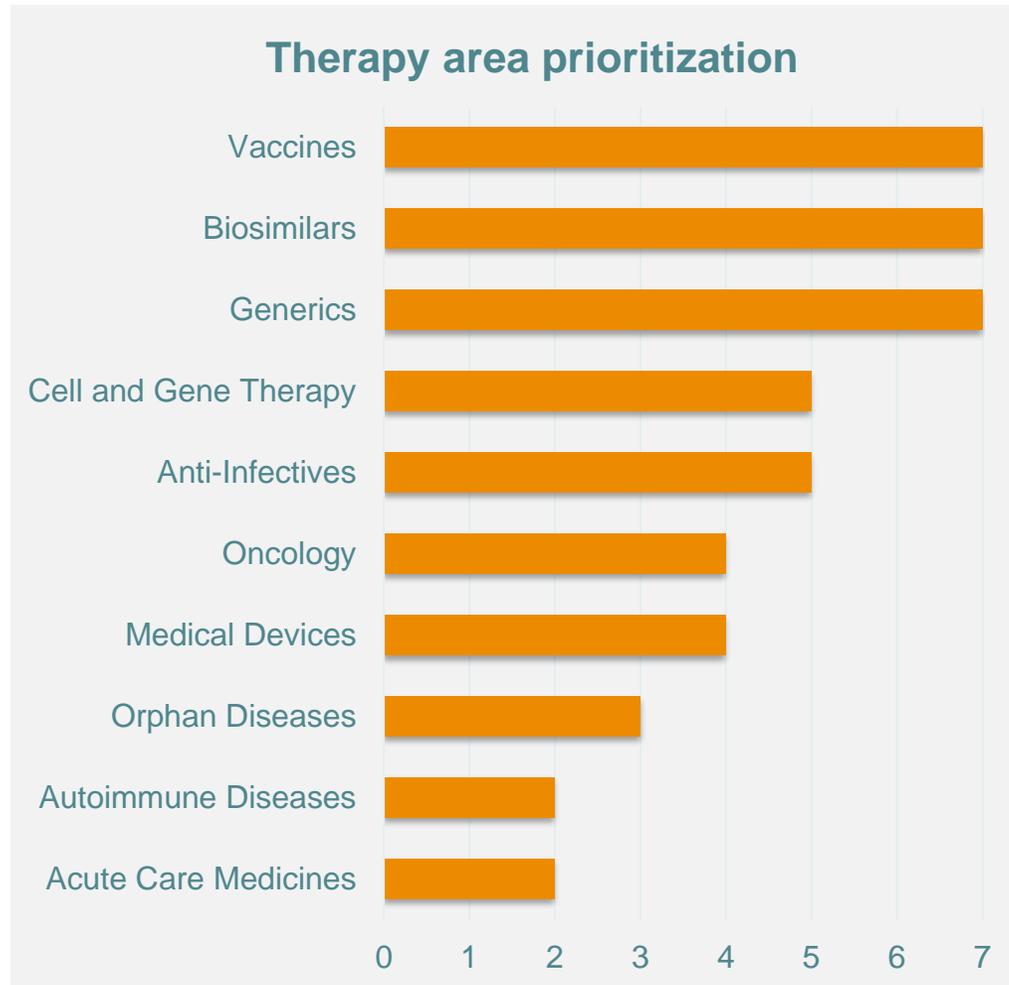
*“In the short term any **submission reviews**, (HTA bodies and price negotiations (pCPA) and **provincial benefit listings** will be **paused until at least until the end of May or June 2020**. Current provincial staff are being redeployed to Covid 19 acute-emergent operational issues”*  
*(Former Provincial and pCPA Payer)*



*“Once some sense of normalcy is re-established - a catch up period will ensue - i.e. focus and prioritize existing submissions-negotiations, but more importantly given the fiscal pressures **payers will expect greater price discounts and longer times to get listed; access to decision maker may also be restricted**”*  
*(Former Provincial and pCPA Payer)*



Canadian payers are focused on the short-term impact of the pandemic and highlight the need to rapidly and effectively allocate healthcare resources to avoid disruptions in healthcare provision



(0 no additional prioritization – 7 extremely high prioritization)

### Other top priorities/comments mentioned by payers

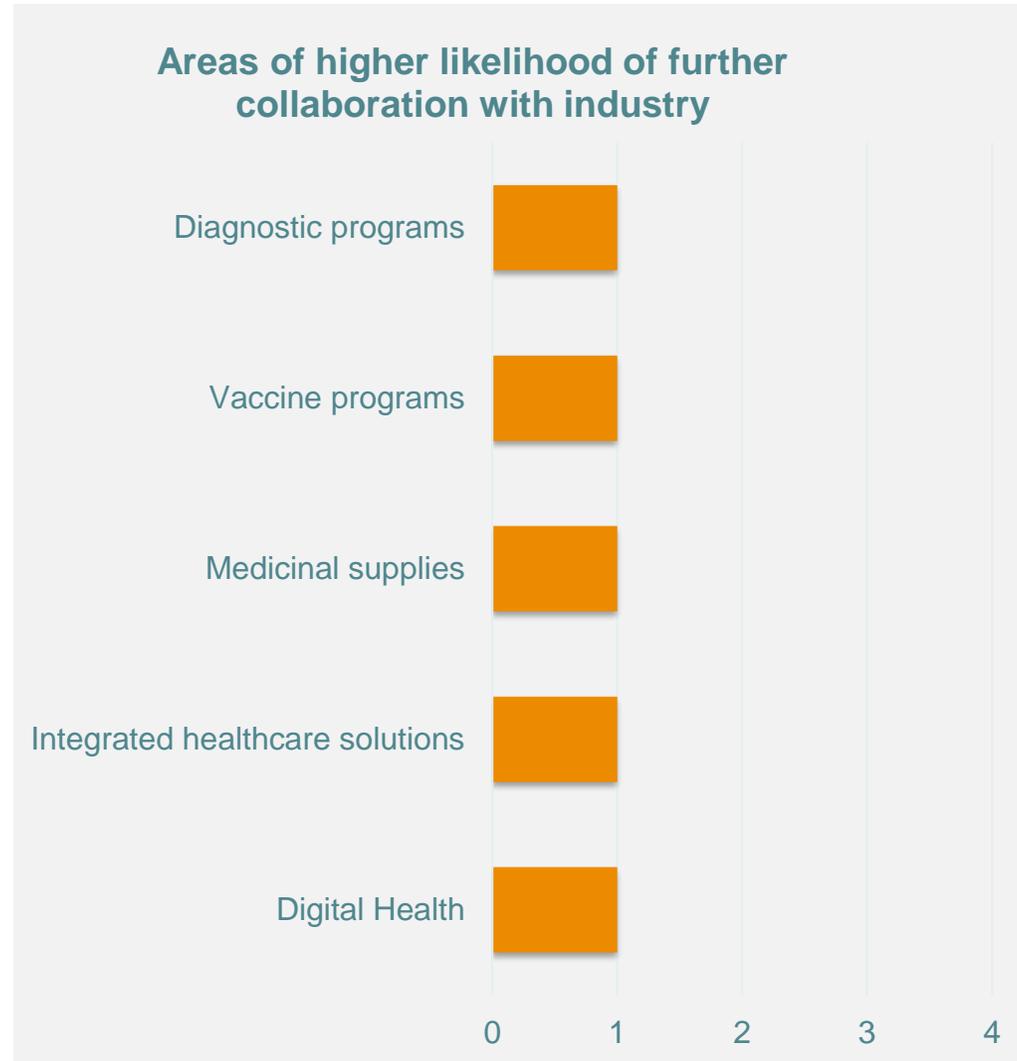
“Our main priority is to **provide acute care with support for COVID-19** (i.e. manpower and product acquisition)”  
 (Former Provincial and pCPA Payer)

“We need to increase external communication and **redeploy resources to support the public health** branch in terms of **planning and crisis management**”  
 (Former Provincial and pCPA Payer)

“Maintain **operational pharmacy claims submission and prior authorization support**”  
 (Former Provincial and pCPA Payer)



# In Canada, payers refer to digital technology as a key area where industry should take the lead to enable efficient communications moving forward



Ordered by number of mentions by payers

*“Fundamentally industry needs to ensure **supply continuity** rather than focus on access queries; furthermore, industry collectively should embrace **digital technology** to redefine communication efficiency; finally this challenging time provides opportunity to identify, measure and optimize treatments which can minimize health system constraints i.e. oral oncology agents versus IV”*  
**(Former Provincial and pCPA Payer)**



In Canada, payers expect the industry to rapidly respond to healthcare system requests and provide logistical support, and recognize that the pre-COVID status quo will no longer apply

What are the top three things that industry can do right now to support the payer community and patients?

*“Supply management”*

*“Communication efficiency”*

*“Health system optimization”*

What are the top three things you need industry *not* to do during the crisis period?

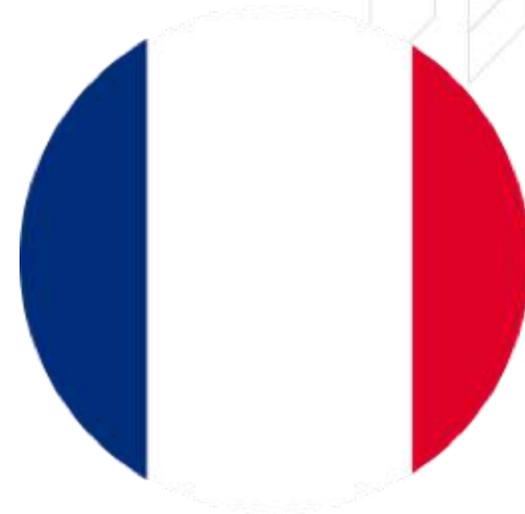
*“Do nothing”*

*“Assume status quo - i.e. request for file completion and or initiation”*

*“Failure to prepare for post COVID-19 reality”*



## France: Market-specific insights





French payers coincide on an expected delay in HTA and reimbursement decisions and refer to an expected delay on the sign off of the new framework agreement between CEPS and industry

“**Delay all HTA and reimbursement decisions** outside COVID emergencies (off label use) and **fast track reimbursement for catastrophic diseases** with limited options (last resort options in oncology, ATU, ATMP for orphan diseases); **More video online meetings** (e.g. CT meetings)  
(Ex-TC member)

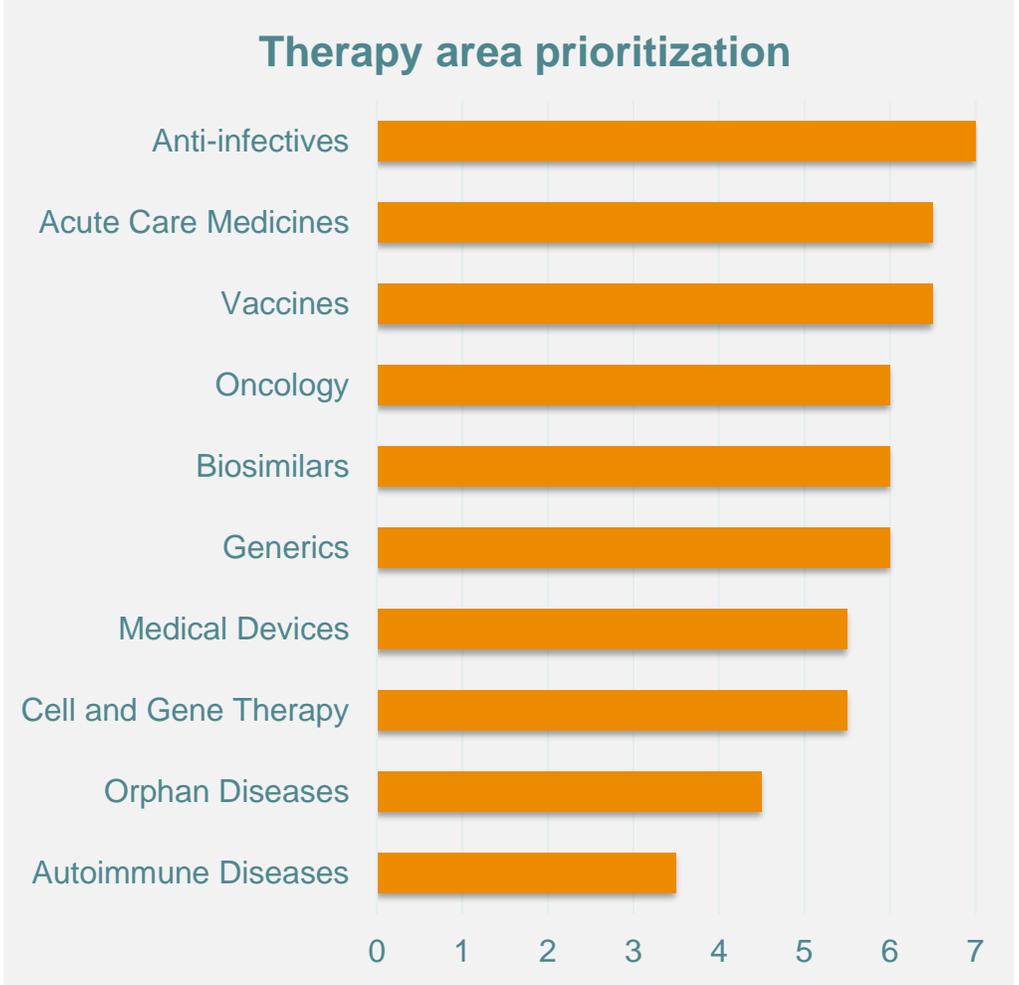
“A new **"framework agreement"** between the **CEPS and the representatives of pharmaceutical industry** was supposed to be signed before the end of June, now a delay is expected on this”  
(Ex-CEPS member)

“The immediate impact of COVID19 pandemic is to **delay some important decisions over pricing and reimbursement**”  
(Ex-TC member)

“On longer term, the question of **availability of treatments and management of shortage will become a real concern.** Only a few price agreements enforce a minimum volume of supply.”  
(Ex-CEPS member)



French payers are also seeking to ensure reliable supply chains for medicines, citing a preference for local/regional ones, and see an increasing focus on anti-infective and acute care medicines



(0 no additional prioritization – 7 extremely high prioritization)

### Other top priorities/comments mentioned by payers

“The **immediate focus** is **reimbursement and funding for COVID** outbreak. We have **massive concern on supply chain management and investment in factories for bio-pharmaceuticals in France/EU** including generics, biosimilars and essential drugs and chemical ingredients”  
 (Former CEPS member)

“**Manufacturing and logistic chain** is something that we are all talking about, you can see the shortages. Other priorities are to **promote clinical trials** [for COVID therapies] and a general focus on **infectious diseases**”  
 (Former CEPS member)



# French payers refer to digitization and medicine supplies as the two key areas of focus after the COVID-19 crisis where there might be an opportunity to liaise with pharma companies



Ordered by number of mentions by payers

*“The focus will be very much on **avoidance of shortage for essentials medicine** tackling with basic care and treating serious illness; more attention on outcomes, **digitalization** and infections life threatening indication”*  
 (Ex-CEPS member)

*“**Digital and connected health**, which has developed slowly in the last 3 years, is now a key asset; examples of this are video consultation, which is now widely used by GP and tracking of patients affected by COVID19 who do not need hospital care is made through a phone application or internet website. This second example is the first experience of mass tracking of patient. It was made possible by a smooth cooperation between doctors in private practice and Paris Hospitals (AP-HP)”*  
 (Ex-TC member)



## French payers highlight the need for industry to ensure seamless supply channels, and be supportive and collaborative on prospective national policies

### What are the top three things that industry can do right now to support the payer community and patients?

*“There is an urgent need to reshape support for very quick **clinical trials** in the outpatient setting with a more efficient IT; **Web-based infrastructure** and fast inclusion of patients and data set real time analysis by research associates who are not HCP in order to let HCP dealing with care rather than research **Supply chain management commitment** with emergency local stock of at least 3 months coverage of needs in advance to avoid shortage; help the **R&D process** to be less bureaucratic and incorporate in the process, new professionals who are not scientists or HCP in order to increase **effectiveness of most CRO**; collaborate more with **governments** directly”*

*(Ex-TC member)*

*“To understand and to take into accounts the **priorities** once they will be clarified by health authorities, which may have impact on **reimbursement decisions and pricing**; To help identify which products might be subject to **supply issues**; Develop internal **research** for new products and support public research”*

*(Ex-TC member)*

### What are the top three things you need industry *not* to do during the crisis period?

*“Insist on **reimbursement** for an extension of a current available drug for a new indication with a small incremental medical benefit [small effect size in oncology with PFS improvement; 6 months, 25% relative risk reduction in an orphan indication...]; Underestimate **country specific shortage** of essential drugs; Underestimate the need for better **payer and government survey intelligence**”*

*(Ex-CEPS member)*

*“To increase **pricing expectation** to cover losses resulting from the COVID19 pandemic; to persist in **subcontracting production** and even development of products; to neglect **public health priorities** which are likely to be reformulated after the pandemic”*

*(Ex-CEPS member)*



## Germany: Market-specific insights





## German payers are positive about the shift towards virtual interactions but acknowledge a certain level of impact as they adapt to handle the crisis



“We had to **switch to virtual meetings** using telephone or video conferences. Our experience is, that **it works (mostly) very well**. I guess one of the consequences is, that we will use virtual meetings more frequently in the future. I think this is a **great opportunity**, as it is less time consuming (no travelling), much easier to find timeslots where everybody is available and the results are the same”

*(Sick-Fund Payer)*

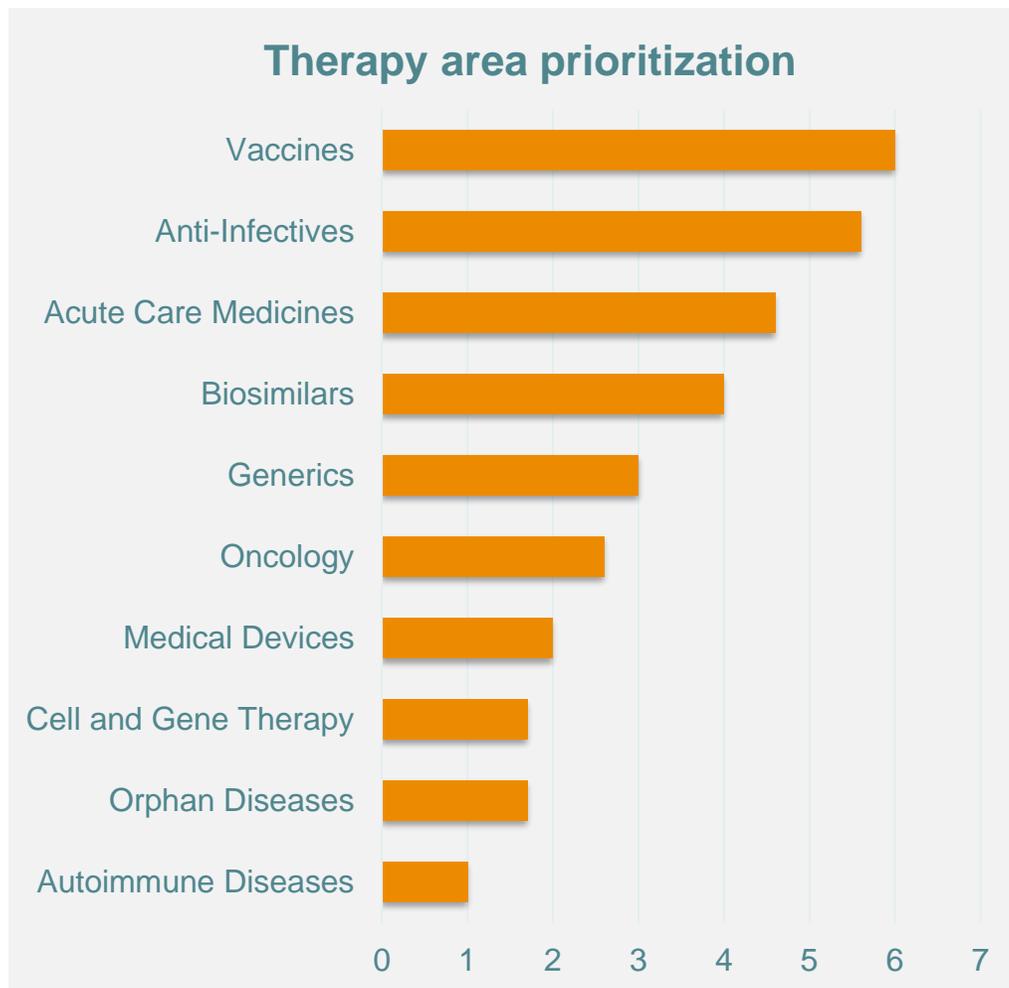


“Resources in the short term will focus on management of the crisis. There will be avoidance of direct contact, but **no change in policies**. Medium term **impact on willingness to fund very high prices** and focus on **cost-saving initiatives** to compensate for the costs occurred in the crisis”

*(G-BA Advisor)*



# German payers expect prioritization of EU-based suppliers, and more investment in healthcare infrastructure including telemedicine, vaccines and anti-infectives



(0 no additional prioritization – 7 extremely high prioritization)

## Other top priorities/comments mentioned by payers

“I would expect a **continuing redeployment of resources to tackle the pandemic**; otherwise, [for the longer term] a change in the law would be required [to formalize the change of focus for payers]”  
 (Sick-Fund Payer)

“[Expect] less willingness to pay very high prices for drugs, [but] **more investment in disease prevention and medicines’ supply infrastructure** including even **more willingness to invest in generics supplied from Europe**. Also, **increasing investment in care delivery infrastructure**, especially hospital capacity, will increase”  
 (G-BA Advisor)

“A better and more **structured overview of available health care resources** (e.g. ICU beds, drugs etc.)”  
 (G-BA Advisor)

“**IT infrastructure and use of digital approaches in ambulatory medicine** (e.g. telemedicine consultations)”  
 (Sick-Fund Payer)

“[We are rethinking the] **supply of vaccines and drugs** - end of globalization of drug manufacturing / **more drug production based in EU**”  
 (GBA-Advisor)



German payers do not expect the pandemic to affect payer/pharma relationships in terms of pricing and reimbursement; however, they expect more support around medicinal supplies



*“I can imagine a increase in public/private partnerships in general as a consequence of the pandemic, but I would not expect **any changes in the roles when it comes to pricing and reimbursement** due to the pandemic.”*  
**(National payer)**

*“In terms of **supply** there will be a political demand for more independence from international supply chains”*  
**(Sick-Fund Payer)**

***Medicinal supplies:** the price will be less important, but where you get your raw material from and where you produce will become more important*  
**(Sick-Fund Payer)**

Ordered by number of mentions by payers



## German payers have lesser expectations from industry; however, they do note the need for industry to prioritize the development of therapies for COVID-19

### What are the top three things that industry can do right now to support the payer community and patients?

*“I do not think that the payer community and patients are the same. I can imagine that the industry could **adapt to the current needs** to tackle the pandemic, but **I do not see any change in the needs of the payer community**. This is a public health issue”*

*(Sick-Fund Payer)*

*“Reliable **supply** of drugs, **COVID-19** medications (development/testing), being realistic with drug **prices**”*

*(Sick-Fund Payer)*

*“Increase **vaccine** production (e.g. influenza, pneumococci); invest in **EU production plants**; switch to products urgently **needed** (face-masks, disinfectants)”*

*(G-BA Advisor)*

### What are the top three things you need industry *not* to do during the crisis period?

*“**Price** increases in areas without regulated prices and **shortages** in areas where the demand is high due to the crisis. **Policy initiatives** to improve the position of the industry in pricing and reimbursement after the crisis”*

*(G-BA Advisor)*

*“Visits of **representatives**”*

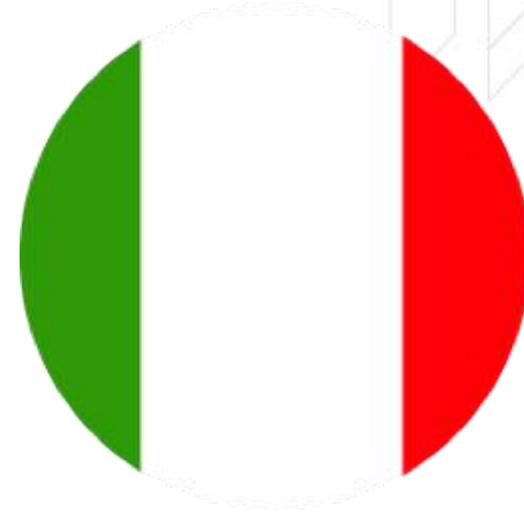
*(Sick-Fund Payer)*

*“Increase **prices**, focus on **non-core areas**, in the next few months too much communication about **new drugs** etc.”*

*(G-BA Advisor)*



## Italy: Market-specific insights





In Italy, payers expect a delay in evaluation and decision-making upon drug registration procedures and only expect this to recover in the mid- to long-term period

 **“AIFA** is currently very much **involved in the emergency management of off-label treatments for COVID-19 patients**. The Scientific Committee meets currently by conference call and deliberates in ultra-short time on the approval of trial protocols for drugs potentially active in the coronavirus infection (tocilizumab, anti-retroviral drugs, chloroquine and hydroxychloroquine, siltuximab, sarilumab, etc.)

**This type of work prevents the Committee from deliberating on applications for drug registration** which were applied before the emergency. In a short-term period I believe the Scientific Committee will be fully overwhelmed which will lead to a **delay of all registration procedures waiting to be assessed”**

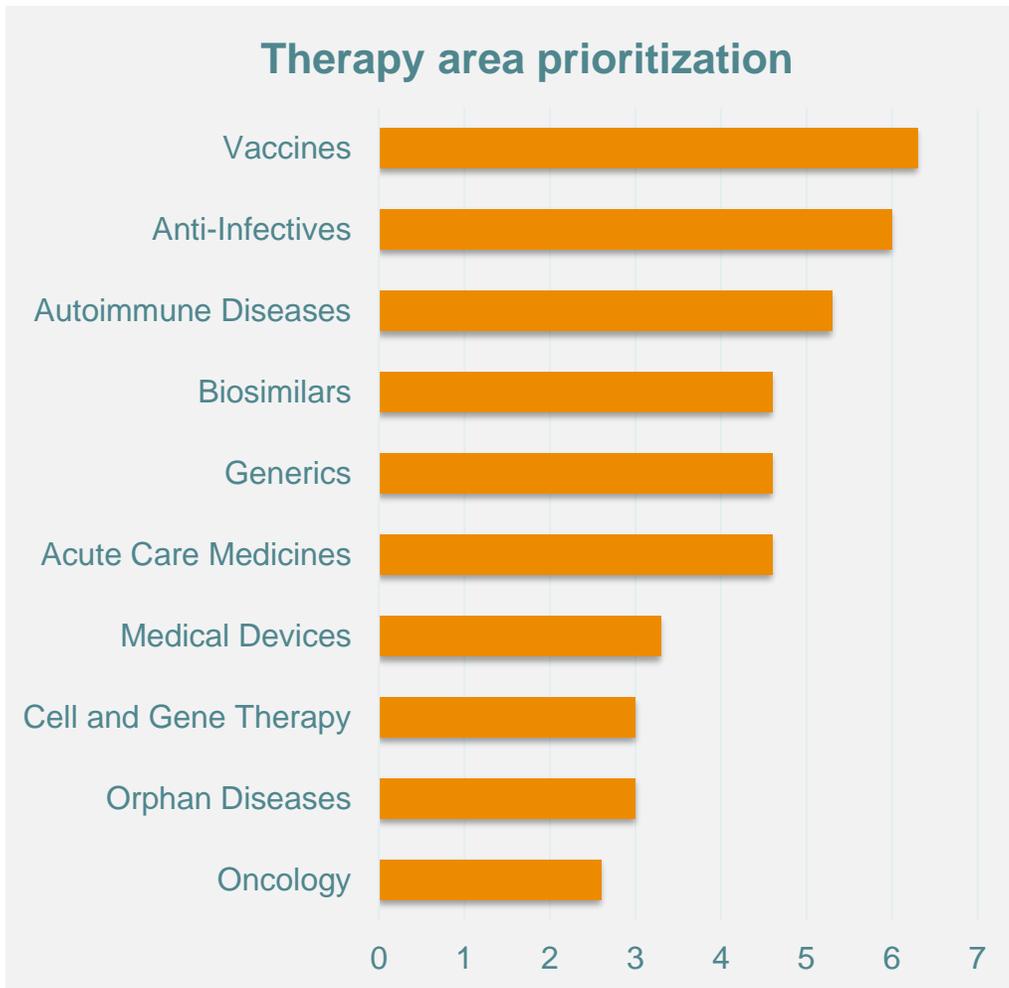
*(Ex-AIFA CPR member)*

“Only in **medium/long term** the industry will probably be able to access the regular procedure of drug approval”

*(Ex-AIFA CPR member)*



The top priority for Italian payers is ensuring that the national drug budget is sustained in the face of financial constraints; as expected, vaccines and anti-infectives will be prioritized



(0 no additional prioritization – 7 extremely high prioritization)

### Other top priorities/comments mentioned by payers

“not least, a priority is addressing the **depletion of the National Health fund for drugs**; this will **need to be replenished** [but] because of the **financial crisis that will follow after the pandemic**, [this will be difficult]”

(Ex-AIFA CPR member)

“In the **immediate term**, I see **increasing ICUs beds** including drawing financial and human resources from normal activities and provisions. **On the long run**, the expectation is that **P&R restrictions will increase** because of the financial burden of COVID; manufacturers will be under **a lot of pressure to prove the value of medicines to justify price**”

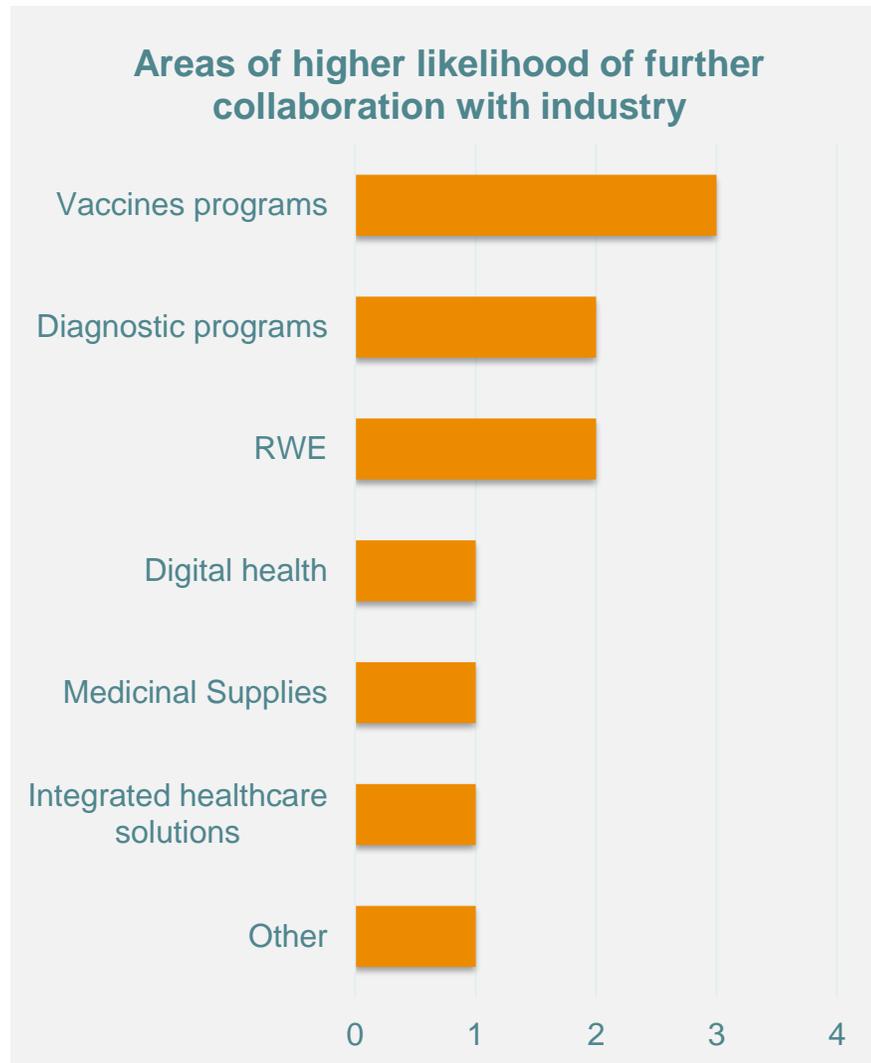
(Regional Payer; Emilia Romagna)

“A major public health problem during the COVID-19 pandemic is the **insufficiency of emergency care infrastructure**, especially availability of beds in this context. However, **after the pandemic, the reverse problem will arise: how to re-purpose this infrastructure**”

(Regional Payer; Campania)



## Italian payers allude to vaccine programs, diagnostic programs and RWE analysis as the areas where they would potentially seek further collaboration from pharmaceutical companies



Ordered by number of mentions by payers

“The COVID-19 experience has taught us that when drugs for a global disease are not available and cannot be rapidly developed, we have to search for **off-label drugs through repurposing policies of old drugs**. This can be well done only refining the **real-world evidence analysis** that are able to detect marginal efficacy profiles of drugs used for different indications. The great impact of COVID-19 on world health structures was in particular due to the rapid diffusion of the disease, typical of infectious diseases. This is the reason why **vaccine programs** should have more priority in the development programs of Pharmaceutical Companies”

(Regional Payer; Emilia Romagna)

“**Digital health** as a need for remote activities; **Medicinal supplies** in compassionate and off label use. Not decreasing all provisions for non-COVID usual therapies; **Vaccine programs**, only specialized companies; **Diagnostic programs**: only specialized companies; **Other**: reacting well to make all the efforts to continue their CRT and mkt access activities "business as usual" to guarantee development and mkt access”

(Regional Payer; Emilia Romagna)

“Improving development of **Diagnostic program** with analysis on real life events. Development **new vaccine** for viral disease”

(Regional Payer; Campania)



## Italian payers' expectation from industry revolve around the facilitation of access to off-label therapies for COVID-19 and taking an overall proactive role to support the SSN

### What are the top three things that industry can do right now to support the payer community and patients?

“Supplying **off-label drugs** potentially active in COVID-19 patients in **compassionate use** programs. Supporting **clinical no-profit trials** on the efficacy and safety of drugs potentially active in COVID-19 patients or financing randomized clinical trials for the development of a new drug active in these patients. Supporting with **financial donations** all payer organizations taking care of the health services related to the coronavirus pandemic”

(Ex-AIFA CPR member)

“Minimizing the attrition from facing COVID-19 in their non-COVID activities. About mkt. access, to facilitate the usual external activities implementing and reinforcing **virtual meeting** and boards with consultants/advisors and then with official payers.

The capability to shift in that "virtual" setting is becoming a **competitive roll distinguishing one company from another**, giving a plus to those companies able to minimize the hurdles from COVID-19 or even gaining **competitive advantages** to manage virtually their interactions.”

(Ex-AIFA CPR member)

“Research **new drugs**; Phase in real life; Study for **indirect cost saving** for new drugs introduction”

(Regional Payer; Emilia Romagna)

### What are the top three things you need industry *not* to do during the crisis period?

“Refusing to **supply drugs** potentially active in COVID-19 patients in any type of early access programs. Supporting **clinical trials** on drugs potentially active in COVID-19 patients only in selected clinical centers that are potentially more interesting for marketing reasons. Refusing to support **non-profit trials** on drugs potentially active in COVID-19 patients.”

(Ex-AIFA CPR member)

“**Not waiting** for the environment change but **driving it**. Maintaining **conservative approach** in facing external needs (payers, consultants, advisors, etc.) Think that all will be **back to normal**”

(Regional Payer; Emilia Romagna)

“Asking increase of **price**; Revision in **Managed Entry Agreements**; Decrease in **discount**”

(Regional Payer; Campania)



## Spain: Market-specific insights





Spanish payers anticipate overall delays both at national and regional level; they note the increase in collaboration between industry and the NHS and expect it to endure



*“At the national level, delays are taking place, as health officers are very busy these days; in terms of **regional governments**, something similar to central government; not much will change for **hospitals** in terms of relationship with the industry”*

*(National / Regional Payer - Former DGFPS member / Andalucía AETSA)*



*“The **collaboration between industry and Health System** during these weeks is being **very good** and so, I think this kind of collaboration will improve in the future projects together. The use of teleconferences during pandemic will allow us to **value better virtual than presential relationship**”*

*(National Payer - Former DGFPS member)*

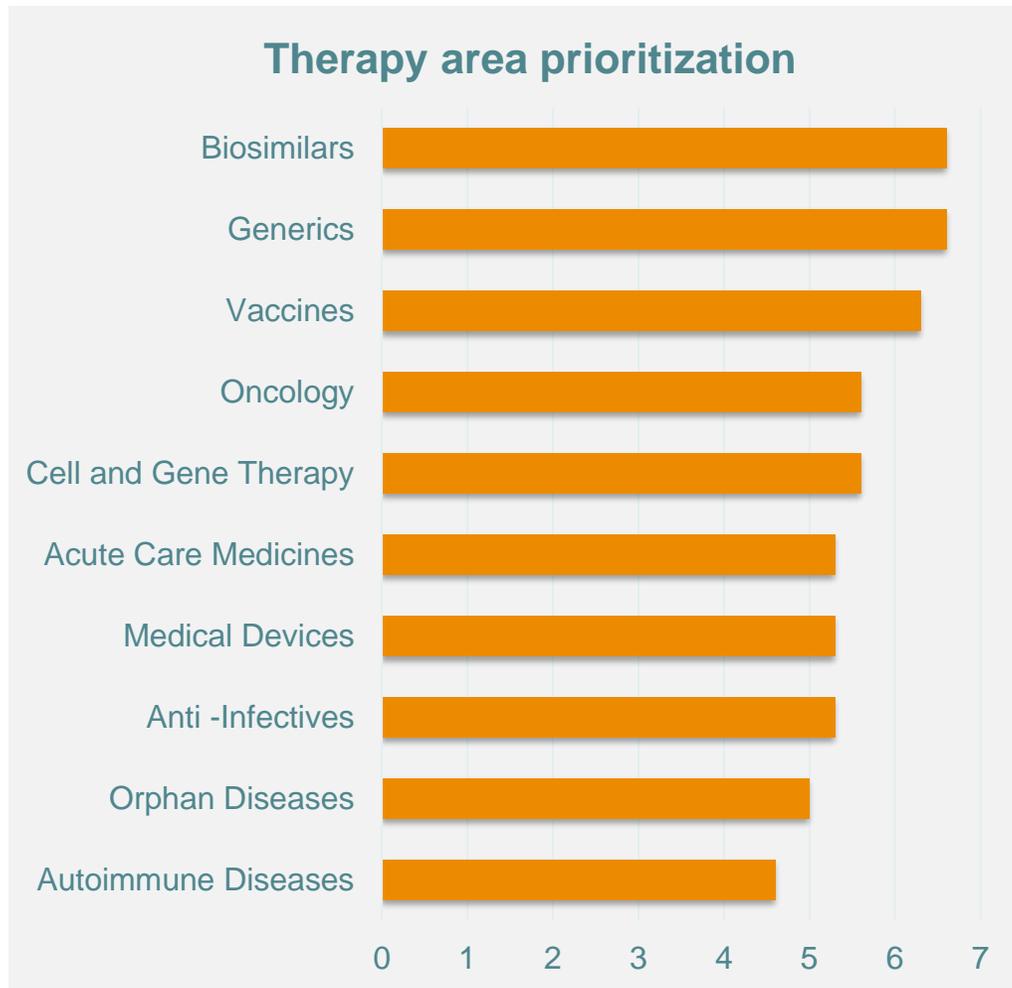


*“Things will get back to normal in **the medium term**”*

*(National Payer - Former DGFPS member)*



Payers in Spain also see a prioritization of reliable supply channels and remote care provision. Vaccines will only be prioritized in the short term, with long-term focus being on cheaper drugs



(0 no additional prioritization – 7 extremely high prioritization)

### Other top priorities/comments mentioned by payers

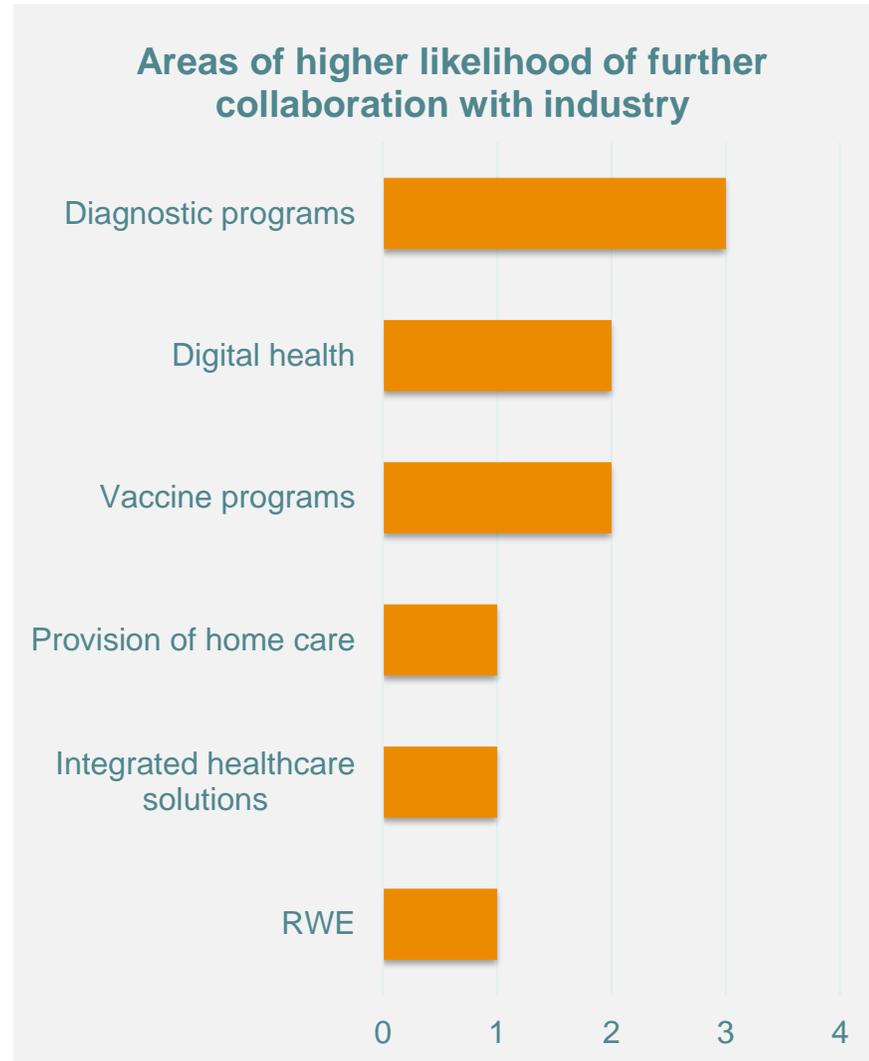
“We need to **establish new channels to produce and purchase** disposable materials and equipment, **and guarantee supplies of essential drugs**”  
 (Former Regional Payer - Catalunya)

“Our first priority is to **clear the waiting list created by the pandemic**, which will require **hiring new doctors**. [Given the financial impact of COVID] the other priority is to **find funds for novel treatments**. We also need to prioritize learning how **reorganize healthcare provision in fast and efficient way** when needed”  
 (National Payer - Former DGFP member)

“In the first year, I expect an **increase in investment in vaccines**. But moving forward, and for the long run, more **tele-working for clinical consultations**, in our case also **tele-pharmacy** and more **virtual meetings** - We need **more investment in technological [communication] media**”  
 (National / Regional Payer - Former DGFP member / Andalucía AETSA)



# Payers in Spain consider diagnostic programs, digital health and vaccines as the key priorities where they would expect further collaboration with pharmaceutical companies



Ordered by number of mentions by payers

*“Especially in services where the healthcare system shows deficiencies these days (**diagnostic programs**, for example)”*  
*(Former Regional Payer - Catalunya)*

*“This crisis has modified the priorities to other areas, such as **diagnostics**, prevention (**vaccines** development), guarantees of **medicinal supplies** and also **telehealth**, as many patients cannot go to their usual points of care”*  
*(Former Regional Payer - Catalunya)*

*“**Tele-pharmacy** programs; **Virtual teaching** activities; **Virtual meetings** with them to prepare projects”*  
*(National Payer - Former DGFPS member)*



In Spain, payers highlight financial support (e.g., free medicines, payment delays) as being the most helpful from industry, and expect the industry to deprioritize its commercial goals for now

### What are the top three things that industry can do right now to support the payer community and patients?

“Providing some **treatments for free** in the initiation phase; making **less pressure** for **financing medicines** with no additional therapeutic value; be **flexible** in requesting payment”  
(National Payer - Former DGFPS member)

“Do research to offer **new curative treatments** (design and organize new clinical trials given the cumulated knowledge in this area); **release some patents**, if needed, to provide cheaper medications worldwide (this will improve the reputation of the industry, worldwide too); maintain the **supply chain** to avoid shortages”  
(National Payer - Former DGFPS member)

“**Home** care programs  
Improve hospitals **virtual** technology  
**Real world data**”  
(National / Regional Payer - Former DGFPS member / Andalucía AETSA)

### What are the top three things you need industry *not* to do during the crisis period?

“To **pressure patients** to request new therapies; to pressure to request **payments**”  
(Former Regional Payer - Catalunya)

“Promote **new treatments** (marketing activities like) to clinicians; present dossiers for P&R decision of products with little incremental efficacy in other areas than COVID related ones; present new proposals for clinical trials to the ethical committees”  
(Former Regional Payer - Catalunya)

“**Not to prioritize their sells goals** that are not related to urgent situation, to deal with later. Not to prioritize **educational activities** not related to urgent situation until after summer. Not to prioritize **access to new drugs** not related to urgent situation until September”  
(National / Regional Payer - Former DGFPS member / Andalucía AETSA)



## UK: Market-specific insights





In the UK, payers agree that there will be a significant impact on the overall capacity to engage with industry, although there's also willingness to partner up with industry to fight the crisis



“There will be **substantially reduced capacity for the organization to deal with the industry**. Restoring and commissioning core services displaced by the need at this time to deal with the C-19 pandemic means that **focus is almost certainly to be on retiring business** as usual rather than any form of service development or innovation.

*That was the case after the swine flu epidemic - an event which was far less disruptive to normal services than C-19”*

**(CCG and APC Payer)**



“The NHS is **looking to work closely with industry** to develop capacity to test and treat patients and test staff. So diagnostics and then capacity and equipment to treat patients”

**(CCG Payer)**

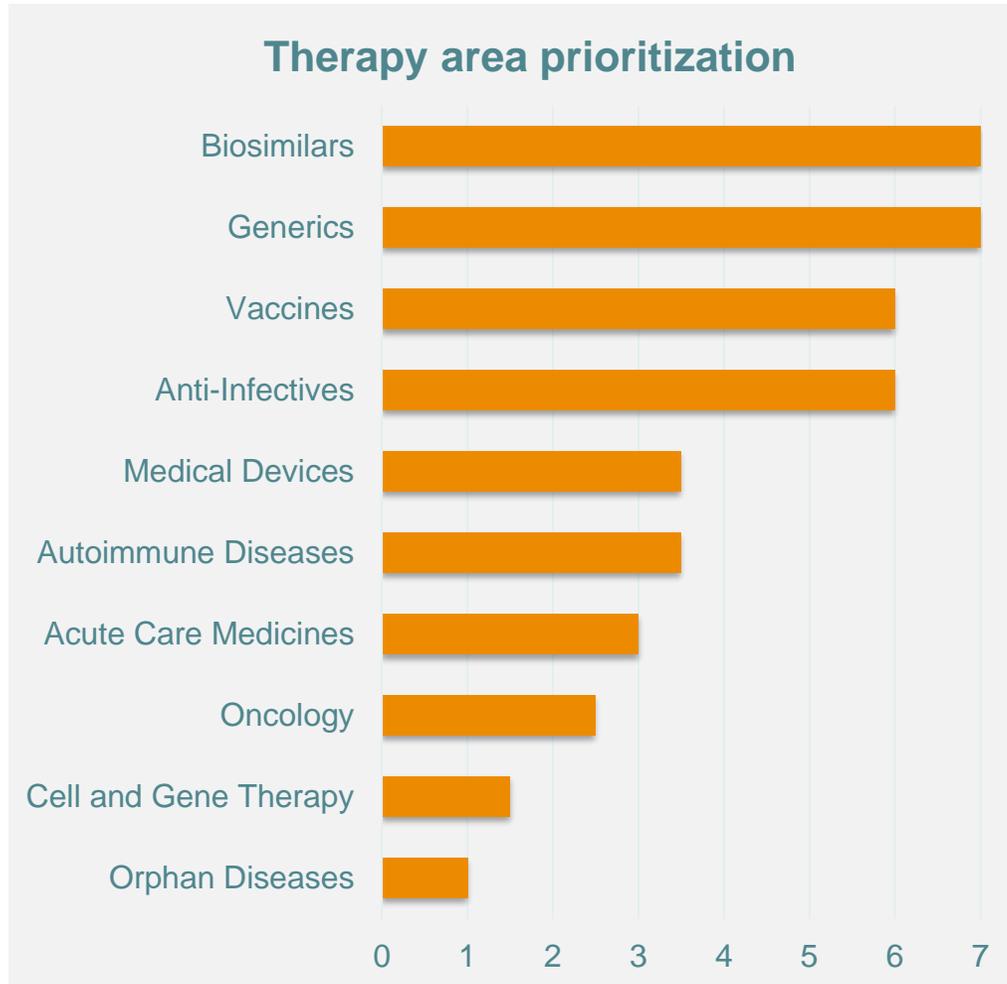


“**No capacity**, no focus, no changes in formulary guidance, **more nationalistic approach** rather than local”

**(CCG Payer)**



The most immediate priority for UK payers is to support primary care in the face of capacity constraints; vaccines will be a short-term priority, with longer focus being on low-cost medicines



(0 no additional prioritization – 7 extremely high prioritization)

### Other top priorities/comments mentioned by payers

*“We need to **support Primary Care with PPE** [Personal Protective Equipment] and **establishing “hot” centers; patient-supporting self care tools and apps to facilitate self-care can help a lot**”*  
 (CCG Payer)

*“**Chronic disease management, drug acquisition costs, and mental health** are all still a priority during the pandemic, and will remain so afterwards”*  
 (CCG and APC Payer)

*“The current strain on finances means that we still need to **emphasize the use of generics and biosimilars**... this has not and will not change”*  
 (Ex-NICE member)



# UK payers allude to RWE analysis, digital health, medicinal supplies, provision of home care and diagnostic programs as areas where they foresee potential for further collaboration with industry



**“RWE analysis:** Following C-19 there will inevitably be substantial pressure on NHS budgets as systems are required to catch up with deferred work and also deal with the fall-out from C 19 changes to disease management and C-19 fears. This means that making sure that all new drugs deliver in practice what appears promising in clinical trial settings. The template for this is the way that CDF drugs are monitored and assessed

**Digital and Connected Health:** The use of digital tools to transact routine work and new, more pragmatic approaches to data sharing which are now in place due to C-19 could be the boost needed for the NHS to collect data on outcomes in new ways that will give a far better understanding of how connected health approaches can deliver population and individual benefits

**Medicinal supplies:** These have been under pressure for a substantial period of time. The pandemic is making procurement and pharmacy professionals think and act differently about supply chains. I believe the impact of just-in-time arrangements for medicines will come under close scrutiny, as will the effect of the manufacturing locations and interactions will come under consideration in future procurement decisions. These will be most constructive if they involve joint working with the industry”

**(CCG and APC Payer)**

**“Provision of home care –** Industry has been excellent in ensuring delivery of home care medicines such as biologicals are available so see good relationship here moving forward in lining with Acute and emerging Integrated Care Systems

**Diagnostic -** Company working with has 15 minute blood test so trailing this locally and they are being very transparent re costs and capacity”

**(Ex-NICE member)**

Ordered by number of mentions by payers

## The primary expectation of UK payers is for the industry to give them space to allow them to focus on managing the pandemic

### What are the top three things that industry can do right now to support the payer community and patients?

“Apply their best efforts to ensuring that **supplies of medicines** are maintained as far as is possible. If there are **shortages** industry can help patients by considering publication of guidance of options which health care professionals can use to help people obtain sufficient medication for their needs”

(CCG and APC Payer)

“Leave them **alone**, offer **Zoom** meetings, appreciate they are **busy** and focused on COVID19”

(CCG and APC Payer)

“Be **patient** and kind in their approach to those whom they wish to talk to about new products. **Send information** rather than seeking face to face or phone interactions...understand that the decision-makers will do better if you can give them **time and space** to evaluate the evidence and implications; good drugs will do well as they will show they can deliver”

(Ex-Nice Member)

“Understand that **budget-predictions** set last year for 2020-21 financial year will have been severely disrupted by C-19 responses. Do not believe that the UK Chancellor’s statement that the NHS ‘will receive anything it needs’ will mean that the **financial disciplines** at the core of the NHS will be amended and overspends accepted”

(CCG Payer)

### What are the top three things you need industry *not* to do during the crisis period?

“Do not imagine that your newly licensed or **NICE’d drug** is the most important or urgent issue for a payer or patients to deal with”

(CCG and APC Payer)

“Do not try to go behind the **backs of payers**. Never a good move and in well structured systems for implementing new drugs or drugs for new uses attempts at subversion can be counter-productive. In the end most clinicians (actors, nurses, pharmacists & others) know that what they want to do requires funding to avoid cuts elsewhere”

(Ex-NICE Member)

“Do not bombard your colleagues in the NHS with emails asking for appointments even if you think that offers of on-line/video/Zoom etc. connections will be acceptable. To do their job, and to help you do yours of getting new drugs into use, payers need to **secure information** and engagement from front-line clinicians...”

(CCG and APC Payer)

“Try to get **F2F appts**

Don't keep hassling for a **phone call**

Send them only **very precise information** via post as emails are for COVID19 responses”

(CCG Payer)