

Negotiating Patient Access — A Matter of Culture and Stamina

*David Alderson, MBA, MEng, DipM,
European Practice Lead, Payer Research and Strategy*

It seems like the global economy is slowly turning back to positive growth, with a solid start to 2014, pointing to a quarterly gross domestic product (GDP) expansion of three percent.¹ But as it takes time before increasing GDP fuels public and social security budgets, and reversal of various cost containment policies is unlikely, we may be looking at several difficult years still ahead. Hence the life sciences industry will need to continue to focus on patient access as a core element of their business and product strategy, and for commercial success, marketing plans will need to address the thinking and decisions of payers, on a national, regional and hospital level.

Payers are very aware of their power position in these days of austerity. A participant at a recent negotiations training commented: “Payers want everything these days. First a superiority trial versus standard of care that proves your product is worth the budget. If you are so lucky to have this, they will ask for real-world data proving you can beat standard of care in daily practice. If you have this data, they will search for the most optimal patient segment and restrict patient access that way.”

It is naive to assume payers use strict guidelines, rules, and regulations so they can unequivocally decide about reimbursement and fair pricing. From experience it is clear there are many

more subjective elements that feed into a final decision. Payers cannot afford clear decision criteria as this might create conflicts with budget control. Moreover, they need the flexibility to handle the political aspects that go hand in hand with many important access decisions. As Gavin Kennedy said in his famous book, “Everything is negotiable”.² This also seems to hold true in patient access and is endorsed by many unexpected positive and negative outcomes of market access business cases.

Therefore an important part of the overall market access tool kit, alongside value communication, evidence, decision processes and stakeholders, is how you negotiate and communicate. So, what type of negotiation skills would help achieve and optimize patient access for a novel product?

The answer to this question starts with better understanding of what a negotiation is all about. Most definitions are quite broad, such as, “to negotiate is to work or talk (with others) to achieve something” (a transaction, an agreement, etc.).³ Given this definition, many negotiation opportunities can be recognized in market access, although decision makers (e.g., Minister of Health and Managing Director) may actually never meet face to face.

PATIENT ACCESS NEGOTIATIONS MAY HAPPEN ON ALL LEVELS AND AT ALL TIMES, INCLUDING:

- Discussions with payers about the best ways to develop products
 - Scoping discussions with health technology assessment agencies
 - Discussions about therapeutic value and position in the treatment pathway
 - Price and reimbursement negotiations
 - Discussions about patient access schemes
 - Pre-tender and contract negotiations
 - Discussions about price modulation and other cost containment measures
-

A company that has a number of products on the market may find itself negotiating with payers almost continuously, so maintaining an excellent relationship with payers becomes critical – even during tough discussions. Therefore, companies that have developed good internal negotiations skills have all opted for the so-called integrative or collaborative negotiations approach. This approach assumes that there is potential for both parties to create joint value, i.e., achieve a win-win outcome.⁴ For many, this implies a change from the hard bargaining model to a more gentle mentality. It also intimates recognition that payers are not against innovation in an effort to control costs, but that they realize the importance of treating patients with innovative treatments. Keeping good products out of the market may lead to negative press, political pressure, and decreased innovation – all of which are undesirable for payers. This

was illustrated recently when the Committee for Reimbursement of Medicines (CTG-CRM) in Belgium was at the center of a news story covering a patient that died because a certain treatment was not reimbursed and his family could not find the money for timely treatment. The story did not focus on the manufacturing company or the price but rather on the legitimacy of not allowing the product in Belgium while it was reimbursed in neighbouring countries.

There is no “one size fits all” best practice, but it is important that successful negotiating is built into both the company and market access planning. The following outlines a range of workshop-based approaches that have contributed to success. These have been developed and optimized over the years through working with both payers and companies.

There are three broad areas of this focus.

1. Training in negotiation and communication skills. (*Capability Building*)
2. Product specific preparation for negotiating market access or tendering conditions. (*Launch Preparation*)
3. Support in actual market access negotiation cases. (*Implementation*)

Within each area there are a number of workshop-based approaches, but outlined below are some examples of typical projects in these areas.

A. *Global Value Dossier Roll-Out Workshops*

The principle use of Global Value Dossiers (GVDs) is well established. Their success, however, does depend on effective roll-out to affiliates and local adaptation, and the efficient translation of understanding to those involved in local access negotiations.

There is significant synergy between developing the GVD and ensuring its effective adaptation and integration

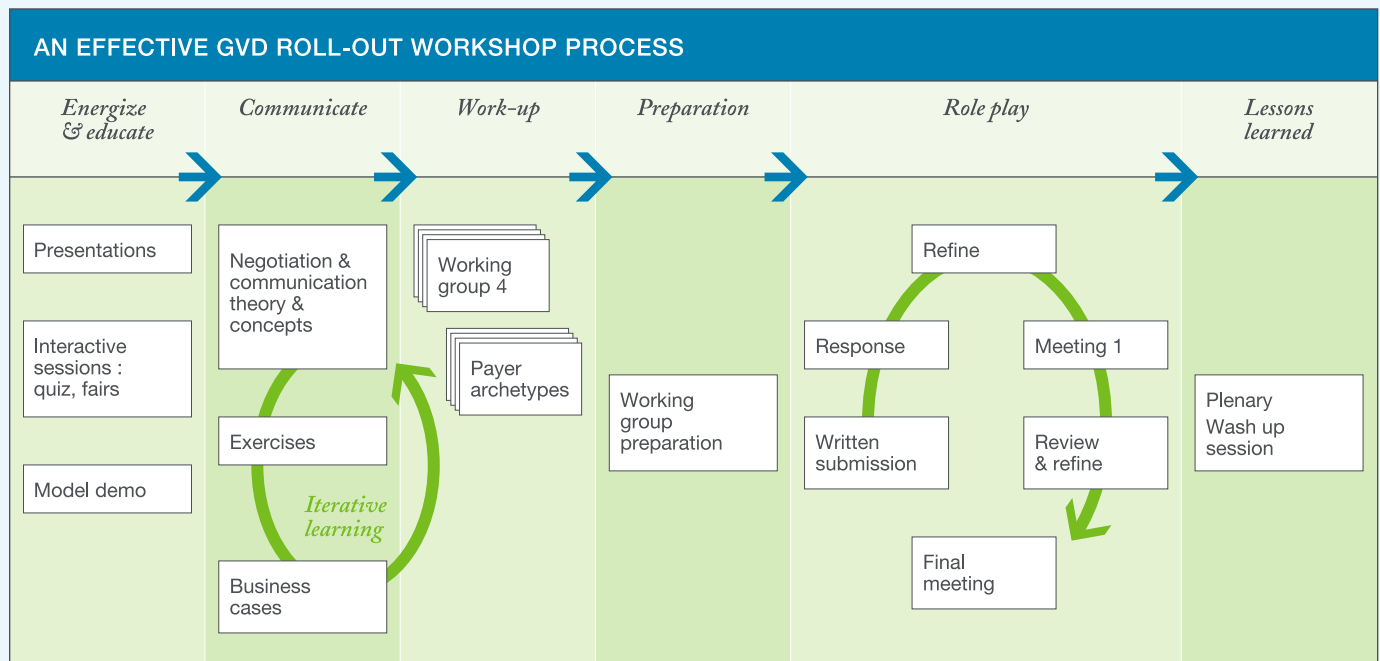
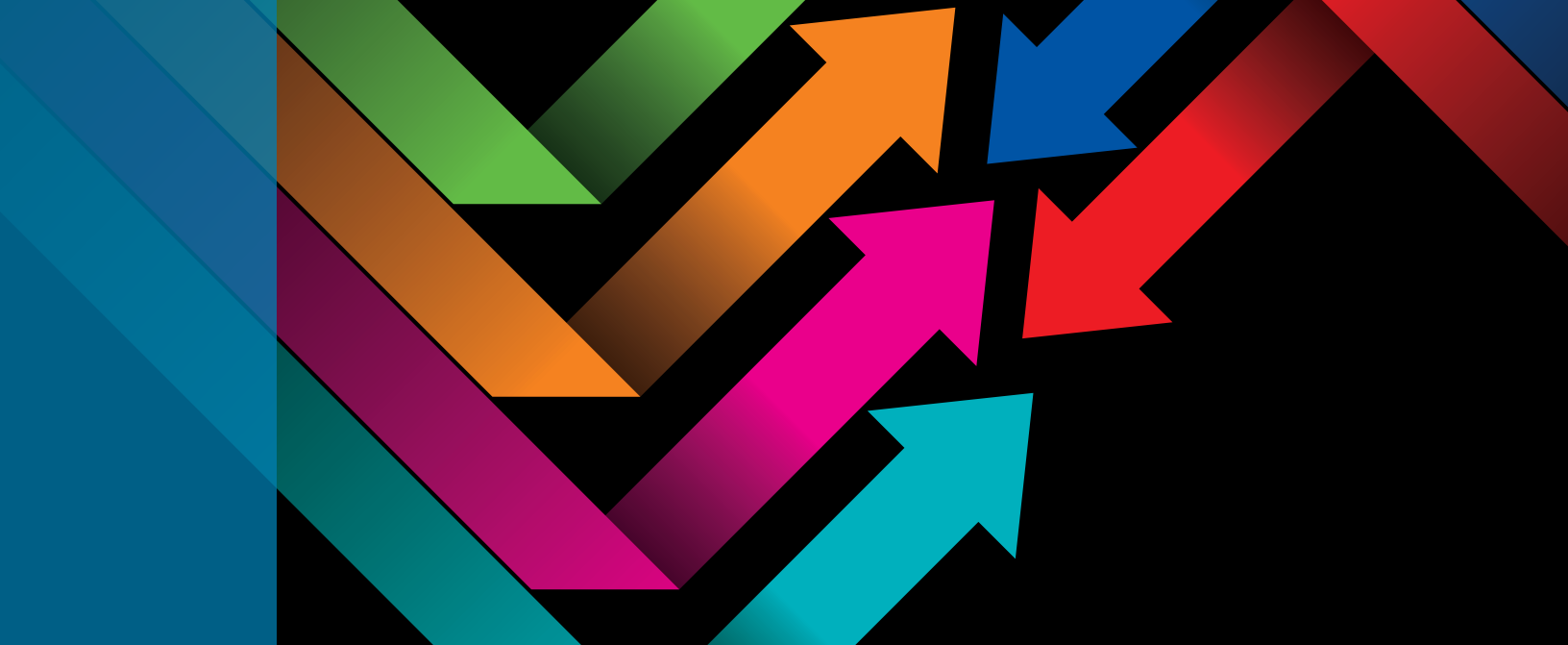


figure 1



at an affiliate level. Efficient roll-out not only focuses on the content of the dossiers, but includes training on the negotiation strategy that supports it. This negotiation strategy can seamlessly fit into existing internal negotiation cultures. (It is always important to ensure that negotiation strategy fits to the organization; trying to change the organization around a negotiating approach is not a successful recipe. Any consultant partner should have experience with many collaborative negotiation approaches and be able to adapt these workshops to the predominant company culture and organization.)

A global value dossier roll-out workshop starts with education on the global market access strategy — this may include presentations, education fairs, quizzes, cost-effectiveness (CE) model demonstrations, etc. It has been found helpful to next repeat or introduce collaborative negotiation and efficient communication concepts, in a mix of short exercises, ongoing business cases, and some theory. Participants are subsequently split into working groups, each of these targeting a relevant payer archetype. The working groups prepare a negotiation strategy and tactics for realistic payer negotiation cases and these cases are role-played,

with surrogate and sometimes even real payers as the other party. As in the real world, the negotiations are iterative, and mimic each step — from the written application until the concluding meeting. The workshop ends with a plenary discussion of lessons learned, strengths and weaknesses of the market access strategy. Frequently this discussion also yields to updates to the global value dossier content and objection handler.

Flexibility is key. The scope of such roll-out workshops is flexible. Some companies may opt for one workshop; some others prefer a series — each covering different geographies. Some companies expect a negotiations script that can be shared with others facing the same circumstances. Others target case-by-case in-market support. Some companies run all workshops in English, whereas others prefer local languages — with or without translations. It is important that the workshop provider has the expertise and capabilities to handle this broad spectrum of client preferences.

B. Tendering and Contracting Workshops

Another key workshop for negotiation support pertains to the tendering and

contracting process that currently is used for hospital and generic products in many markets. These focus on the understanding of strategic and negotiation concepts, and complement trainings on the commercial and technical aspects of these procurement processes. As with the global value dossier roll-out workshops, these meetings are often spiced with fun exercises, real business cases and role playing. The key in these workshops is to strive — in close collaboration with the client — to produce exercises and role plays that are as close as possible to the real thing. It is a measure of success to get the spontaneous remark of participating key account managers that “it felt like real.”

C. Capability Building

One-shot training workshops are like a stone in the water — they create a wave of awareness, but ultimately the water will return to its status quo. Therefore, ideally the concept of a market access negotiation culture is created. To that end, a spectrum of activities should be considered, going from one-day awareness workshops, up to full-week, in-depth negotiation champion trainings. Also helpful is supporting this culture change with templates and tools that are fine-tuned

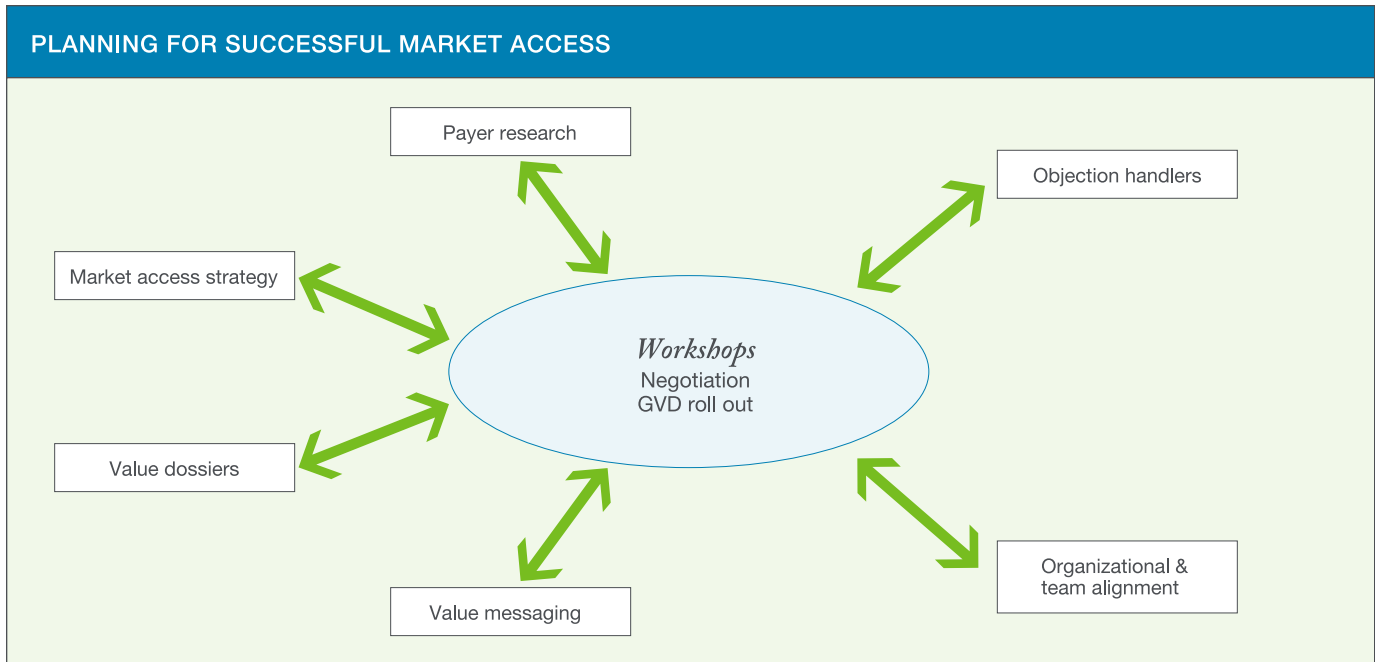


figure 2


to the company image and requirements. It takes time, but in the end, investing in a well thought out market access culture will allow a company to create many stories of positive outcomes in market access negotiations.

D. Implementation

Training workshops are fun and they are very gratifying for the trainers when met with positive feedback. But the proof of skills and theoretical approaches can be found in the real negotiations. These negotiations may focus on new patient access schemes, or aim to defend pricing and reimbursement of incumbent

products, or focus on countries where pricing approvals are lagging behind. In these cases, strategic partners should work with companies as one team with the local company experts to identify issues, brainstorm options and alternatives, and develop a strategy. A useful element here is insights from analogue cases, in other therapeutic areas or geographies, drawn from previous experience.

The combination of training capabilities, sound theoretical knowledge and active support in real cases, together with unsurpassed payer expertise, provides both the theoretical,

educational and business keys to success in negotiation support. Aligning these to other activities — payer research and strategy development, and development of value messages, dossiers, and objection handlers — creates significant synergies and successful market access (see Figure 2). In conclusion, the use of workshops can provide a foundation to ensure optimal alignment and implementation within an organization and so lead to improved market and patient access. 

For more information, please contact David.Alderson@evidera.com.

References

- Global Economy Has Solid Start to 2014 — PMIs. Reuters, Feb. 5. Available at: <http://www.reuters.com/article/2014/02/05/pmi-services-global-idUSL5N0LA3QE20140205>. Accessed Feb. 21, 2104.
- Kennedy G. Everything is Negotiable. *Arrow Books*. 1989.
- Collins English Dictionary. Available at: <http://www.collinsdictionary.com/dictionary/english/negotiate?showCookiePolicy=true>. Accessed Feb. 21, 2014.
- Luecke R. Harvard Business Essentials: Negotiation. *Harvard Business Press*. 2003; 2–3.