Quantifying impact in Market Access / HEOR

Using Key Performing Indicators (KPIs) to measure, improve and communicate evidence of functional performance
With payers around the world expecting more evidence of value, HEOR and Market Access (Value and Access) functions have become key factors when it comes to setting and executing strategies on evidence generation, pricing and reimbursement. Despite this increased prominence Value and Access functions have yet to demonstrate performance through clear metrics and accountability. Whilst their mainstream peers in Research and Development (R&D) and Commercial have developed mature performance management capabilities, Value and Access functions have fostered a specialist driven culture perceived as ‘difficult to measure’. As a consequence partner functions often struggle to understand what to expect from Value and Access in terms of deliverables and quality of service.

We contend that it is possible to measure the performance of Value and Access functions, and when done effectively can contribute to improved performance and better alignment with partner functions. Strong, data-driven performance management through the measurement of Key Performance Indicators (KPIs) can help to demonstrate the contribution of Value and Access to business critical goals whilst enabling early detection of risks and opportunities. In this way KPIs can act to reset the function’s focus on the tasks that matter most – optimising pricing and reimbursement outcomes.

From our experience at working with development and commercial functions (including Value and Access), we have observed several key principles that should be heeded when it comes to introducing KPIs in Value and Access functions:

- **KPIs should be aligned with the strategic objectives of Value and Access and the wider organisation**
- **KPIs should be developed to measure impact where possible**
- **KPIs should be designed to cover the complete development and lifecycle management of the asset**
- **KPI reporting and analysis must drive leadership team decision making to foster a cycle of continuous improvement**
Global Value and Access has often been seen as a function who just develop economic models and help countries adopt these models in their local market in preparation for launch. While these activities are still important, Value and Access is taking on a much broader remit in the development and commercialisation of drugs. Providing R&D with insights on real world experience of a drug or disease, and partnering with Commercial and Medical Affairs on strategic commercialisation issues, are increasingly important roles within Value and Access functions.

With this growing prominence comes increased expectations. Senior stakeholders will demand evidence of performance across the value chain and most importantly the influence of Value and Access on the bottom line. From our experience working with R&D and commercial functions, including Value and Access, we feel that the contribution of the Value and Access function is still unclear to many stakeholders.

Furthermore many Value and Access functions have not addressed performance management adequately.

The challenge is not unique to Value and Access. We have witnessed Medical Affairs evolve to become more strategic and able to integrate patient insights into decision making throughout the development life cycle. Medical Affairs has become a key stakeholder in the industry’s shift to bring the patient closer to decision making, thus becoming more ‘patient centric’. By establishing a performance management system across these agendas we have assisted functions in Medical Affairs and patient centricity to better articulate their objectives and demonstrate success 1,2.

We believe that Value and Access functions must seize the opportunity to address performance in the same way as Medical Affairs and other partner functions.

A story: Reimbursement troubles at Pharmaco Rx

Pharmaco Rx was experiencing unsatisfactory reimbursement outcomes across the portfolio. Recently launched products were only reimbursed in restricted sub-populations at prices below agreed internal targets. Senior executives were under pressure and were starting to ask questions. The CFO was overheard remarking “I’m not sure what Global Value and Access really do, but they better start making things happen soon!”.

Whilst Affiliates felt that the pricing and reimbursement support they received from Global Value and Access was of excellent quality, deliverables were often delayed. They were also frustrated that evidence generation rarely received their input and recent evidence packages were not optimised for their environment.

Meanwhile, Global Value and Access was blaming the environment, which had indeed become much tougher. After all, Value and Access is not the only function that supports price and reimbursement.

One manager was overheard remarking “if only people understood what it is we do, without us things would have been much worse…”

What could have helped the Global Value and Access team better understand and drive performance?

What evidence could have been used to educate senior stakeholders on the business impact of the Global Value and Access team?

Addressing performance management through KPIs can enable functions to report upwards on performance, communicate downwards on decisions and directional changes, and laterally with partner functions to set objectives and clarify expectations. Additionally, early visibility of data on performance enables functions to course correct early and manage efforts in line with the parent organisation’s strategic objectives (Figure 1).

**Figure 1: Performance measurement helps achieve business goals**

Performance information provide the possibility to:
- Clarify and communicate objectives
- Align behaviors with objectives
- Enable buy-in and engagement
- Facilitate corrective and preventive measures
- Enable long-term capability building
- Focus on continuous improvement

Whilst it is not uncommon for Value and Access functions to participate in cross-functional launch excellence initiatives with asset specific KPIs, very few Value and Access functions possess a holistic set of KPIs at the functional level across the lifecycle. Those that have developed KPIs have either focused too heavily on measuring activities over impact (e.g. number of publications), approached the problem through their sub-functions with inadequate coordination (HEOR, Real World Evidence, Pricing etc.), or failed to align across global, regional and local layers of the organisation. This approach has contributed to a perception that Value and Access support is fragmented and difficult to quantify.

An underlying issue we see in Value and Access functions is that they have often considered themselves “different” and “hard to measure” whilst maintaining a degree of independence from other functions. There is a reluctance to be measured or influenced by targets that come with KPIs. For example, whilst reimbursement price and access are obvious indicators for success, Value and Access functions may distance themselves from direct accountability pointing out the many confounding factors. If Value and Access is to move away from being a support function (as we believe it should) then it needs to sign up to being measured and scrutinised in the same way as its partner functions.

Introducing KPIs comes with its challenges and not every function will aspire to have the same performance management capability. From our experience at working with development and commercial functions (including Value and Access), we have observed several key principles that should be heeded when it comes to introducing KPIs in Value and Access functions:

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There is not one set of KPIs that is fit for all Value and Access functions. KPIs should be derived from the strategic objectives of the function. These objectives should be aligned with those of the wider organisation and account for where effort should be directed (specific therapy areas, established products versus innovative products etc.). This will ensure activities are directed to the most business critical tasks and also ensure alignment with partner functions.

Our approach is to identify Value and Access specific objectives, and then to track the underlying critical success factors (CSFs). The CSFs will both enable and encourage people to work towards the objectives in an optimal way. Once the CSFs are agreed, associated KPIs are proposed. The KPIs need to provide an indication of whether those CSFs have been met and whether they will be met going forward.

Figure 2: KPIs should be derived from the organisation’s core strategic objectives

KPIs should be developed to measure impact

Too often we see KPIs which are designed to measure activity. For example, the number of publications developed by HEOR is important to ensure the organisation is contributing to disease awareness and the understanding of burden of disease. However, it doesn’t tell us whether these publications had any impact on pricing and reimbursement, uptake at the local level or to what extent local countries were using these outputs.

Whilst it is considerably harder to measure impact, from a strategic perspective measuring impact through KPIs is a key priority. For example, in Figure 3, measuring the number of RWE projects completed would not tell us whether these projects were of a good quality and more importantly, whether they were used to support the asset. Measuring only the number of projects could also influence the team to take on work that is not strategically important, diluting their impact and diverting resources away from business critical assets.
The multidisciplinary nature of Value and Access functions has contributed to the difficulty in measuring and aligning performance across functions supporting price and reimbursement. This is further compounded when Value and Access sub-functions (e.g., HEOR, RWE, Pricing etc.) are charged with developing their own KPIs. Whilst each function may own or lead on certain activities, achieving successful pricing and reimbursement outcomes is a collaborative process.

It is our belief that KPIs should be developed against the lifecycle of the portfolio. Consider evidence generation, launch support and post-launch support as three example focal points for any sub-division of support. In this way KPIs within these brackets can be designed with collaborative input from the Value and Access sub-functions.

Forward thinking Value and Access functions are increasingly focusing on their ability to influence evidence generation within an Access naive internal community. Whilst most organisations have recognised the importance of developing a ‘reimbursable file’ it is only when Value and Access functions have asserted influence across multiple internal decisions (e.g., target product profile, label requirements, design of clinical trials) that an asset is likely to be supported by the right evidence package. Being able to measure this by understanding the CSFs and their corresponding KPIs, is imperative for Value and Access functions seeking to exert influence earlier in the lifecycle.
In addition to measuring KPIs and assessing their impact, it is essential to ensure that the function embraces a culture of performance management. Too often time and resource is sunk into performance management systems only for the organisation to underestimate the back-end work in developing the behaviours and processes needed to reap the benefits. Consideration of KPIs as a one-time project will not change ways of working of the function and at worst could result in unhelpful incentives, ineffective management and poor outcomes. To successfully implement KPIs there needs to be a culture of informed decision making. The leadership team need to be advocates of this culture and seen to be translating measurements into actions. Employees need to have awareness of the drivers behind the KPIs so that they are able to trust the results and take ownership of their individual roles and responsibilities. In this way functions with a visible demonstration that the data collected is used to drive decisions, are able to sustain a positive cycle of data collection, data analysis, decision making and improvement in performance.

Figure 4: Effective performance management is a continuous cycle
Through their strategically aligned set of KPIs the Global Value and Access team was able to educate global partners on their priority activities and core capabilities. There was forewarning of the environment shift in Europe and that evidence requirements from Payers had increased. The CFO was actually saying “Why didn’t anyone listen to these guys earlier?” Consequently immediate expectations on pricing and reimbursement outcomes were adjusted and Global Value and Access was leading an initiative with Development to better integrate insights from the markets into early stage development.

By committing to be held accountable to quality and timeliness of support to Affiliates, the team was able to identify that its high quality service was coming at a price – timeliness. Through a better understanding of the resource required to meet these quality standards, the Global Value and Access team was able to build a convincing business case for more resource in the function.

KPIs had enabled the team to better understand the levers for successful outcomes. By capturing performance on the leading factors to pricing and reimbursement outcomes the team was able to share its success stories and demonstrate its influence on the bottom line.

How things might have looked:
Conclusion

There is an opportunity for Value and Access functions to raise their game through performance management. Value and Access functions need to be accountable for the quality of their service and its impact on the wider organisation.

If developed effectively, KPIs are an efficient and transparent way to measure and understand performance, enabling Value and Access to optimise results and communicate their value to internal stakeholders. Through the proper construct of KPIs, sharing success and communicating on performance expectations, Value and Access can better collaborate with partner functions and contribute to business benefits such as:

- Improved quality and effectiveness of support to key customers such as country market access teams
- Awareness of the leading indicators to success, enabling the business to plan for, manage and fund the most important activities
- Improved access, including pricing and reimbursement outcomes in the markets
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