



World EPA Congress 2022

Preparing for access: What makes a successful negotiation?

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“In market access you don’t get what you deserve, but what you negotiate”

We would like you to leave this presentation with:



A more negotiation-driven approach to market access



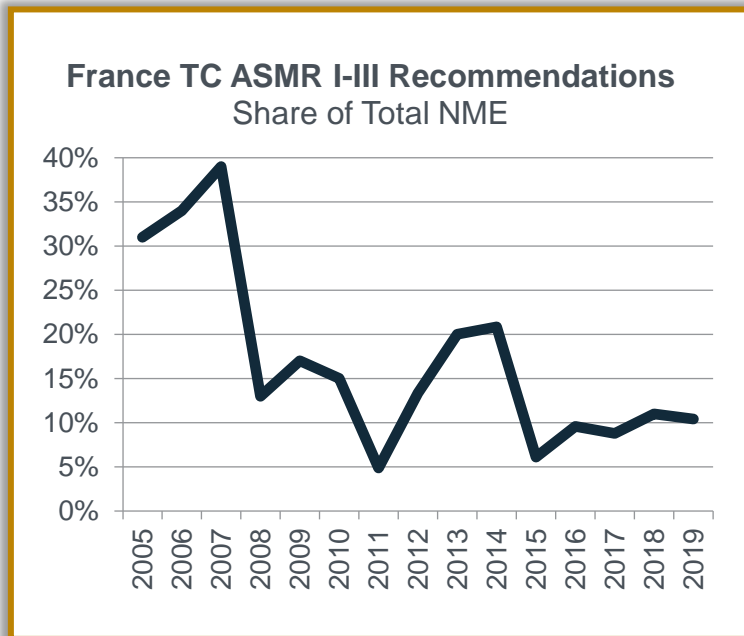
Awareness to common challenges in payer negotiations



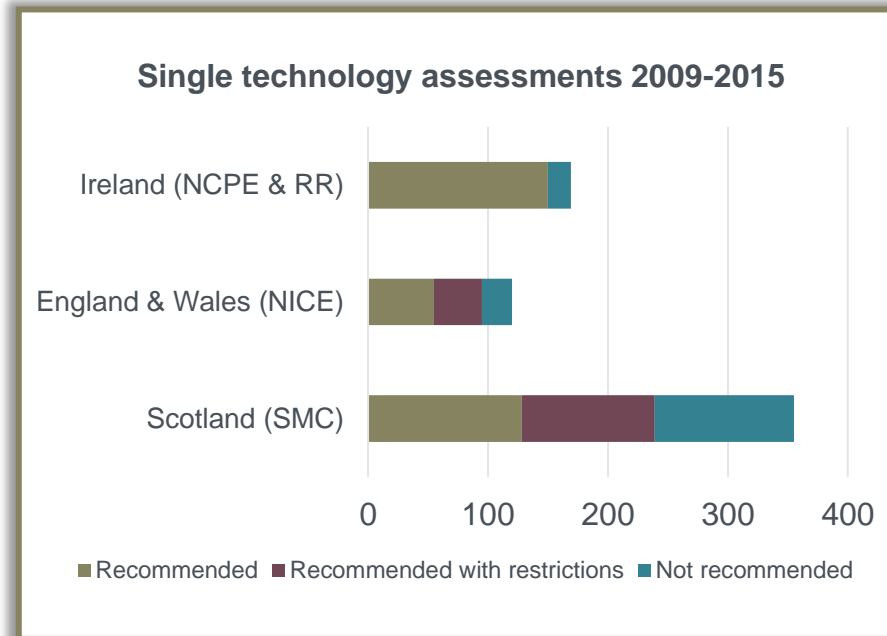
A core set of preparatory steps for negotiations

Access to new medicines is becoming increasingly more challenging

Value increasingly challenged



Affordability concern



Low willingness to pay



Patient access requires bridging the gap between the industry need and payer expectations, which is typically done with evidence

Industry needs reward for innovation



Payers need robust demonstration of value and benefit to patient

“

Extraordinary claims require extraordinary evidence. (Carl Sagan, 1979)

“

*I met a former member of the Transparency Commission who said that **60% of all clinical trials were incorrect...** not poor overall design, but with the wrong indication, the wrong patient population or the wrong comparator. (Janice Haigh, 2022)*

Practiced negotiation skills are crucial, even when the best evidence is available



Evidence on its own does not secure optimal pricing and access

- Orphan product became fourth drug to receive major added benefit by the G-BA, since introduction of AMNOG
- This product still faced a 10.5% cut to its launch price, after price negotiations with the GKV-SV

“
*Although some of the variation [in access across countries] can be understood, it appears that **issues and forces other than the HTA processes** of various countries can contribute to decisions and to time to patient access.¹*

We have identified four recurring challenges that companies experience in securing market access for their products

1

Strategy not suited for local implementation

- Differences in culture and processes influence payer behaviour, even within the same payer archetype
- Companies often set pricing ambitions, or access conditions, that may be challenged in some jurisdictions

“

It is odd to propose a proactive discount on a product that you say is innovative... I never heard of this kind of situation before. It would be quite unusual; I would doubt your confidence on your product and could then push for an even greater discount.

2

Excessive focus on disease background, unmet need and scientific detail

- Payer interactions are often time-limited, with no second chances
- Companies tend to focus on what payers will easily accept and may have already been explained in a dossier

“

I believe this product works, so let's move on and talk business, see the impact on budget.

“

We have been briefed on the disease; you can save your time there. A brief introduction is enough.

We have identified four recurring challenges that companies experience in securing market access for their products

3

Insufficient differentiation

- ‘Difference’ means to just be different, while ‘differentiation’ requires a difference that is relevant to payers and patients
- Companies often focus on differentiated characteristics without knowing if these are relevant to payer decision making

“

Payers are looking for treatments with greater efficacy, or with similar efficacy but more convenient MoA and less AEs. Are you able to demonstrate this?

“

I recommend you do not base your whole argumentation on this endpoint, as the magnitude of change is not meaningful for patients.

4

Insufficient preparation

- Negotiation is in the detail, and companies are the experts on their product
- Companies often fail to present a strong value narrative, with robust handling of payer objections

“

We decided to provide an option at no extra cost for speedy access... It's about attentive listening to patients, to continue developing better therapies.

VS

“

Physicians were already using SoC at higher dose than labelled, so the higher dosing for our follow-on product will bring label alignment... This was a company decision.

Negotiation is the whole process for access, not just an event at the end

“

*A type of communication we often engage in **without necessarily realising we are doing so.***¹

“

***Back-and-forth communication** designed to reach an agreement when you and the other side have some interests that are shared and others that are opposed.*²

“

*The process of discussing something with someone in order to reach an agreement with them, or the **discussions themselves.***³



Every payer interaction should be regarded as part of a years-long negotiation

Our conclusion is clear: preparation is key for successful negotiations, across all stages of the market access journey

“

*Let us never negotiate out of fear. **But let us never fear to negotiate.** (John F. Kennedy, 1961)*

Revisit key negotiation concepts

- Collaborative negotiation
- The partisan principle
- The laws of the Iceberg
- Psychological threat situations

Prepare your approach

- Study your product and its evidence
- Develop your value narrative
- Adapt your pitch to the audience
- Plan for all that could go wrong
- Establish your BATNA
- Prepare a negotiation checklist

Test your tactics

- Use role-plays with former payers
- Practice your value narrative
- Test pricing and access scenarios
- Practice how you handle objections



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