

Insights on the Latest Industry Trends

THE LATEST PHARMACEUTICAL MARKET DATA

paints an interesting picture of the pharmacy landscape, especially new data showing the impact of COVID-19. Industry watcher Doug Long, vice president of industry relations for IQVIA, provided market insights during a May webinar hosted by *Drug Store News*. Doug is a frequent presenter at major industry meetings throughout the year, and his latest online presentation was in place of the NACDS annual meeting program, which was cancelled due to the pandemic.

Much has changed since the last market update I heard in January at the American Society for Automation in Pharmacy's (ASAP) annual conference. In the webinar Doug presented data for the year that ended in March, showing some impact of COVID-19, compared to the trends ASAP attendees heard about in January, which were for the year that ended in September 2019.

IQVIA has been tracking a number of data sets, and its most recent white paper, "Monitoring the Impact of COVID-19 on the Pharmaceutical Market," was published May 15 with data comparisons through May 1. Analysis was against the industry averages for the baseline period of Jan. 1, 2020, through Feb. 28, 2020.

Not surprising is the growth in dispensing of 90-day prescriptions compared to the

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IQVIA's recent report "Monitoring the Impact of COVID-19 on the Pharmaceutical Market," is available online at

<https://www.iqvia.com/library/white-papers/monitoring-the-impact-of-covid-19-on-the-pharmaceutical-market>

prior year, although that growth is slowing. It is Long's opinion that many patients will continue to opt to receive a 90-day supply going forward, even after the pandemic. This will impact future prescription trends.

Telemedicine visits have skyrocketed since March, and telemedicine visits for attention deficit hyperactivity disorder (ADHD), depression, and migraine treatment are now above pre-COVID levels. Telemedicine visits produce significantly fewer new prescriptions for patients than office visits, so there has been downward movement on prescription numbers in the past two months. There was significant growth in total prescriptions during the first quarter, peaking the week ending March 27, then falling below expected annual averages. Total prescriptions have now increased again the first two weeks of May, reaching weekly averages of approximately 69 million. That compares to typical weekly averages of 79 million.

There also has been a slight increase in the number of written prescriptions (versus e-prescribed or telephone orders) signaling that some patients are returning to office visits. Another indicator of increasing office



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visits is growth in pediatric vaccine sales. Adult vaccine sales for SHINGRIX, Prevnar 13, PNEUMOVAX 23, and Gardasil are still lower than the baseline levels, at about 27% of peak sales the week ending Feb. 28, 2020.

As states begin to reopen, IQVIA reports slight upticks in elective, nonemergency procedures, but these are highly variable based on geography, with most growth in cardiac, orthopedic, and GI (gastrointestinal) procedures.

Overall consequences of the pandemic on healthcare dynamics and outcomes include:

- ❑ Sharp declines in office visits and lab diagnostics.
- ❑ New diagnoses are down, as are new therapy starts across nearly every therapeutic category.
- ❑ Telehealth volume has surged, but visits do not match those office visits lost.
- ❑ Providers of routine care and nonemergency procedures are being financially impacted.

As the pandemic subsides, Long noted, it will be interesting to see how the backlog of care visits is handled and at what point they return to normal levels.

Turning to the broad year-to-year market overview for the period ending in March 2020, Long noted highlights (shown in box at right).

NEW DRUG LAUNCHES

Interestingly, U.S. new product launches continued to trend upward with 50 for 2019, which included 26 orphan drugs. Late-stage pipeline growth is also being driven by specialty and niche therapies across a range of diseases. On the generic side, ANDAs (abbreviated new drug applications) have reached record highs. Long noted that 2023 will see numerous molecules and biologics losing exclusivity, so it is anticipated that there will be many generic introductions that year. Between 2020 and 2023 there will be a \$165 billion decline due to patent loss versus \$93 billion for 2015–2019.

THE FUTURE PICTURE

Looking ahead, Long said that net total spending growth will average 3% to 6% over the next five years, while invoice growth will grow between 4% to 7%. Key trends for pharmacies will continue to be reimbursement, access to specialty products, and addressing Drug Supply Chain Security Act (DSCSA) requirements.

Reimbursement continues to dominate the advocacy agenda for the profession because of the severe impact of direct and indirect remuneration (DIR) fees. A number of pharmacies have closed, and the

MARKET TRENDS

What's happening as of March 2020

- U.S. medicines' total market growth reached 6.7%, less than the growth of 7.4% in the retail and mail-order segments.
- Specialty drugs are driving market growth at 10.6%, while the traditional market is growing at 0.9%.
- Oncology, autoimmune, and diabetes therapies were responsible for over 50% of the positive absolute growth in the United States and are 40% of recent new product launches.
- Anticoagulants, diabetes, and respiratory therapies are strong drivers of growth in the retail sector, while oncology, autoimmune, and HIV therapies are driving growth in the specialty sector.
- Over the 10 years between 2009 and 2018, net per capita spending on prescription drugs grew only \$44, but within that spend, specialty nearly doubled while traditional drugs declined in sales.
- Although per capita spending rose slowly, the percent of patient out-of-pocket costs for outpatient prescription drugs versus hospital care was 47% versus 34%, leading Long to posit that this may drive the perception of significant growth in prescription drug costs. Additionally, the proportion of patient costs paid through deductibles and co-insurance continues to grow.
- Adjusted prescription growth rate was 7.3% for the year-to-date ending in March 2020 (normalized for a 30-day supply).
- 87.4% of prescriptions are dispensed for unbranded generics, but they only accounted for 19.8% of spending in 2019.

National Community Pharmacists Association (NCPA) reported a decrease of 142 in the number of independent pharmacies in its 2019 *NCPA Digest*. The 2020 digest will be out in the fall, with highlights to be presented at NCPA's annual meeting, which is still scheduled to be held in Nashville, Oct. 17–20. It will be interesting to see the trends for 2019, prior to the pandemic. We will also have new requirements for dispensers under the DSCSA taking effect in November. I plan to write about them, related opportunities for operational im-

provement, and the outcomes associated with the FDA's DSCSA pilot projects in a future column. **CT**

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