

Top 4 current economic challenges faced by biopharma companies

Biopharma, like other industries, is not immune to the financial uncertainties in the current United States (US) economy. In this evolving economic environment, biopharma companies must be more strategic in their spending to maximize the value of their investments. Digital mediums, such as e-posters and animated figures, are a resource biopharma companies have increasingly sought out as a new and innovative mode of disseminating pivotal product information.¹ The engagement created through a digital platform can help establish a partnership between biopharma companies and healthcare decision makers (HCDM). Biopharma companies can provide key documents in an efficient manner to assist HCDMs on formulary decision making and in the development of medical policies. HCDMs in return can provide feedback on how the documents provided can be improved upon or what additional information is vital to assist them in making more informed decisions related to the clinical and economic qualities of a product. Investing in a digital platform helps biopharma companies to integrate a comprehensive payer engagement strategy into their current workflow, which allows for more efficient methods of disseminating information and capturing HCDM insights.

FormularyDecisions® is a digital platform that facilitates HCDM engagement with biopharma companies. Below are 4 ways in which FormularyDecisions can assist biopharma companies in overcoming challenges they may be facing in the current economic climate.

Challenge #1: Manage rising operational costs due to inflation



Context

Biopharma companies are exploring alternative revenue streams by increasing their participation in mergers and acquisition activity, investing in new therapies (ie, cell and gene therapy, CGT), and forming partnerships to mitigate the effects of increases in expenditures.² Given the increased efforts to curb costs, the importance of prioritizing spending and consolidating resources in an environment of resource scarcity is of utmost importance to maintain the financial health of a biopharma company.



FormularyDecisions solutions

- FormularyDecisions provides a digital channel to connect biopharma companies to one of the largest online communities of HCDMs in the US, representing more than 269 million covered lives,³ which allows for greater product visibility through one platform.
- To assist in dissemination of biopharma content to gain HCDM insights, both emerging and larger/established biopharma companies could benefit from a partnership with FormularyDecisions. FormularyDecisions can further the reach of existing field teams for biopharma companies of varying sizes.

References: 1. Furtner D, Shinde SP, Singh M, Wong CH, Setia S. Digital transformation in medical affairs sparked by the pandemic: insights and learnings from COVID-19 era and beyond. *Pharmaceut Med.* 2022;36(1):1-10. doi:10.1007/s40290-021-00412-w 2. Joyeux S, Shah D, Singhal A. Challenges and opportunities facing the pharmaceutical industry. Alvarez & Marsal. January 9, 2023. Accessed May 8, 2023. <https://www.alvarezandmarsal.com/insights/challenges-and-opportunities-facing-pharmaceutical-industry> 3. FormularyDecisions. Data on file. 2021

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Challenge #2: Implement automation, centralization, and digitalization into the workflow



Context

Biopharma companies are looking to find ways to streamline internal processes and reduce costs while meeting the needs of patients. To mitigate rising costs and improve efficiencies, biopharma companies should consider the integration of digital solutions as part of their operational strategy.²



FormularyDecisions solutions

- In a FormularyDecisions network survey, 89% of HCDMs (N=19) stated that they utilize digital platforms as a key source in healthcare decision-making.⁴
- For biopharma companies, a digital platform may provide enhanced HCDM engagement; it also generates efficiencies by creating a streamlined process when obtaining and reviewing feedback provided by HCDMs. For HCDMs, a digital platform such as FormularyDecisions ensures easy, consistent, and accessible information for the products they review, which can then become integrated into a product evaluation workflow.

Challenge #3: Manage the impact of cost-containment legislation



Context

The introduction of the Inflation Reduction Act (IRA) has the potential to significantly affect pricing and to narrow coverage of specialty medications, specifically within Medicare Part D.⁵ In addition to the IRA, many brand name products are facing loss of market exclusivity in the coming years (ie, 2023-2028). There is anticipation that the number of biosimilars coming to the market will increase and could be further accelerated with the IRA's new regulatory and reimbursement policies surrounding biosimilars.^{2,6,7} While the exact impact of the IRA is unclear, our policy experts expect the potential for increased premiums, tighter utilization management, and greater rebating demands from payers. Demonstrating the clinical, economic, and patient value of a product has become even more important with these market pressures and IRA developments.



FormularyDecisions solutions

- FormularyDecisions assists in the dissemination of information to help support value demonstration for a product and to assist HCDMs in making formulary decisions.
- Considering the IRA and its potential impact on biosimilars, FormularyDecisions offers a Biosimilars Resource Hub subscription that can help inform both subscribers and HCDMs of the evolving biosimilar market.

References: **4.** FormularyDecisions. Network survey. 2022 **5.** Inflation Reduction Act of 2022, H.R.5376, 117th Cong (2022) **6.** Farber DJ, Pinto PN, Shakow JD, et al. Price negotiation, Medicare rebates, and benefit reform. King & Spalding. August 15, 2022. Accessed May 8, 2023. <https://www.kslaw.com/news-and-insights/price-negotiation-medicare-rebates-and-benefit-reform> **7.** Dunleavy K. Nearing a 'watershed' year, biosimilar industry gets a boost from Inflation Reduction Act. Fierce Pharma. October 6, 2022. Accessed May 5, 2023. <https://www.fiercepharma.com/pharma/nearing-watershed-year-biosimilars-industry-should-get-boost-new-measure-inflation-reduction>

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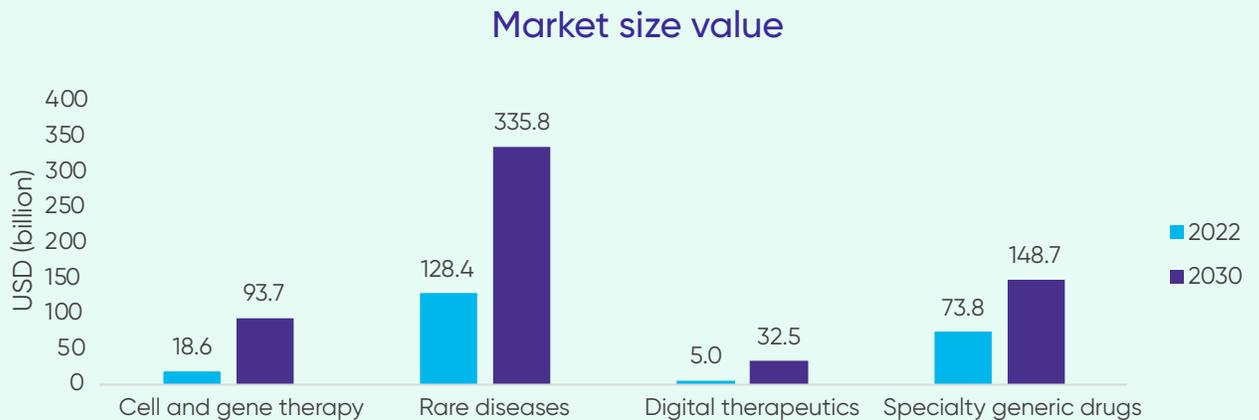
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Challenge #4: Product landscape shifts



Context

The product landscape is shifting toward therapeutic areas related to CGT, rare diseases, specialty drugs, and digital therapeutics. The monetary market size value of these areas is displayed in the figure below and is projected to significantly increase by 2030.⁸⁻¹¹ This is further demonstrated by compound annual growth rate projections for 2022 to 2030 of 22.4% in CGT,⁸ 12.8% in rare diseases,⁹ 26.1% in digital therapeutics,¹⁰ and 9.2% in specialty generic drugs.¹¹



FormularyDecisions solutions

- FormularyDecisions can offer a product with a competitive edge by providing an opportunity for added awareness, visibility, and access to manufacturer content through pre-approval information exchange.
- Through interaction with information provided on FormularyDecisions, HCDMs can provide feedback to inform market access and evidence generation strategies. Differentiation of a product in a competitive landscape may be possible by understanding the perceptions of HCDMs toward a product.
- FormularyDecisions can provide support throughout a product's lifecycle by collecting continuous feedback to inform market access and evidence generation strategies, which can start in the pre-approval stage and be carried on following approval.



With the dynamic nature of the current economic climate, biopharma companies must seek out solutions to enhance communications with HCDMs. Engagement through FormularyDecisions is a digital solution that can help meet the needs of both biopharma companies and HCDMs by allowing for biopharma companies to share pivotal product information with a reasonable financial investment.

References: **8.** Precedence Research. Cell and gene therapy market- global industry analysis, size, share, growth, trends, regional outlook, and forecast 2022-2030. 2022. Accessed May 5, 2023. <https://www.precedenceresearch.com/cell-and-gene-therapy-market> **9.** Grand View Research. Rare diseases treatment market size, share & trends analysis report by therapeutic area (cancer, musculoskeletal conditions), by route of administration, by drug type, by distribution channel, by region, and segment forecasts, 2022-2030. Accessed May 5, 2023. <https://www.grandviewresearch.com/industry-analysis/rare-diseases-treatment-market-report> **10.** Grand View Research. Digital therapeutics market size, share & trends analysis report by application (diabetes, obesity, CVD), by end user (patients, providers, payers, employers), by region, and segment forecasts, 2022-2030. Accessed May 5, 2023. <https://www.grandviewresearch.com/industry-analysis/digital-therapeutics-market> **11.** Grand View Research. Specialty generics market size, share & trends analysis by type (injectables, oral drugs), by application (oncology, inflammatory conditions, hepatitis C), by end-use (specialty, retail), by region, and segment forecasts, 2023-2030. Accessed May 5, 2023. <https://www.grandviewresearch.com/industry-analysis/specialty-generics-market>

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