2022 Report:

The Evolving Landscape of Digital Healthcare Hubs

Trends and Insights from Pharmaceutical Manufacturers and Providers

Table of Contents

Introduction

The $4 trillion healthcare industry is transforming on many fronts, particularly when it comes to the enabling technology that supports this fast-growing, rapidly evolving field. The industry is seeing a massive shift toward digital healthcare solutions, with technologies like telemedicine, data analytics, clinical decision support systems, mobile health, and artificial intelligence now at the forefront.

Despite these significant advancements in digital healthcare services, many patients still grapple with the complexities of a healthcare system that can be difficult to navigate. Many struggle to understand what their health insurance will or won't cover, determine their out-of-pocket costs, and coordinate their own treatment plans. In turn, they often have difficulty accessing, affording, and adhering to prescribed therapies, particularly for complex or chronic conditions.

Digital healthcare hub services have emerged as a key component of the infrastructure that can help patients overcome these barriers and achieve better health outcomes. Digitally enabled hubs prove especially vital for patients on specialty therapies that can be complicated to understand and administer.

Both pharmaceutical manufacturers and healthcare providers have a strong vested interest in improving the patient's journey from prescription to therapy initiation through adherence, for optimal health outcomes. At the same time, they need to optimize payer coverage and reimbursement, maintain regulatory compliance, and ensure smooth pharmacy distribution, especially at a time of continued supply chain constraints.

As a leading provider of digital hub services, CareMetx shares these goals with our partners. By ensuring pharmaceutical manufacturers and providers have the enabling technology to support their specialty drug programs, we help to optimize patient access, affordability, and adherence to life-altering therapies.

To bolster our ongoing mission of providing these top-tier solutions that facilitate patient access and adherence to specialty therapies, CareMetx recently conducted research to assess the trends that are shaping digital healthcare hub services. Our goal was to dive deeper into what pharmaceutical manufacturers and providers truly need in a hub platform, and to identify opportunities for technology providers to better meet those needs.

This report shares key findings of our comprehensive study, illuminating both established and emerging trends that will impact how hubs are selected, how they operate, and most importantly, how they help manufacturers and providers best serve patients. Through surveys and in-depth interviews with pharmaceutical manufacturers, healthcare providers, and payers, a clear picture of the outlook for and direction of hub services has emerged.

Who Was Surveyed:

Pharmaceutical Manufacturers

11 interviews

59 survey respondents

A mix of large and small manufacturers

VPs and directors, primarily in market access and patient services

Providers

4 interviews

60 survey respondents

Medical directors, oncologists, cancer center director, specialty therapy VPs, and pharmacy benefits director

Payers

2 interviews

Commercial health plan, pharmacy benefit manager

What Was Evaluated:

Preferences and impressions of hub capabilities such as:

- Electronic Benefits Verification (eBV)
- Electronic Prior Authorization (ePA)
- Electronic Patient Assistance (ePAP)
- e-Enrollment and Consent
- Co-Pay Support
- Provider Pathways and Portals
- Case Management
- Call Center Support
- Analytics and Data Dashboards

Factors influencing the digital hub provider decision, such as:

- Disease-specific expertise
- Ease of contracting
- Manufacturer-facing customer service
- Optimizing patient and provider referrals
- Provider-facing customer service
- Rate of issue resolution
- Speed of issue resolution
- Technology integration

A Note On Research Methodology

The following research used both qualitative and quantitative approaches to gain insights from leading stakeholders in the healthcare industry.

Surveys and discussions focused on some of the most essential hub services capabilities offered or desired by manufacturers and providers, along with the factors that are most important when manufacturers evaluate a hub provider.

The Demand for Flexibility & Customization

Finding: Hub Providers Must Stay Agile and Flexible to Meet Evolving Needs

Research suggested what manufacturers most value in hub services is flexibility in terms of depth and breadth of services and pricing.

The increasing complexity of biologic products and a strong desire for patient-centric solutions are among the factors leading manufacturers to seek highly customized hub services tailored to the needs of specific patient populations. They also seek more customization in how hub services provide payer insights.

"Adherence support at various stages of the patient journey is another thing where some of it's more standardized like calls, check-ins at certain times, but there's probably more that can be done there as well."

-DVP of market access strategy at a small manufacturer

When hub service providers are too tied to their own service offering structures, it can signal a lack of understanding of the support a given specialty drug product requires. Manufacturers increasingly want more customized approaches to hub service relationships, with methods and key performance indicators (KPIs) that connect the quality of the hub system and processes to demonstrable outcomes and interventions.

As an oncology national accounts director at large manufacturer shared, "Your ability to customize is everything because no two products on the market are the same...Can you have an off-the-shelf hub in a box? Probably, but that's going to require a really low-complexity product, and it's also going to inhibit your ability after launch or at any point to fix anything."

Results also confirmed providers seek flexibility in hub services, although through a slightly different lens: to improve engagement between patients and back-end staff, driving therapy access and continuity. Providers expect hub service partners to avoid rigidly adhering to traditional engagement methods, and instead use the most pragmatic approach to engage with a given patient population. Equally important, they need hub providers to demonstrate a willingness to adapt their service pathways, especially when similar issues reoccur for the same therapy.

What This Means for the Future of Hub Services

The more clearly tailored a hub provider's communication and interactions with manufacturers—such as when responding to Requests for Proposals (RFPs)—the better it can demonstrate understanding of the individual manufacturer's needs. For instance, it may be possible to offer a menu of service options while still maintaining the integrity of the service selection.

This degree of configurability illustrates an ability to flex with the needs of both the manufacturer and the brand, especially for those that opt to insource certain components of their hub services. As the field director of health economics and market access at one manufacturer described, it's "the ability of a hub provider to plug and play into different models, where they may be doing everything or part of it or working directly with a manufacturer or a specialty pharmacy or third party."

"If I'm in another buy and bill situation, I would bring certain practice administrators to serve as my advisor board, as I'm working with the hub services to build that. If we bring in 10 people, all 10 would probably have different things that are specific to them."

-Director of market development at a small manufacturer

Staying agile throughout the relationship is equally critical, since a particular product's needs for digital hub services could evolve during the commercialization process.

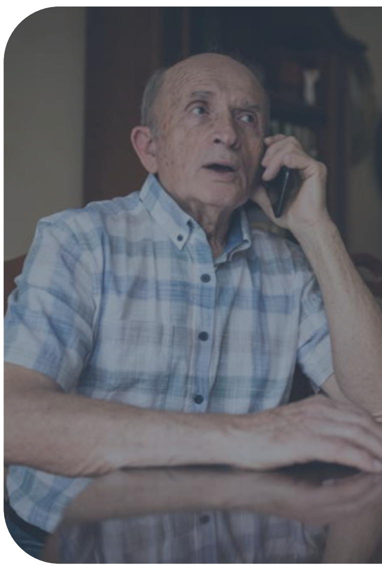
However, with requirements varying both by manufacturer and therapeutic brand, flexibility and nimbleness will need to be matched with a best-practices approach that spans all programs and relationships for consistency.

Long-term, the ability to understand and adapt to product- specific needs, collaborate with manufacturers and providers, and demonstrate deep therapeutic area knowledge and expertise will enable hub providers to meet manufacturer and provider needs for flexible solutions that help them achieve their common goals.

Understanding the Patient Journey

Intimate Knowledge of the Patient Journey Improves Hub Services Success

This research confirmed a critical truth: the importance of understanding the broad patient journey in delivering effective hub services. The patient journey must be the central focus of any digital hub services program—driving the specific services a manufacturer needs and ensuring the program supports the key inflection points of hub use.



As the VP of patient services at a mid-sized manufacturer noted, it's important to map out the patient journey first, as that sets up the hub services required. "For example, for elderly men over the age of 60, 90% male on Medicare, those guys aren't going to be attuned with a texting program and engagement that way."

This experience differs greatly from hub services for a multiple sclerosis therapy primarily aimed at females with an average age of mid-40s, as he explained: "They're more attuned to their healthcare, probably would engage with some type of texting program to get their reminders to fill their prescriptions."

As patients progress along their journey, hurdles to therapy initiation and adherence inevitably surface. Pre-dispensing dynamics, the level and timeliness of patient engagement, site of care availability, or lack of supportive services all can impact the journey, requiring nuances in the specific services a hub program delivers.

What it Means for the Future of Hub Services

For these reasons, manufacturers expect a digital hub provider to offer services that reflect an intimate understanding of the patient journey for a given therapy, as well as the key inflection points in the process.

That puts the responsibility on hub providers to better communicate how their services align with, enhance, and streamline the patient journey and how their engagement techniques and processes address the administrative issues typical of a brand or therapeutic area. As the research underscored, hub providers must illustrate their knowledge of therapeutic area-specific issues and an ability to resolve them quickly, along with evidence of how well their standard and non-standard interventions have worked for other programs.

Likewise, healthcare providers seek hub services that are tightly connected to and aimed at reducing the real-life barriers that arise throughout the patient journey, threatening access to therapies. They value hub vendors that recognize the administrative issues patients commonly face, understand the reasons a patient may not respond to engagement initiated by the hub, and align their services to overcome these obstacles.

Where Digital Hubs Fit into the Patient Journey

At the point of order:

Factors such as drug cost, insurance coverage, treatment goals, and specialty pharmacy availability all influence the specialty therapy prescribed. Evaluating these factors can take weeks or months, but automated and streamlined processes can speed the effort.

During enrollment/onboarding:

As providers and specialty pharmacies communicate with patients about their treatment plans, instructions, and timelines, hub services can smooth the process by coordinating between insurers and patients on coverage and payment assistance.

At the start of therapy:

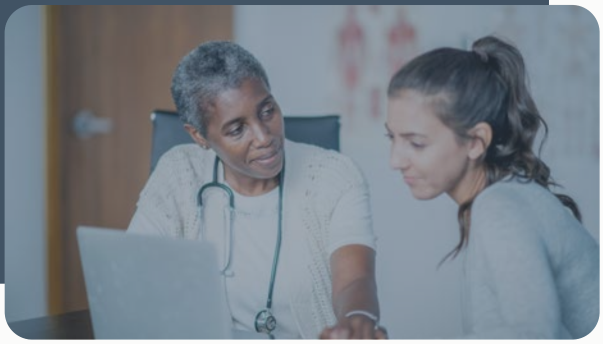
The number of specialty pharmacies offering a drug often aligns with the size of the patient population, impacting therapy availability. A specialty hub can coordinate with this limited specialty pharmacy network, connecting the patient and prescriber and ensuring the patient receives the specialty drug.

During duration of treatment:

Monitoring treatment of a patient using a specialty drug is essential to achieving good health outcomes but requires ongoing attention and significant patient involvement. A hub can help healthcare providers coordinate closely with patients to ensure they're staying on therapy as instructed and evaluate treatment progress.

When treatment is discontinued:

When the patient has completed the treatment regimen and the provider determines the patient no longer needs this specialty drug, the ability to monitor post-treatment symptoms and address questions or concerns is essential—something that hub services can help accomplish.



The Quest for Ease of Use

Improved Integration Can Enhance Ease of Use and Engagement

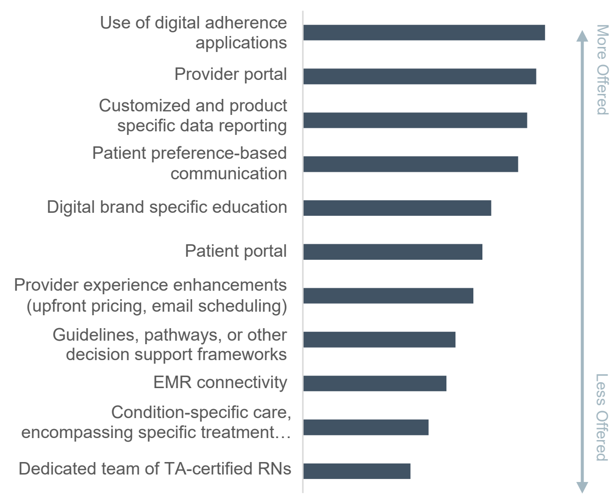
This research discovered both providers and manufacturers see tighter integration between hubs and healthcare providers as essential to improving the patient experience, which ultimately improves therapy access, adherence, and outcomes.

Providers seek more focused engagement from digital hubs, but their experience demonstrates a wide disparity across the industry. They especially want better ease of engagement with the appropriate levels of staff within their provider group.

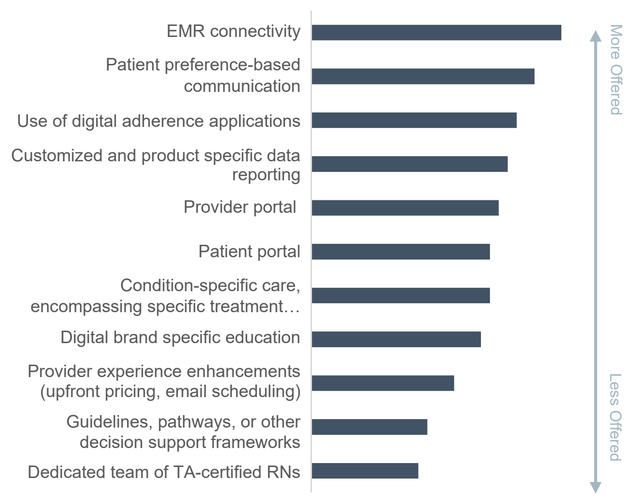
Manufacturers believe better integration between providers and hubs can help prescribers understand the nuances surrounding product access and patient use of a particular specialty therapy. In fact, they view improved integration with providers and more effective engagement with provider groups as the solution to many of the issues that some experience in their hub services relationships. As the research revealed, manufacturers believe a more methodical approach to provider engagement and relatively simple enhancements can improve the provider's experience with hubs.

Today, EMR connectivity ranks middle of the road as a service that pharmaceutical manufacturers take notice of and view as a monetization opportunity for hub providers. Yet, it ranks as the top service these manufacturers believe will be integral to hub services five years from now.

To what extent ***have you noticed the following services currently being offered and monetized by hub service vendors,*** *specifically for specialty products?*



Within the next three years, ***to what extent do you anticipate that the following services will be integral and monetized*** *by hub services vendors?*



What it Means for the Future of Hubs

How can hub providers meet the pressing need for better integration between their solutions and the healthcare providers that prescribe specialty therapeutics? Strategies like the following will prove essential in helping hub providers deliver on that expectation:

- **Recognize that while healthcare providers value the benefits of hub integration, outside of a hospital or health system arrangement there may be little effort or incentive for them to engage in direct integration efforts.**
- **Identify and build relationships with community-level specialty provider groups likely to be open to direct hub integration, especially those using buy and bill channels.**
- **Minimize provider portal administrative issues (and quickly resolve them when they arise).**
- **Develop and track measured engagement approaches with provider groups.**

"Every company with a buy and bill or a product that requires hub services, it's a different log on and doesn't communicate with the EMR, EHR. It's just a huge implementation process, so you must come in with a strong hub services product. And the benefit to the practice where you always go back to is that when you're utilizing your hub service, there's a protection insurance, if you will, for the practice."

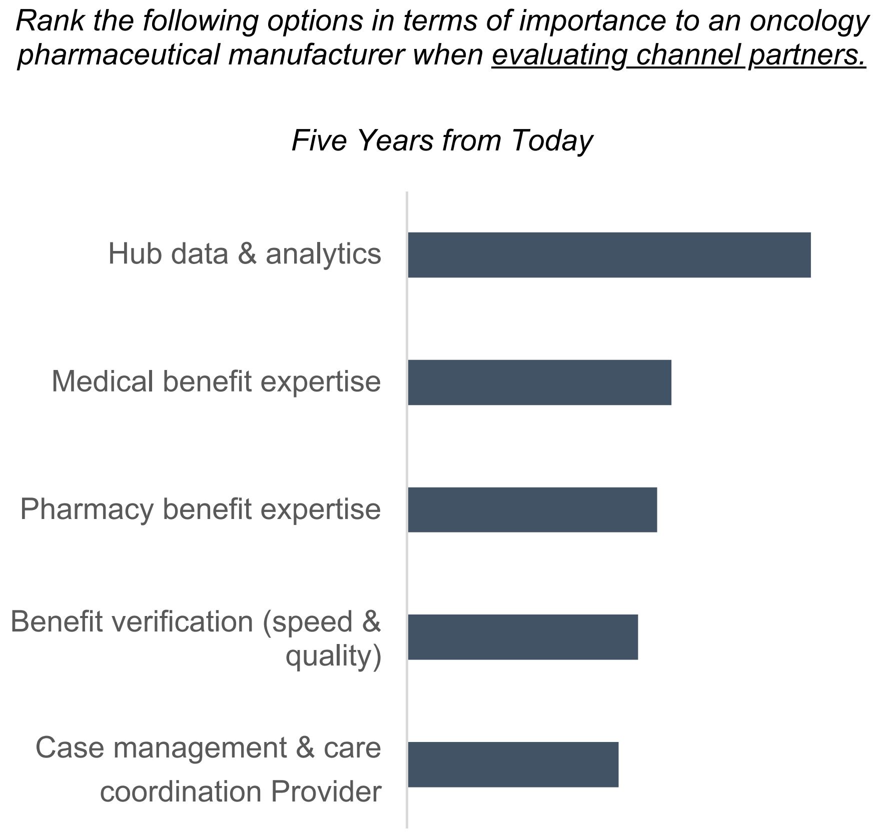
-Director of market development at a small pharmaceutical manufacturer

Unlocking the Value of Data

Better Data Access and More Granular Insights Are High-Value Capabilities

Manufacturers value the market and commercialization insights available from a hub but see significant disparities when it comes to data quality, price, and access. Some have experienced ongoing challenges with the level of data shared and even ownership of hub services data. Ideally, pharmaceutical manufacturers want full stewardship of their hub services data, either through periodic data stream updates or by directly storing patient hub data on their own servers. Beyond data access, manufacturers want more detailed data and more granular insights at the payer and financial assistance level.

Not surprisingly, providers most value data related to therapy access and continuation, in a form they can act on with appropriate interventions to prevent obstacles from reoccurring. As the research revealed, providers generally are less concerned about data access (which they view as a manufacturer issue), but they value data on payers and patient cost-sharing responsibilities, especially those that provide oncology healthcare services.



What it Means for the Future of Hubs

The more that hub providers can make their data easy to access, interpret, and act on, the more valuable those hubs will be to manufacturers and healthcare providers.

An open, partnership approach between manufacturers and hub providers regarding data sharing will be essential to any hub program's success. By building out more granular data offerings—and delivering insights on payer-specific administrative issues, patient cost-sharing, and hub adherence processes—hub services can become increasingly valuable to manufacturers and providers.

For more detailed insights on how manufacturers and providers view hub data, see Sections 6 and 7.

"The problem is sharing the data in the right way, if it can be presented in the format that is insightful and leads to action. For example, if you re-look at the team and see why they're not getting BVs turned around in 24 hours or if your phone is not as good as the text, then how can you get more of those patients to engage by text? The hard part is that some of these patients are not in the highest income. Texting for them is a big deal because they don't have unlimited plans...."

-VP of patient services at a mid-sized pharmaceutical manufacturer

"Some hub providers are nimbler with data, and some are more generous with data. Some of the smaller groups like Human Care Systems, CareMetx...they really want to be helpful."

-Director of patient support services at a small pharmaceutical manufacturer

The Need for Therapeutic Area Knowledge

Therapeutic-Specific Knowledge is Vital to Gaining Trust and Delivering Value

The complexity of a disease state or therapeutic area can influence a manufacturer's decision to outsource vs insource their hub programs and the degree of support they need from a hub provider, as research revealed.

For conditions that impact small patient populations, like rare diseases, some manufacturers prefer to insource because they perceive it's preferable for delivering high-touch service.

On the other hand, the increasing complexity and sophistication of oncology therapeutics for example often spurs manufacturers to outsource their hub programs for oncology brands—if they're confident the hub provider has the necessary therapeutic-specific knowledge and expertise.

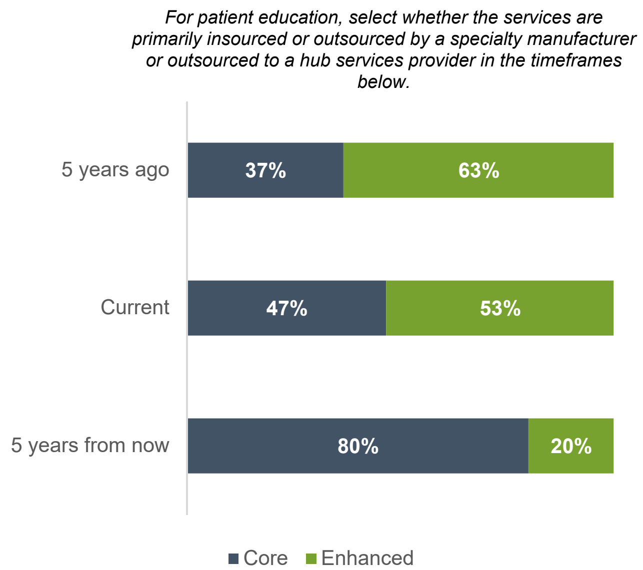
When a hub provider's RFP response isn't tailored and fails to demonstrate knowledge of the disease state or therapeutic area, it diminishes that confidence. Manufacturers view the RFP process as the perfect entry point for hub providers to demonstrate they understand a given therapeutic area and can provide a solution that both learns from and is unique from its historical analogs in this therapy area.

"New therapeutic areas including new rare disease areas are where there's not a lot of support from hubs and where it's going to take them too long to ramp up and to bring them along. So, low number of patients but very high touch might be a place where folks (manufacturers) insource. A place where you outsource easily is orals, everything else. Things that are not so complex and where there's a skill set already there."

-VP of health services and market access at a large pharmaceutical manufacturer

Providers also value a hub provider's therapeutic-specific knowledge, especially as a tool to educate their own staff about common issues that could interrupt therapy use.

While they don't want hub service providers to encroach on their clinical authority, they appreciate it when hub providers use interventions that can reduce the risk of therapy interruption or help a patient avoid adverse events.



What it Means for the Future of Hubs

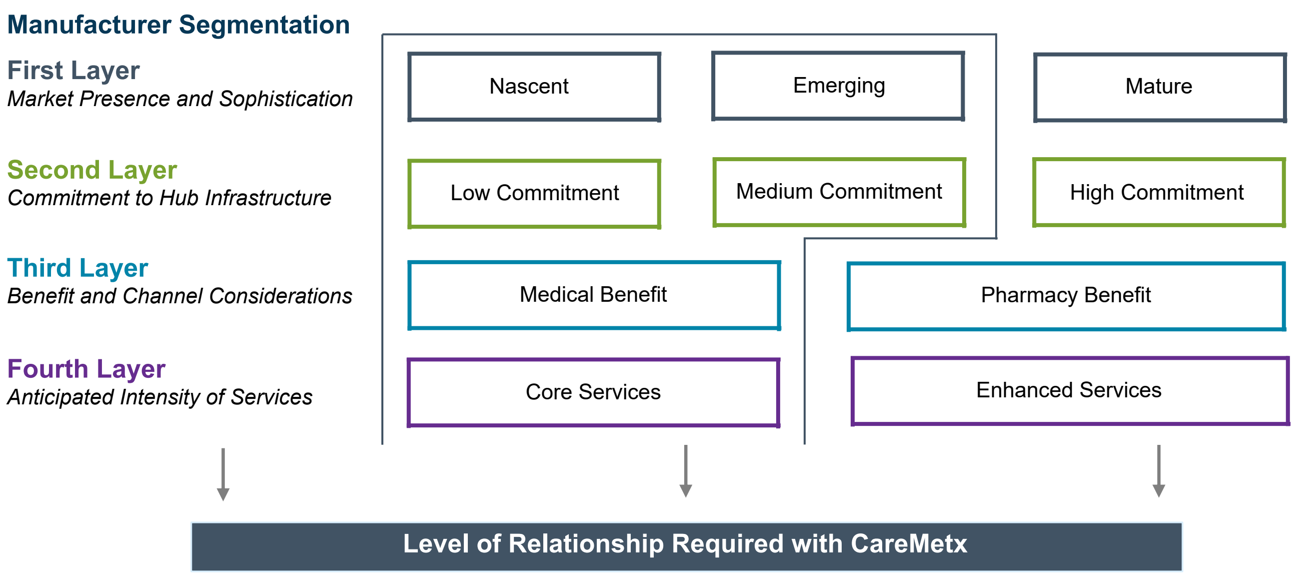
Perhaps one of the simplest ways for hub service providers to gain trust and confidence from manufacturers is by tailoring their RFP responses to demonstrate therapeutic-area expertise and illustrate how that expertise creates long-lasting partnerships.

When the hub provider can show how its offering has evolved through greater understanding of how a particular therapeutic type is used, manufacturers perceive greater value in the offering and the relationship.

A Deeper Dive into Manufacturer Perspectives on Hub Needs and Offerings

Many factors impact a pharmaceutical manufacturer's likelihood to outsource hub services and the specific offerings it needs to meet its brand and corporate objectives. As the research revealed, the factors that prove most influential in this regard include:

- **The manufacturer's market presence**
- **Its commitment to hub infrastructure**
- **Whether the hub program will involve medical benefits, pharmacy benefits, or both**
- **Whether the manufacturer will need more basic, core hub services or enhanced services**



A manufacturer's lifecycle stage and maturity are likely to impact its use of hub services, as research insights uncovered.

- **Manufacturers in the early stages of their overall disease or brand presence are more likely to rely on external hub engagement providers for a wide range of services.**
- **Those that are just emerging into the market may remain comfortable with their outsourced arrangement or may begin to slowly bring those services in-house.**
- **Well-established manufacturers and those with deep historical experience are more likely to take a measured approach in selecting a hub service provider.**
- **A mature, sophisticated manufacturer that enters a significantly different channel—such as moving from medical to pharmacy distribution—may seek a best-in-class external hub provider.**

Given these dynamics, hub service providers can serve as a trusted advisor to less mature manufacturers, helping them overcome common commercialization and access issues. Through an ongoing partnership and continued education, hub providers can provide the metrics and KPIs that demonstrate how the quality of their systems and processes can deliver measurable value to manufacturers at any stage in their hub services evolution.

Product Designation and Channel Influence Hub Services Needs

A product's benefit designation often influences the hub services a manufacturer seeks. While medical and pharmacy benefit products require different approaches to hub services and patient/provider engagement, characteristics like flexibility, the ability to follow the patient journey, and openness to data sharing are crucial regardless of the channel.

KEY CONSIDERATIONS FOR HUB SERVICES FOR MEDICAL BENEFIT PRODUCTS

- Physician supply logistics, given buy and bill prevalence
- Elevated physician and staff engagement strategies
- Shifting sites of care, including the home
- Changes in modalities that present potential benefit design barriers (e.g., changes in patient cost-sharing)
- Less likelihood of being subject to copay accumulators and maximizer programs

KEY CONSIDERATIONS FOR HUB SERVICES FOR PHARMACY BENEFIT PRODUCTS

- Specialty pharmacy triage and recognition of captive arrangements for products to ensure timely access
- High level of copay assistance and copay maximizer/accumulator program use
- Lack of direct provider engagement for therapy use (which elevates role of patient engagement and adherence protocols)

Manufacturer Priorities and Perception of Hub Needs

As this chart illustrates, the hub services that manufacturers place greatest priority on will evolve, as will their preference for outsourcing vs. insourcing. For some hub services, there are distinct variances between manufacturers that offer oncology vs non-oncology brands.

Services	Current		5 Years From Now		Current		5 Years From Now	
	Core	Enhanced	Core	Enhanced	Insource	Outsource	Insource	Outsource
1. Benefit investigation verification								
Oncology	77%	23%	87%	13%	30%	70%	20%	80%
Non-Oncology	83%	17%	83%	17%	30%	70%	20%	80%
2. Data collection & aggregation								
Oncology	47%	53%	80%	20%	20%	80%	40%	60%
Non-Oncology	67%	33%	70%	30%	30%	70%	40%	60%
3. Disease management programs								
Oncology	87%	13%	70%	30%	40%	60%	23%	77%
Non-Oncology	43%	57%	57%	43%	53%	47%	43%	57%
4. Co-pay assistance / PAP								
Oncology	63%	37%	77%	23%	23%	77%	33%	67%
Non-Oncology	73%	27%	70%	30%	37%	63%	30%	70%
5. PA								
Oncology	63%	37%	63%	37%	23%	77%	17%	83%
Non-Oncology	73%	27%	83%	17%	27%	73%	23%	77%
6. Care coordination								
Oncology	70%	30%	77%	23%	30%	70%	13%	87%
Non-Oncology	37%	63%	73%	27%	33%	67%	43%	57%

Services	Current		5 Years From Now		Current		5 Years From Now	
	Core	Enhanced	Core	Enhanced	Insource	Outsource	Insource	Outsource
7. Denials & appeals								
Oncology	60%	40%	70%	30%	27%	73%	27%	73%
Non-Oncology	63%	37%	70%	30%	37%	67%	27%	73%
8. Enrollment with SPP								
Oncology	67%	33%	60%	40%	27%	73%	27%	73%
Non-Oncology	70%	30%	80%	20%	30%	70%	23%	77%
9. Refill reminder								
Oncology	73%	27%	73%	27%	17%	83%	13%	87%
Non-Oncology	60%	40%	67%	33%	40%	60%	33%	67%
10. Patient education								
Oncology	47%	53%	77%	23%	53%	47%	40%	60%
Non-Oncology	47%	53%	80%	20%	57%	43%	50%	50%
11. Clinical / nursing support								
Oncology	47%	53%	80%	20%	33%	67%	23%	77%
Non-Oncology	33%	67%	53%	47%	23%	77%	37%	63%

Oncology clinical supports include non-pharmacological interventions, coordination with upstream molecular diagnostics, cell and gene therapy post-treatment, data aggregation of PROs, and assimilation of data to track progression for ensure continuation of therapy

A key insight gleaned from this study is the fact that pharmaceutical manufacturers' hub service needs vary based on the complexity of their products, their therapeutic areas of specialty, and the nature of their patient populations.

- **Specialty therapeutics that require a light touch within a hub services program include those that involve less direct patient engagement or clinical services management. Through optimized core services, hub providers can support these brands by improving therapy initiation and continuity.**
- **Specialty therapeutics needing a high touch within a hub services program include those requiring a broader investment in nursing programs, physician education, disease management, and direct therapeutic area knowledge. Oncology is a prime example.**
- **For rare and novel therapies, manufacturers report that they seek partnerships that can help them maintain control over narrow patient populations. Hubs that don't provide clinical trial services aren't likely to be involved in supporting the commercialization of such therapies.**

What Drives Manufacturers to Outsource vs Insource Hub Services

While multiple factors impact a manufacturer's decision to outsource vs insource their hub services, the insights from this research reveal that the key drivers align with a manufacturer's maturity and infrastructure.

REASONS TO INSOURCE	*REASONS TO OUTSOURCE*
Large manufacturer with historic infrastructure	Inability / capital intensive process to buildout FTE and administrative infrastructure necessary for core functions of hub services
Narrow / ultra-rare patient population limits need for full administrative build-out	Hubs provide significant improvements in time to first fill by optimizing benefits verification, prior authorization (PA) clearance, and financial supports for patients
Lack of trust in hub services and ability to appropriately drive access and adherence	Manufacturers have had positive experiences with prior commercialization efforts
Greater control over data, doctor, and patient relationship	Larger patient populations (>=50,000) require dedicated hub services
Employed team of brand or therapeutic experts negates need for external hub relationship	Hub vendor's provider connections and key provider account relationship
Lack of perceived understanding from hub vendors related to complex treatment options (i.e., cell/gene therapy	

Manufacturers with a low or limited commitment to building out their internal infrastructure may look to outsource all their hub services in perpetuity or use hub partnerships as a learning opportunity to build out brand-specific programs, like care coordination and disease management.

In contrast, manufacturers with a higher commitment to building out their infrastructure may have historical experience with hub providers, understand the distinct pain points they can address, and may be willing to invest in more human-intensive processes similar to traditional hubs.

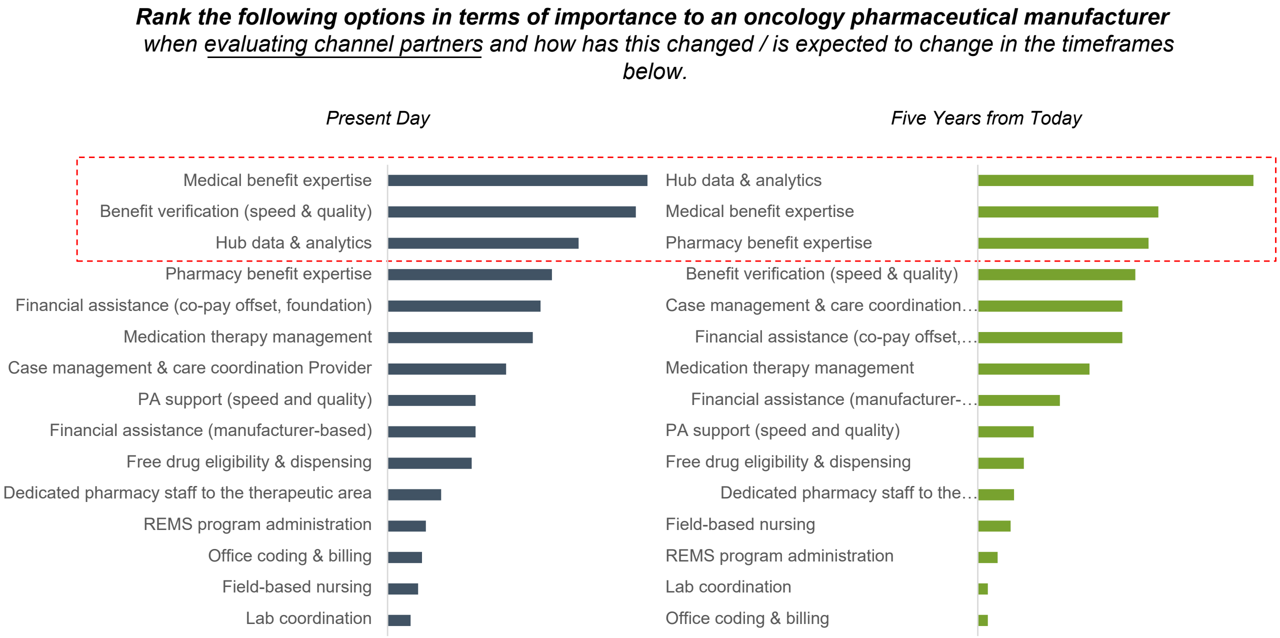
Attributes Manufacturers Look for in Hub Partnerships

While each manufacturer's hub services needs will inevitably vary, those surveyed look for similar attributes when evaluating hub providers. The hub provider attributes most important to pharmaceutical manufacturers include:

- **Expertise across traditional/core hub services such as electronic benefit verification (eBV), PA, and financial support**
- **Ability to tie RFP responses to the patient journey and to be agile in providing solutions to market access challenges**
- **Demonstrated understanding of a therapeutic area, dictated by staff and previous engagements**
- **Willingness to meet manufacturer needs under a hybrid approach, which might not include the traditional suite of services a given hub offers**
- **Defined examples of interventional protocols that address common barriers to product use and adherence for a given product class**
- **Measured engagement with providers and back-end staff**
- **Openness to sharing data and providing meaningful insights based on data analytics**

One notable difference in how manufacturers evaluate hub providers is the unique perspectives of manufacturers with oncology therapeutic brands. When evaluating channel partners, oncology manufacturers expect their criteria to shift over time. Today, medical benefits expertise is the top consideration, followed closely by benefit verification speed and quality.

Five years from now, those manufacturers expect hub data and analytics to be far and away the top criterion in evaluating a channel partner, followed by medical benefits and pharmacy benefits expertise.



"A hub has got to be able to jump in and perform whatever services the company contracts with them and be able to partner with say the specialty pharmacies for some of the other services."

-VP of market access strategy at a small pharmaceutical manufacturer

Co-pay and PAP Capabilities Are Must-Haves

Support for co-pay and other PAPs is viewed as a crucial capability in any hub service offering. Over 70 percent of the non-oncology manufacturers we queried prefer a hub provider to offer full administration of these essential programs.

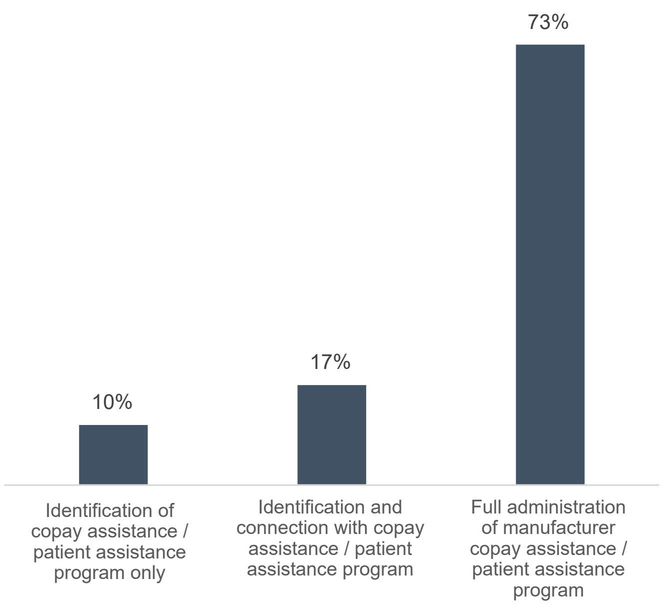
Given the rise in copay accumulators and maximizers, it's perhaps not surprising that pharmaceutical manufacturers across the board emphasize the importance of data analytics services that recognize the use of these programs. While certain hub providers have the capability to address copay accumulators, that's not necessarily the case with copay maximizers.

As the national director of accounts at a large pharmaceutical manufacturer pointed out, "Copay programs these days are subject to several different counter measures taken by payers to restrict your ability to get around what that out-of-pocket cost is going to be. Co-pay accumulator and maximizer programs are going to inhibit your ability to really execute on a copay program. I think everybody has started to figure out how to mitigate the impact of those accumulator/maximizer programs, so that has to be built into your hub if they're going to cross over the administrator of your copay program."

"From the manufacturer end, it's very difficult to find the individual claims that are falling into a maximizer program. That's an important area where if the hub provider or the co-pay provider has strong technology and offer that level of specificity in their reports, that's a gold mine. If a vendor tells us that they can identify with, 90% accuracy, every claim that falls into a maximizer or an accumulator program, everyone's ears would perk up in the room at that point."

-Former director of patient experience lead at a large manufacturer

In your opinion, ***which of the following copay arrangements / services offered by a hub services provider is most preferred*** *by a given specialty manufacturer?*

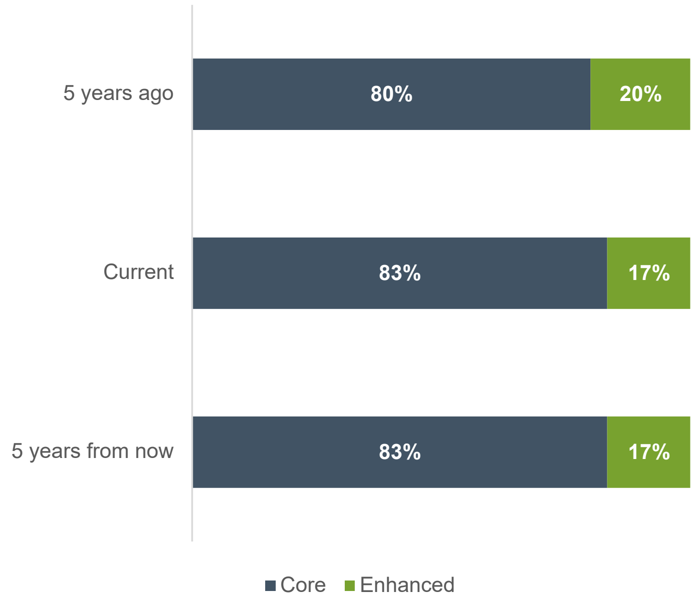


Emphasizing and Redefining Core Hub Services

Though enhanced hub services will play an integral role in pharmaceutical manufacturers' programs, they still highly value and seek expertise in core competencies like electronic benefit verification, PA, and PAPs. For hubs to serve manufacturers effectively, they'll need to understand distinct differences in how these manufacturers define core vs enhanced services when presenting their hub service needs.

Benefit investigation/verification is forecasted to remain high on the list of core services that manufacturers outsource to hub providers. Seven of 10 non-oncology manufacturers say they primarily outsource those services today, and 8 of 10 expect that to be the case five years from now. Hub providers that can demonstrate a proven track record of success in these core areas, backed by KPIs and metrics, will be most effective in garnering manufacturers' trust and business.

*For **benefit investigation verification**, select whether the services would be considered a **core or enhanced service for a specialty** product when conducted by a hub services provider in the timeframes below.*

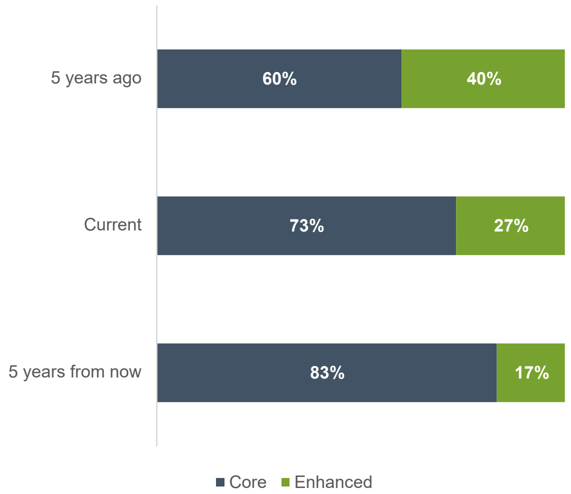


PA is another core service that manufacturers expect to continue to outsource in the coming years, with about two-thirds relying on hub providers for this essential service today or expecting to outsource to a hub over the next five years.

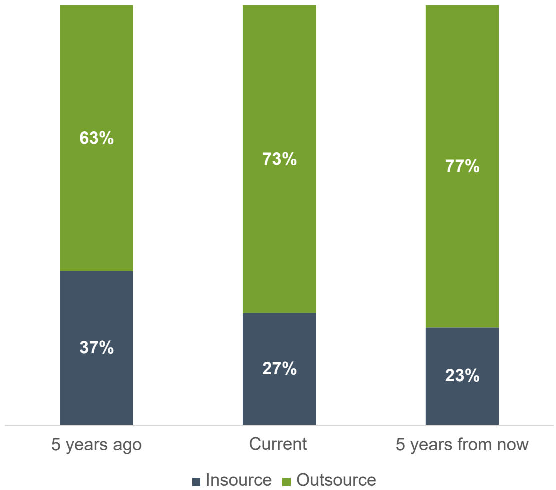
Support for denials and appeals ranks close behind in importance as a core hub service, with about two-thirds of manufacturers turning to a hub for this capability today and three-quarters expecting to five years from now.

.

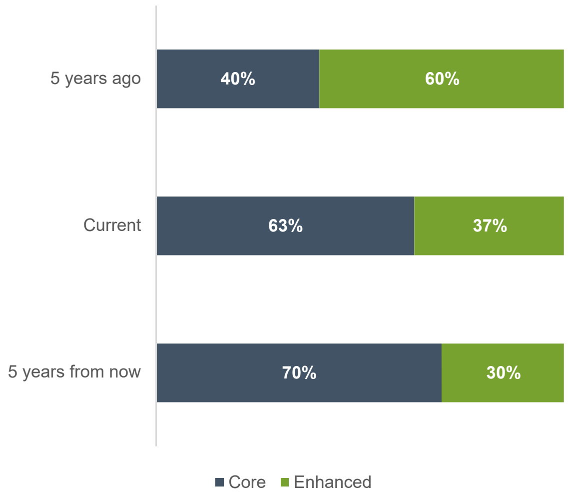
*For **PA**, select whether **the services would be considered a core or enhanced service** for a specialty product when conducted by a hub services provider in the timeframes below.*



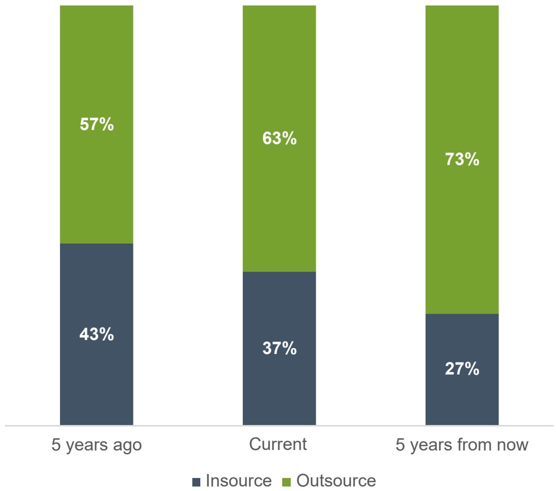
*For **PA**, select whether **the services are primarily insourced or outsourced** by a specialty manufacturer or outsourced to a hub services provider in the timeframes below.*



*For **denials & appeals**, select whether **the services would be considered a core or enhanced servicefor a specialty product** when conducted by a hub services provider in the timeframes below.*



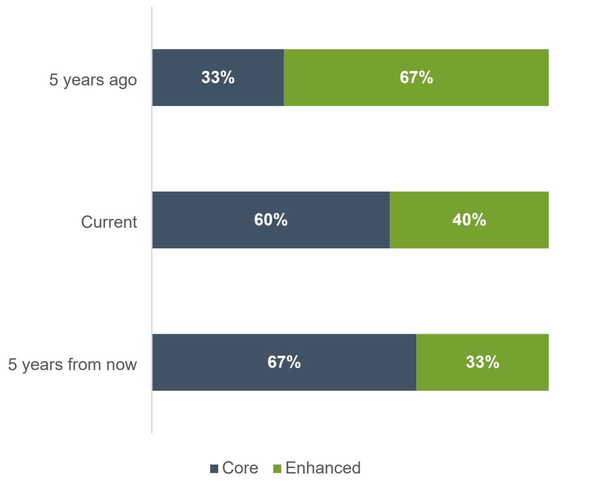
*For **denials & appeals**, select whether **the services are primarily** insourced or outsourced by a specialty manufacturer or outsourced to a hub services provider in the timeframes below.*



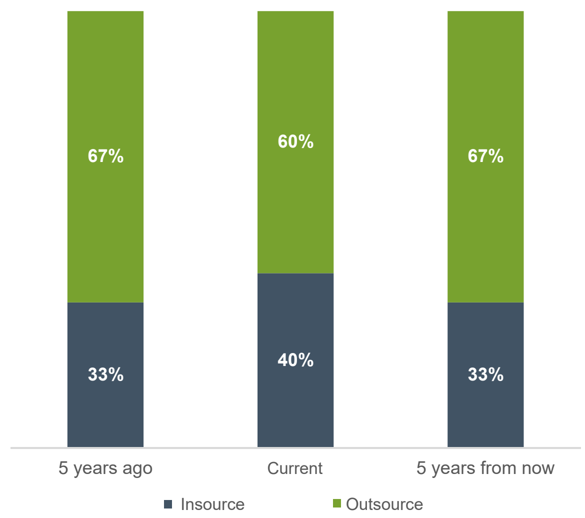
At the same time, hub services that were once viewed as enhanced services are becoming more integral to some manufacturers' programs, especially emerging companies and those that operate in complex therapeutic areas. Patient education, refill reminders, nursing supports, and care coordination are among the capabilities quickly emerging as core to supporting manufacturers' evolving needs.

- **Few manufacturers perceived that refill reminders were a core service five years ago; today, over 60 percent define this service as core to their needs.**
- **Only a third of manufacturers felt patient education was a core service five years ago, but looking ahead five years, 80 percent believe that will be the case.**
- **The need for clinical nursing support from a hub is rapidly evolving. While most manufacturers define this as an enhanced service today, many expect this to become a core service very soon.**
- **Care coordination is a hub capability that's expected to rise dramatically in importance in the coming years. Over time, manufacturers expect this to shift from primarily an enhanced hub offering to primarily a core service they'll expect from hub providers.**

*For **refill reminder**, select whether **the services would be considered a core or enhanced service for a specialty product** when conducted by a hub services provider in the timeframes below.*



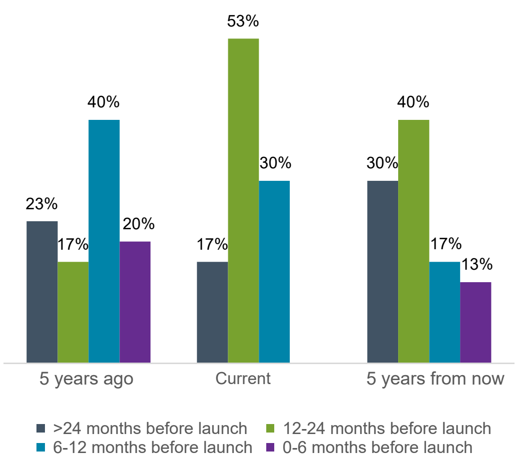
*For **refill reminder**, select whether **the services are primarily** insourced or outsourced by a specialty manufacturer or outsourced to a hub services provider in the timeframes below.*



Perhaps most telling, the research uncovered that manufacturers of specialty therapeutics, especially those outside of oncology, will require a more expanded array of hub services to meet their changing needs.

Five years ago, most only looked to a hub for minimal services; today, more than half turn to a hub for help with benefit investigation, PAPs, and specialty pharmacy triage. And 90 percent expect that only a few short years from now, they'll rely on hub providers for more comprehensive solutions that include a focus on holistic care management.

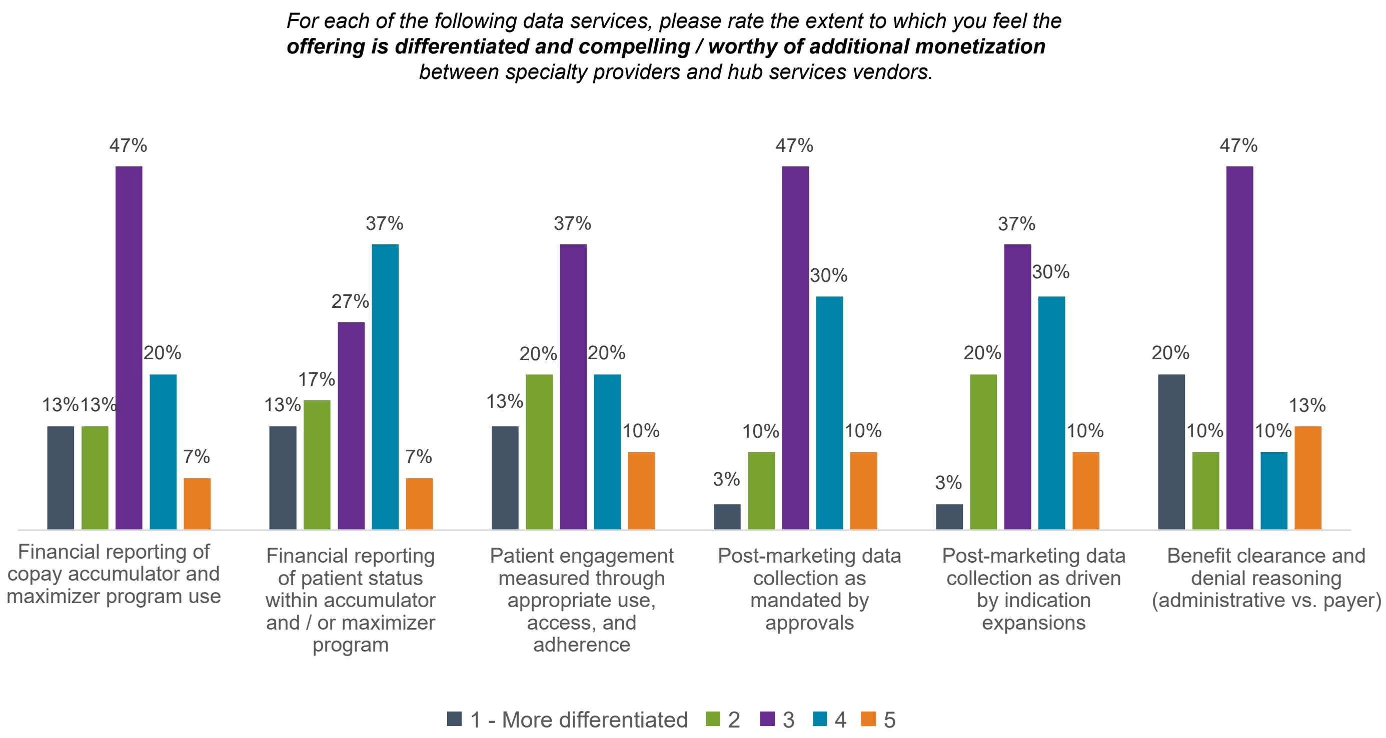
*When do specialty pharmaceutical manufactures **begin evaluating channel partners**, including hub services vendors? How has this changed / is expected to change in the timeframes below?*



Data Access and Analytics are Top of Mind for Manufacturers

Manufacturers rely on clean, usable data from a hub provider as an additional source that complements traditional POS data collection avenues. Most agree that data streams like financial reporting (including co-pay accumulator program use), benefit clearance and denial reasoning (i.e., administrative vs payer), and patient engagement (through the lens of appropriate therapy use, access, and adherence) could be key offerings for hub providers.

Notably, pharmaceutical manufacturers that lent their insights to this study felt that various types of data and reporting can be key differentiators for hub providers, serving as compelling offerings worth monetizing. Financial reporting on copay accumulator and maximizer use and patient status, along with post-marketing data collection, are especially valued as differentiated hub services.



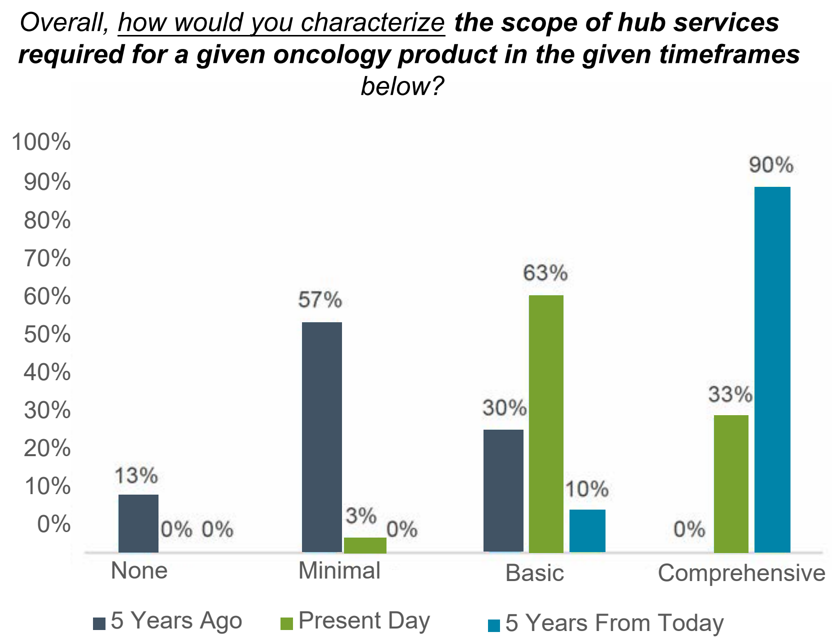
As a group, manufacturers feel there is room to improve the usefulness of hub data. Nearly half of the non-oncology manufacturers who shared their insights ranked the usefulness of the data provided by hubs as a 3 out of 5, with 1 being the greatest degree of usefulness.

> ***"When I think about some of the services that hubs have offered me in the past that have ended up being helpful, it has included making available strong analytics people from their side to say, 'Let me help you to understand and use this data.' It's a little more of a white glove service but it ends up having far reaching values to the manufacturer, and then it dictates how likely they are to stick with them."***
>
> *-Former director of patient experience lead at a large pharmaceutical manufacturer*

The Unique Perspectives of Oncology Manufacturers

Not surprisingly, manufacturers that offer oncology therapeutics anticipate their hub services needs will become more comprehensive over time. While only one-third believe the scope of hub services required for an oncology product are comprehensive today, 90 percent expect that will be the case five years from now.

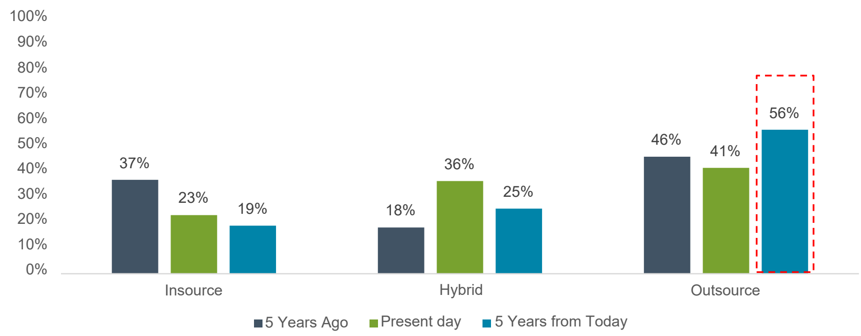
Conversely, just 10 percent anticipate they will only have basic hub services needs in five years.



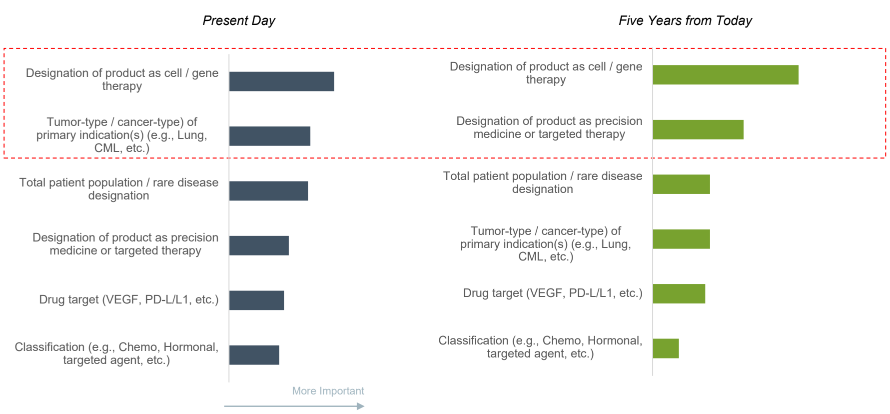
Most oncology manufacturers expect a continued trend toward outsourcing their hub services or taking a hybrid approach to this important capability as part of their commercialization strategy. While only 41 percent characterize their approach to contracting for hub services as outsourced, 56 percent believe they will outsource hub services five years from now. Only 19 percent expect they will still take an insourced approach to hub services five years down the road.

The emergence of innovative oncology therapies has greatly influenced the attributes an oncology manufacturer considers when evaluating and selecting a channel partner. Products designated as a cell or gene therapy, or those that target a primary indication for a tumor type, rank high on the list of attributes that influence channel partner selection now and will remain so in the future.

*Overall, how would you characterize a given oncology manufacturer's approach to contracting or **developing hub services** as part of an oncology product's commercialization strategy in the timeframes below?*



*For each of the time periods below, rank the following products attributes **in terms of importance** when selecting channel partners*



Over the next several years, oncology manufacturers expect decision-support frameworks like pathways and guidelines, along with enhancements that improve the provider experience and product-specific data reporting, will serve as integral capabilities that hub service providers can offer to support their oncology brands.

Recognizing that hub services will become even more important for their oncology brands going forward, oncology drug manufacturers want hub services providers to continually improve their offerings, prioritizing services like care coordination, data collection and aggregation, denials and appeals, co-pay and PAPs, PA, and benefits verification.

A Deeper Dive into Provider Perspectives on Hub Needs and Offerings

Providers Want Greater Integration, But Recognize Limitations

Much like the manufacturers, providers believe better integration, especially at the EMR level, would greatly improve their relationships with hub providers. Yet, direct EMR integration remains a paint point for hub providers, a reality that is shared by manufacturers and providers. Reducing common physician portal IT issues is an achievable solution that can help increase integration between hubs and providers.

"Put it in the EHR so that when I order a particular drug, I can select from a drop-down menu or check a box to have this go to my patient through an app or a standardized process. It would be hard to get the manufacturer's app into the EMR, but if the manufacturer were willing to work with Epic, Cerner, GE, etc. to create a program that is standardized, then providers would be more likely to "prescribe it" to their patient and have the patient interact with it."

-VP, specialty/infusion operations

The disparity between satisfaction with the current state of integration with hub providers and the opportunity to improve that state is especially high among oncology providers. While most oncology provider groups that were surveyed have relatively little integration with hub providers today, 57 percent see it as an area of great opportunity to improve the experience. At the same time, providers of all types believe greater hub and provider integration may be cumbersome to achieve and difficult to monetize.

Several strategies can help hub providers better support healthcare providers, even if the full integration they ultimately seek isn't a reality yet. For instance, hub providers across the industry can:

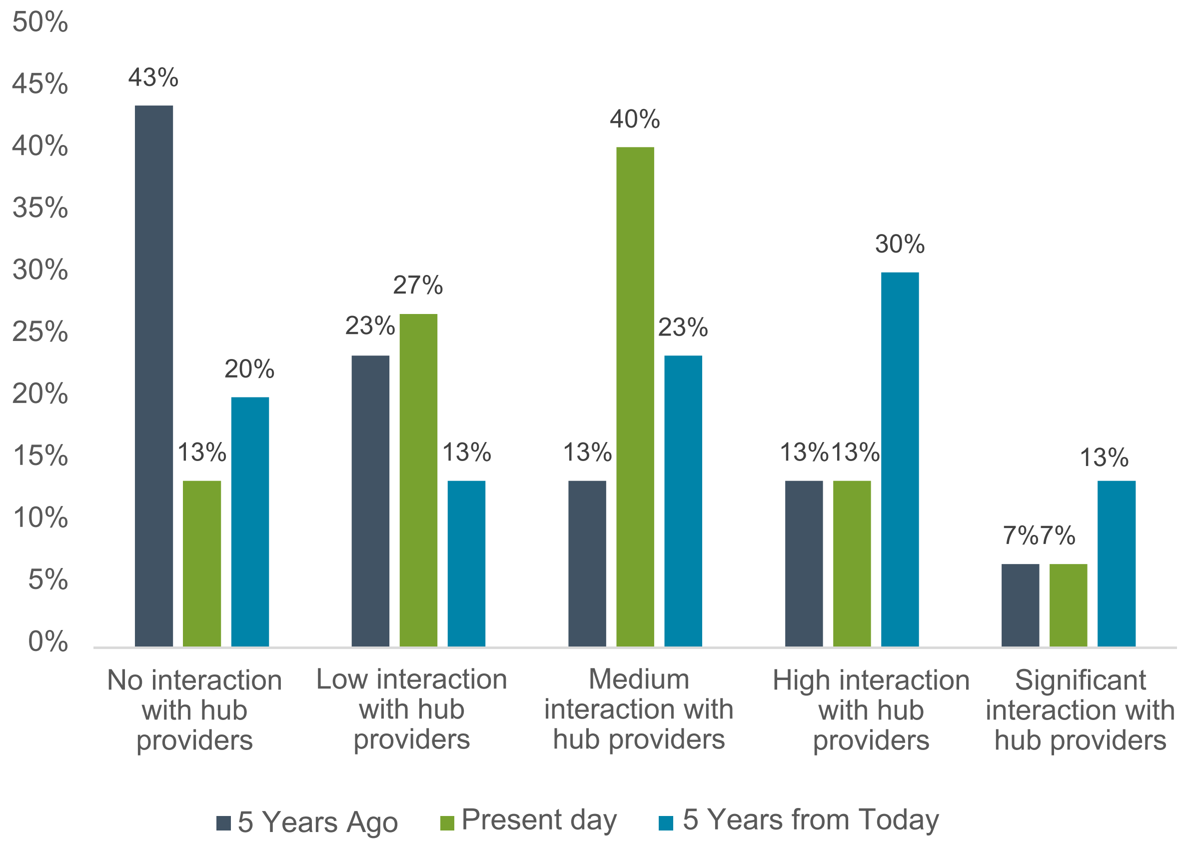
- **Develop measured approaches to engaging with providers in ways that don't overwhelm physician groups with unnecessary information**
- **Develop education programs for manufacturer products to convey common administrative barriers to their use and initiation**
- **Recognize that certain provider groups are more open to working or partnering with hubs, with significant variance in sophistication across practices**
- **Identify complementary services to enhance hospital and health-system specialty distribution systems that may operate their own hubs and pharmacies**
- **Address the difficulties that community practices and larger health systems often have in the rapidly evolving oncology space**

Providers See Interaction With Hubs Increasing

Despite a lack of full integration, oncology providers report that they're engaging in more interaction with hub providers and expect that trend to accelerate.

- **Five years ago, 43 percent had little interaction with hub vendors.**
- **Today, 40 percent describe that interaction as medium level and 13 percent as high level.**
- **Four out of ten oncology providers said they currently interact with three or more hub vendors in a single day.**
- **Five years from now the picture will look very different, with 30 percent forecasting their interaction with hubs will be high and 13 percent describing it as significant.**

*How would you **describe your oncology practice's level of interaction** with hub services providers for the following service buckets in the timeframes below?*



Providers Highly Value Hub Core Services, But Want a More Cohesive Experience

Research with providers across practice types revealed that they view hubs as serving an integral role in benefit clearance, PA, and connecting patients to the financial support programs that can ensure specialty drug product access. Yet, they expressed frustration in the lack of a cohesive experience across hub providers, leading them to desire more measured engagement between hub providers and their own staff and better education to get ahead of issues that patients commonly experience.

As research revealed, non-oncology providers find several hub services and capabilities ripe for improvement. In the near term, they believe hub providers are best positioned to improve their medical and pharmacy benefits expertise, the speed and quality of their benefit verification processes, and their patient financial assistance program support.

These areas also are their greatest priorities when it comes to hub service improvements.

"It's not just copay assistance or guiding you through benefits, but there's opportunities there for education, additional support for patients, reducing that risk of going to the ED or hospitalization due to adverse events. For example, keeping the patient actively engaged with their therapy, regardless if it's something that's professionally administered or self-administered. A lot of hubs, or at least manufacturers have offered digital apps that patients can get for free."

-Medical director and oncologist

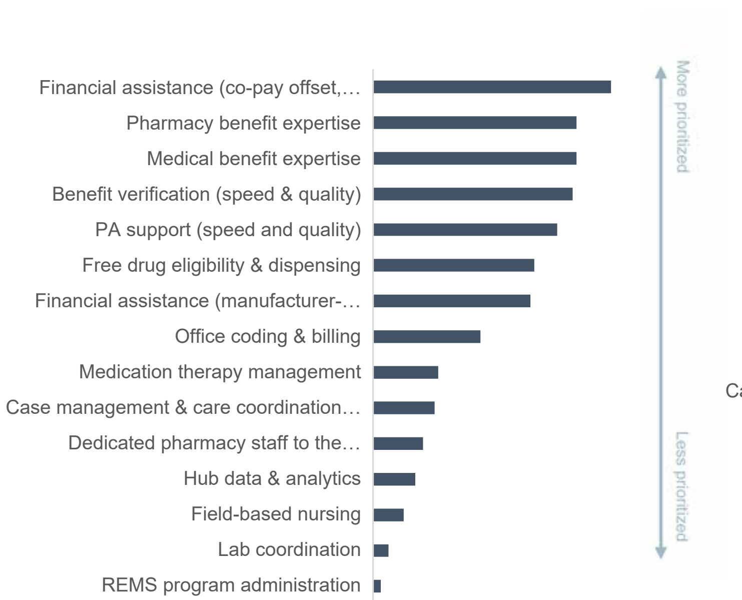
The Unique Needs and Challenges of Oncology Providers

As oncology drug indications expand and the regimen landscape evolves, independent oncology community practices report that they're struggling to keep up to date. For example, as formulations shift from infusion to subcutaneous administration and oral delivery, new coverage and reimbursement obstacles emerge.

In addition, oncology care can be more urgent, requiring meticulous management and more dedicated care. In this challenging environment, the oncology providers who shared their insights revealed strong preferences for where hub providers should focus on improving their services.

- **In the near term, oncology providers believe support for financial assistance programs (like co-pay) is the area of greatest improvement opportunity for hubs.**
- **Longer term, capabilities such as electronic benefits verification and medical benefit expertise top the list of services these providers expect hub providers to improve.**

Which of the following segments of hub services do you feel ***should be most prioritized for improvement*** *in the near term by hub services vendors?*



Which of the following segments of hub services do you feel ***should be most prioritized for improvement*** *in the long term by hub services vendors?*

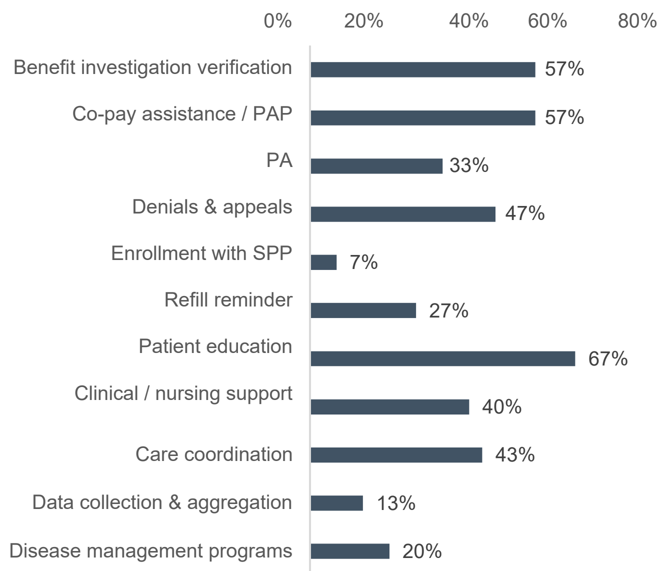
Given the complexity of oncology treatments, providers in this space feel they need even greater engagement with hub providers when it comes to key services like handling denials and appeals, conducting benefit verifications and investigations, and supporting co-pay and other financial assistance programs. For services like patient education, they believe an oncology-focused hub provider—as opposed to a generalist—would be best suited.

PA is another area where oncology providers need and expect a higher level of support from hub providers. About half said they view PA protocols and other benefit clearance administrative strategies as extremely important criteria for a hub provider to be considered best-in-class.

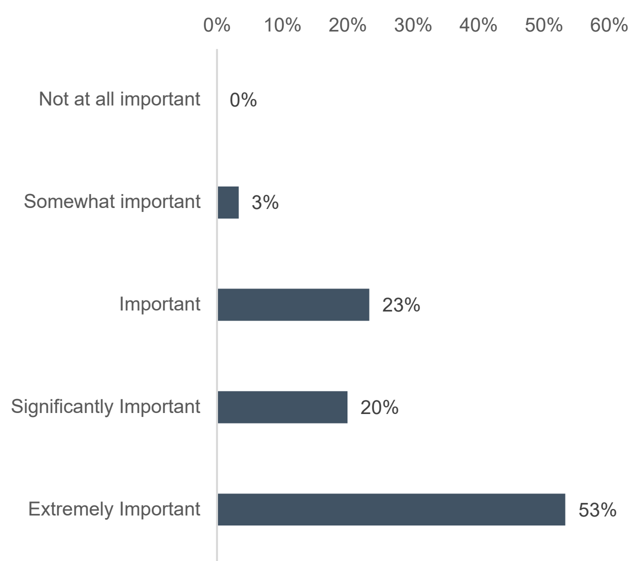
Hub providers that are equipped to use clinical pathways and clinical decision-making tools to facilitate better health outcomes also will have a strong advantage. Hub providers that can reduce the all-important metric of time to fill a prescription will be considered best in class, as two-thirds of the oncology providers we spoke with find this capability to be extremely or significantly important.

Finally, oncology providers expect a best-in-class hub provider to use the latest digital tools to improve the experience, especially in areas like managing patient adverse events and tracking patient outcomes.

Which of the following services do you feel ***are best suited to be performed by an oncology specific hub services vendor as*** *opposed to a non-therapeutic area specific specialty pharmacy partner?*



How important is the ***use of prior authorization protocols and other benefit clearance or administrative strategies by a hub*** *services vendor for it to be considered a best in-class operator?*



About CareMetx

CareMetx is a leading technology-enabled hub services company that facilitates patient access and adherence to specialty medications. We serve pharmaceutical and biotechnology manufacturers by leveraging a digital front-end, proprietary automation, an integrated platform and best-in-industry call center services—allowing us to promote efficiency in the healthcare ecosystem and remove barriers for patients and providers.

CareMetx is committed to delivering compassionate advocacy to patients, decision-making data, and confidence-building insight to manufacturer clients. Headquartered in Bethesda, Maryland, we serve more than 80 brands.

Learn more at caremetx.com and follow us on LinkedIn at https://www.linkedin.com/company/caremetx-llc.