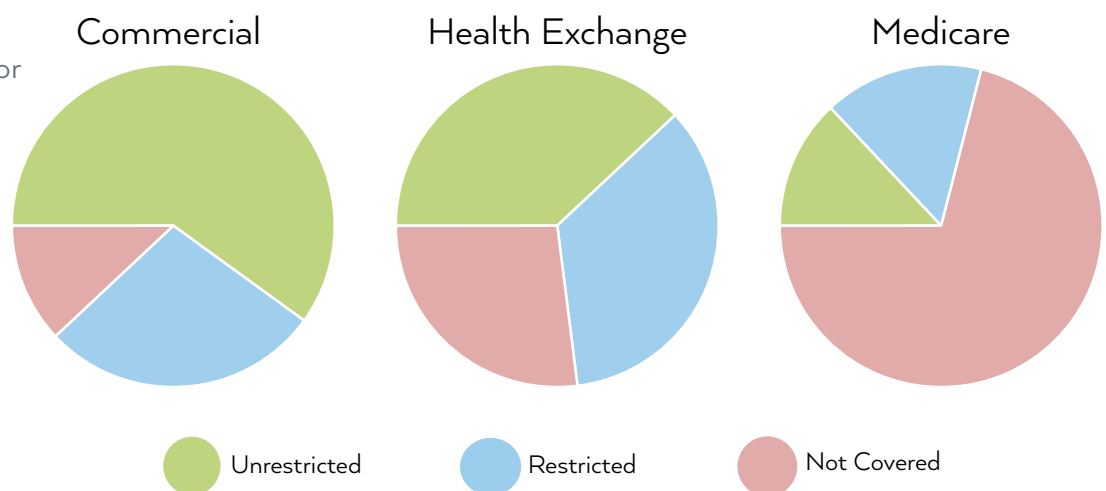


Reality Check: **Dermatology: Acne**

Coverage

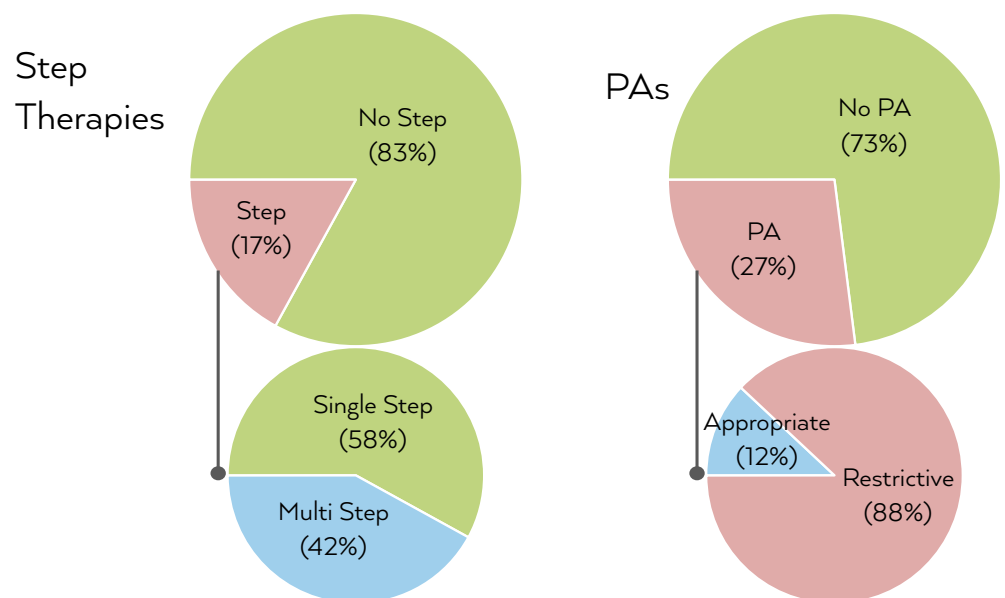
Drugs

A review of market access for the dermatology-acne class reveals the differences in coverage across each major channel. Commercial formularies are the least restrictive by far, while around seven-eighths of Medicare Part D lives are restricted or not covered.



Payers

Payers implement a variety of reimbursement restrictions for dermatology agents for pharmacy benefit lives. While step therapies exist for all products on at least some formularies, prior authorizations create a much more complex landscape due to their heavily restrictive nature.



Key Players



Please reach out to MMIT to learn more about which drugs were included in this snapshot

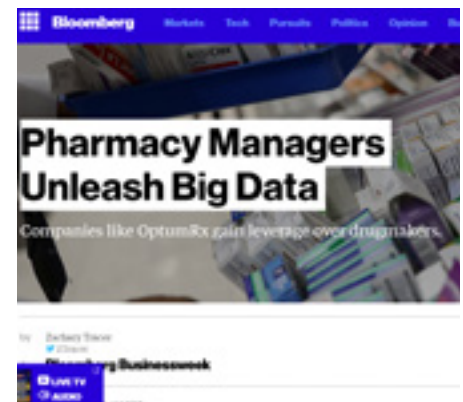
Reality Check: **Dermatology: Acne**

Trends

Pharmacy Managers Implement Big Data

Recently, we see that a handful of pharmacy benefit managers use big data to identify opportunities for cost savings in their reimbursement structure. One example shows that OptumRx recently increased the amount of restrictions on branded acne products after seeing a spike in acne spend for their largest plans under UnitedHealth.

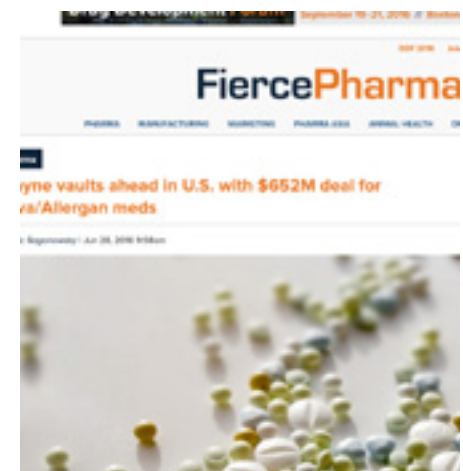
[Via Bloomberg](#)



Expanding Generic Influence

Branded dermatological brands face an incredible amount of generic competition. Recent news around the Australian-based Mayne Pharma reveals how significant the opportunity for new manufacturer players in this space is. Mayne recently skyrocketed in the U.S. pharma scene by taking over a large portfolio of Teva/Allergan generic products but they also are known for their acne brand, Doryx.

[Via FiercePharma](#)



Reality Check: **Dermatology: Acne**

Key Findings

Omni-Channel Promotion Revolution

Manufacturers deploy a variety of promotional techniques in this evolving drug landscape. Less than a decade ago, dermatologists were identified as one of the most receptive group of HCPs to pharmaceutical sales rep visits. While they still may be more welcoming than other specialties, limited access to physicians demands the utilization of other channels. Non-personal promotion is now commonplace for branded acne pharmaceuticals.

Complex PA Policy Reimbursement

The prevalence of prior authorizations and step therapies forge a complex market access landscape for the acne market basket. A significant percentage of top payers implement utilization management approaches to control costs and manage patient populations. Prior authorizations are specifically strict for branded products, with 88% of policies restrictive-to-label.

Market Access Differences Between Channels

Manufacturers face a complicated ecosystem due to the market access variances across each coverage channel. Medicare Part D coverage is the most restricted overall, with payers not covering branded treatments for roughly 70% of payer-controlled U.S. lives. While commercial formularies feature acne treatments as preferred products for the greatest percentage of lives, managed medicaid covers products at some level for over 90% of lives.

Characteristics

Indications Reviewed



Step Therapy Policies

Step therapies exist for around 17% of pharmacy benefit lives. When these policies are present, roughly 40% require multiple product steps to obtain coverage

PA Policies

While prior authorization policies only exist for about 27% of payer pharmacy benefit lives, 88% are restrictive to the FDA-approved label when they do exist