



### Medicaid MCOs: Contracting Landscape and Manufacturer Competitive Positioning

Partnerships with Medicaid managed care organizations (MCOs) are critical to maintaining market access as the segment continues to expand and undergo change. HIRC's report, *Medicaid MCOs: Contracting Landscape and Manufacturer Competitive Positioning*, reviews Medicaid MCO pharmacy and medical directors' evaluation of manufacturers, and focuses on trends in contracting. The report addresses the following questions:

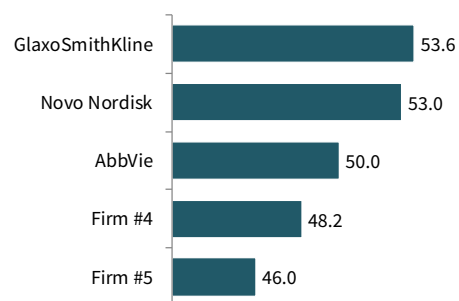
- Which manufacturers are most often nominated as Medicaid MCOs' overall "Partner of Choice"?
- Which manufacturers lead in Medicaid executives' evaluation of willingness to offer supplemental rebates, and in which therapeutic areas?
- Which manufacturers lead in MCOs' evaluation of quality of programs/resources?
- Which contract types are most commonly offered for traditional, specialty, and oncology medications? Which are the most valuable?
- What types of programs and resources are Medicaid MCOs most interested in?

**Key Finding:** Opportunities to meaningfully engage with Medicaid MCOs on unmet needs include reducing hospital readmissions, appropriate drug utilization, and population health management.

### Respondents Rate GlaxoSmithKline Highest in Willingness to Offer Supplemental Rebates

Respondents were asked to consider and rate 43 pharmaceutical firms on their willingness to offer supplemental rebates. Medicaid MCO executives rate GlaxoSmithKline as the most willing to offer supplemental rebates, followed by Novo Nordisk and AbbVie. Top firms are noted for offering deep discounts in common chronic conditions, maintaining flexibility throughout the process, and having engaged account managers.

LEADING MANUFACTURERS IN WILLINGNESS TO OFFER SUPPLEMENTAL REBATES



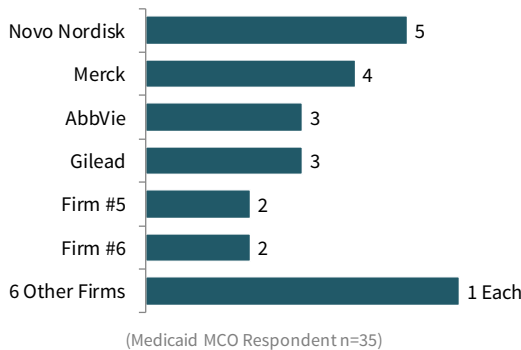
(Medicaid MCO Respondents n=35)

The full report provides a detailed list of all 43 manufacturers in willingness to offer supplemental rebate ratings.

## Novo Nordisk and Merck Receive the Most Partner of Choice Nominations

Novo Nordisk is most frequently nominated as the Medicaid MCO partner of choice, followed by Merck, AbbVie, and Gilead. The primary factors driving partner of choice nominations include a firm's ability to demonstrate an understanding of Medicaid MCO business needs and provide relevant resources, followed by the quality of programs and/or resources offered. Willingness to contract, looking for opportunities to meaningfully collaborate, and account management support/personnel are secondary considerations for nominations.

### MANUFACTURER PARTNER OF CHOICE NOMINATIONS



The Managed Markets Service provides strategic and tactical information, including customers' assessments of manufacturers' contracting and resources within four commercial and government market segments; market landscape trends and activity influencing the availability, price, and utilization of pharmaceuticals; managed markets headcounts and organizational trends based on confidential data from industry leading pharmaceutical companies; and the access and partnership landscape of key accounts.



Josh Mader  
Vice President  
408-884-8560  
jmader@hirc.com

## Research Methodology and Report Availability

In September 2019, HIRC surveyed 35 Medicaid MCO pharmacy and medical directors from national, regional, and BCBS plans. Online surveys and follow-up telephone interviews were used to gather information. The complete report, *Medicaid MCOs: Contracting Landscape and Manufacturer Competitive Positioning*, is available now to HIRC's Managed Markets subscribers at [www.hirc.com](http://www.hirc.com).



HEALTH INDUSTRIES RESEARCH CENTER (HIRC) is an independent, nonpartisan organization that conducts strategic market research on trends in health care, pharmaceuticals and managed care businesses. HIRC's benchmark studies focus on the marketing needs of pharmaceutical companies by providing research critical to the development of successful customer-focused marketing strategies.

16 Lyndon Avenue, Suite 101  
Los Gatos, California 95030  
P: 408-884-8560 • F: 408-884-8561

[www.hirc.com](http://www.hirc.com)