

Managed Markets & National Accounts Service

Novo Nordisk, Janssen/J&J and AstraZeneca are Leaders in the Medicare Market

Novo Nordisk, Janssen/J&J and AstraZeneca top Medicare executives' lists for companies that are most willing to negotiate contracts and those that provide the greatest value in resources.

Key Finding:

Medicare plans praise Novo Nordisk, J&J and AstraZeneca for their contracting and value-added resources.

- When **contracting and resource ratings are combined, Novo Nordisk is #1, followed by Janssen/J&J in 2nd place and AstraZeneca in 3rd.**
- Medicare plan executives rate **Novo Nordisk highest for its willingness to negotiate contracts and for the value of its resources.**
 - **Novo Nordisk's diabetes materials and "train the trainer" programs** are valued by Medicare plans.
 - **Novo Nordisk is also commended for offering aggressive contracts and working through multiple iterations** of the terms to ensure the Medicare plans' needs are met.
- **Janssen/J&J ties with Merck in 2nd place for the value of their resources** as Medicare executives praise J&J's customer-facing personnel and Merck's wide array of resources targeting diabetes, asthma and immunizations.
- **AstraZeneca is ranked 2nd for its willingness to negotiate contracts** and is recognized for its approach to contracting and acceptance of the role generics play in the market.

MEDICARE PLAN EXECUTIVES: HIGHEST RATED MANUFACTURERS, 2014

Rank	Combined Rank	Contracts	Resources
1	Novo Nordisk	Novo Nordisk	Novo Nordisk
2	Janssen/J&J	AstraZeneca	Merck &
3	AstraZeneca	GlaxoSmithKline	Janssen/J&J (tie)

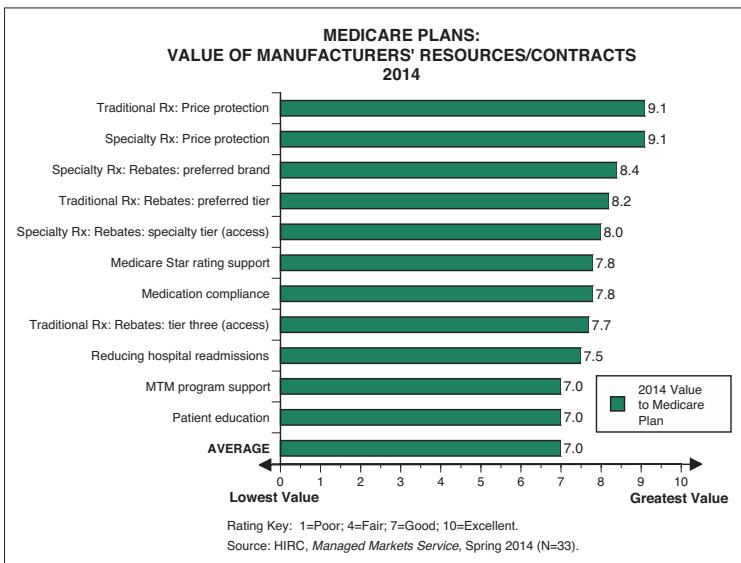
Source: HIRC, *Managed Markets Service*, Spring 2014.

Medicare Plans Value Contracting Terms that Enhance Budgeting Processes and Address Key Cost Drivers

When asked to rate the relative value provided by a range of pharmaceutical companies' contracting tactics and value-added resources, Medicare plan executives rate the following five contracting terms highest in value:

- Traditional Rx: Price Protection
- Specialty Rx: Price Protection
- Specialty Rx: Rebates—Preferred Brand
- Traditional Rx: Rebates—Preferred Tier
- Specialty Rx: Rebates—Specialty Tier (Access)

These terms are valued by Medicare plans because they address many of their budgeting challenges and key factors fueling escalating costs.



In addition, Medicare plan executives report increased success in contracting for specialty drugs—and even some oral oncolytics—as competition increases and pharmaceutical companies aim for preferred positioning.

“We’re getting contracts in MS and for the immunological products like *Humira* and *Enbrel*. Also, some oncology because now there’s competition. Just as an example, renal cell carcinoma, there are bunches of agents now. There’s a lot of blood cancers as well.”

“We’re seeing more contracting for preferred specialty products now because it’s not just the one agent out there. You’re having multiple agents, like especially in the MS/RA market with all of the products there’s very stiff competition in that marketplace.”

Research Methodology and Report Availability

HIRC's benchmarking research was conducted in the first quarter of 2014 through a combination of close to 150 surveys and 65 in-depth interviews with decision makers in four Commercial and three Government managed markets. The full report, *Market: Medicare Plans*, is available to subscribers at www.hirc.com.

The Managed Markets & National Accounts Service provides a wealth of strategic and tactical information, including benchmarking, competitive intelligence, customer needs and emerging issues within eleven separate markets; environmental assessments of market segments that influence the availability, price and utilization of pharmaceuticals; and managed markets headcounts and organizational trends based on confidential data from 30 pharmaceutical companies.

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