



# PerSpectives

**Who's the ultimate influencer: Payers or IDNs?**  
See how our analytics are sorting it out

# Who's the ultimate influencer: Payers or IDNs?

The answer—it depends, but it doesn't have to be a mystery

At Payer Sciences, we're helping clients disentangle the sources of influence among payers, integrated delivery networks, and other organized customers.

Read about our approach and reach out to learn more.



# Executive Summary

Traditionally, the influential gatekeepers for market access have been payer organizations. But important power shifts are shaking up the market access landscape.

**Payers and IDNs Influence Prescribing.** The recent growth of integrated delivery networks—which are already consequential in the healthcare value chain—is only expected to accelerate. As these organizations grow and evolve, often attaining operational sophistication and strategic acumen in the process, they can also gain influence over prescribers' behavior. At times, that influence can overtake the influence of payers.

Market access teams need to be aware of this **changing power dynamic** in order to direct resources to the **right stakeholder at the right time**, thus driving **optimal access, prescribing, and gross-to-net results**.

**We Understand Who Matters in Each Situation.** At Payer Sciences, we've put our established payer marketing know-how and our analytic acumen to work on this question. Our rigorous methodology quantifies the competing and/or complementary influences of payers and IDNs. It gives clarity to the sources of influence in any given therapeutic/market situation, thus framing informed strategic choices as shown in the matrix below.

## Organizational Strategy Matrix

### Payer Influence

Low

High

**IDN Influence**

High

Low

<p>MAXIMIZE <b>IDN</b> MARKETING</p> 	<p>OPTIMIZE <b>IDN &amp; PAYER</b> MARKETING</p> 
<p>MAXIMIZE <b>HCP</b> MARKETING</p> 	<p>MAXIMIZE <b>PAYER</b> MARKETING</p> 

# As IDNs gain strength, biopharmaceutical marketing becomes more complex

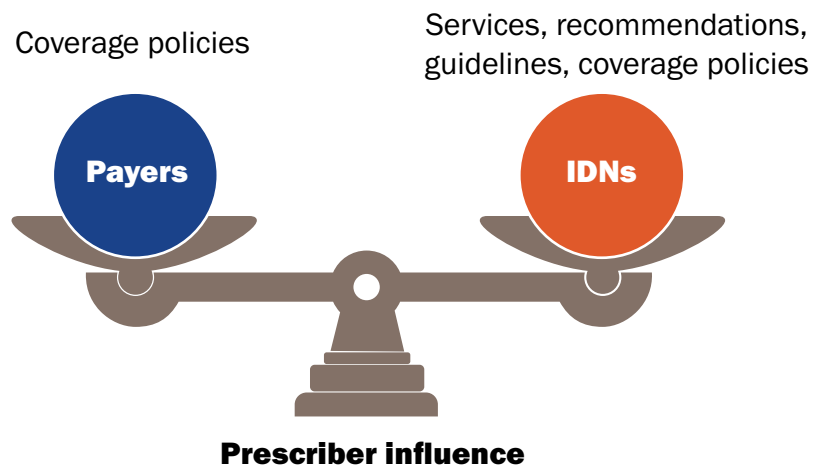
## A power shift

Historically it has been payers—some more than others—who've wielded the power to influence physician prescribing behavior, through their coverage and utilization management policies and tools. But over the past decade, another type of organized player has gained prominence: the integrated delivery network. Today, between 40% and 70% (depending upon the geography) of healthcare providers are affiliated with an IDN or a provider network.<sup>1</sup> Expected to grow at a rate of 10.1% (CAGR) between 2020 and 2027,<sup>2</sup> these networks are undergoing significant consolidation.

## 8 of the 49

M&A transactions between hospitals and health systems in 2021 were worth at least \$1B.<sup>3</sup>

As a consequence of these dynamics, the power is shifting. A shrinking number of IDNs are tied to a growing number of prescribers, putting the power to influence physician behavior in the hands of a small group of decision makers. By using their own services, guidelines, capabilities, and coverage policies, many IDNs can now influence prescribing among their HCP constituents, just as payers have been doing among *their* HCP networks for many years.

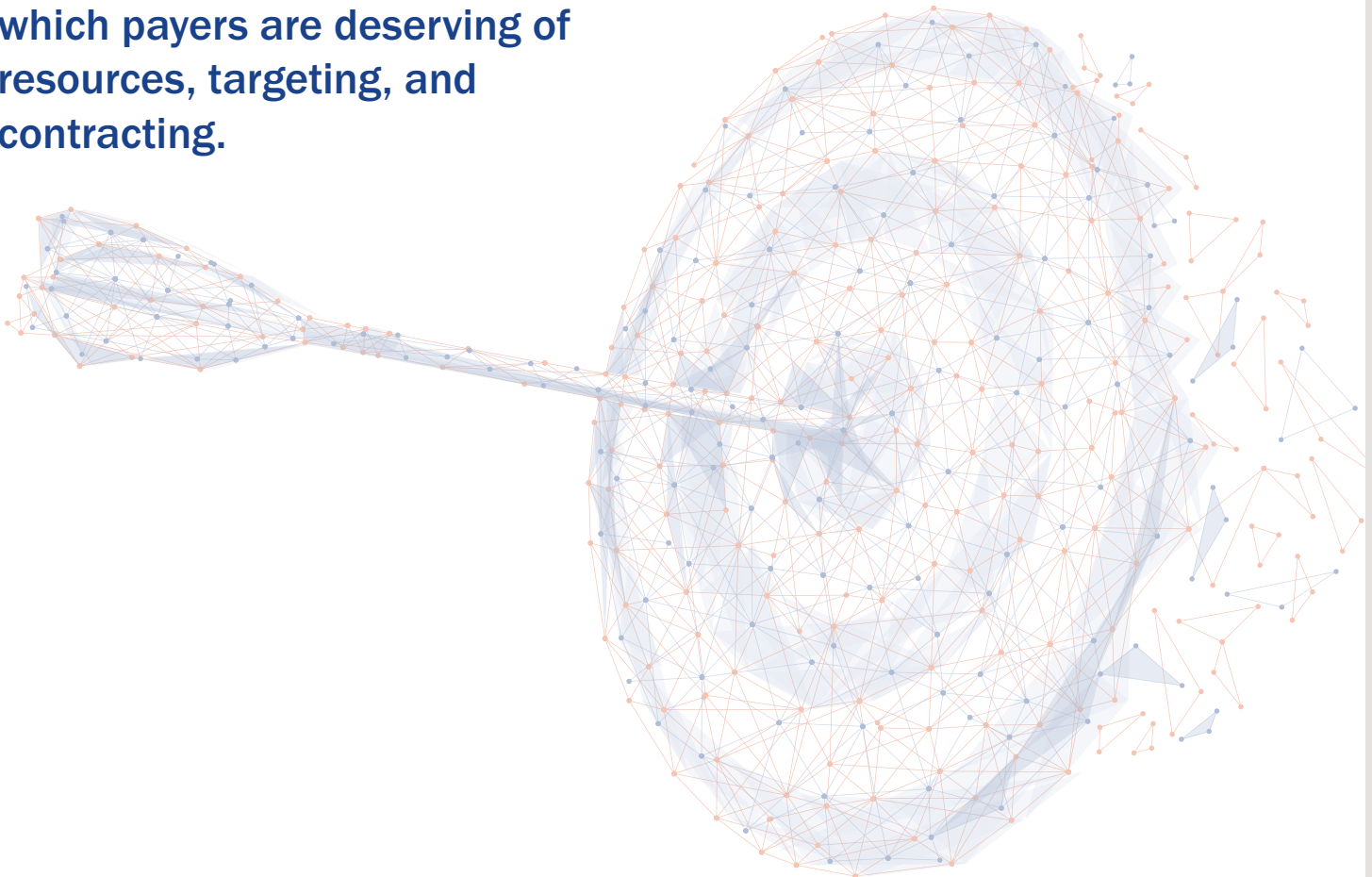


## Critical questions

So, when both IDNs and payers have clout, who wins at the point of prescribing? This has become a critical question for brand and payer marketers across the biopharmaceutical industry. For any given IDN, with its unique associated payer mix, how is a marketer to know who is really influencing prescribing behavior for their brand? Which payers and IDNs are more and less deserving of resources and attention, and how should we think about contracting when the players are so intertwined?

It is these questions that Payer Sciences set out to answer in our recent work with several clients. We built upon our established expertise in payer marketing—together with our analytic acumen—to develop a rigorous methodology aimed at quantifying the competing and complementary influences of different payers and IDNs.

**This methodology is designed to help pharmaceutical clients make more informed, data-driven decisions about which IDNs and which payers are deserving of resources, targeting, and contracting.**



# Quantifying IDN vs payer influence on prescribers within each IDN

## Our 3-step methodology

1



**Analyze observed influence independently**

2



**Calculate the influence interaction ratio**

3



**Array IDNs in order of their true level of influence**

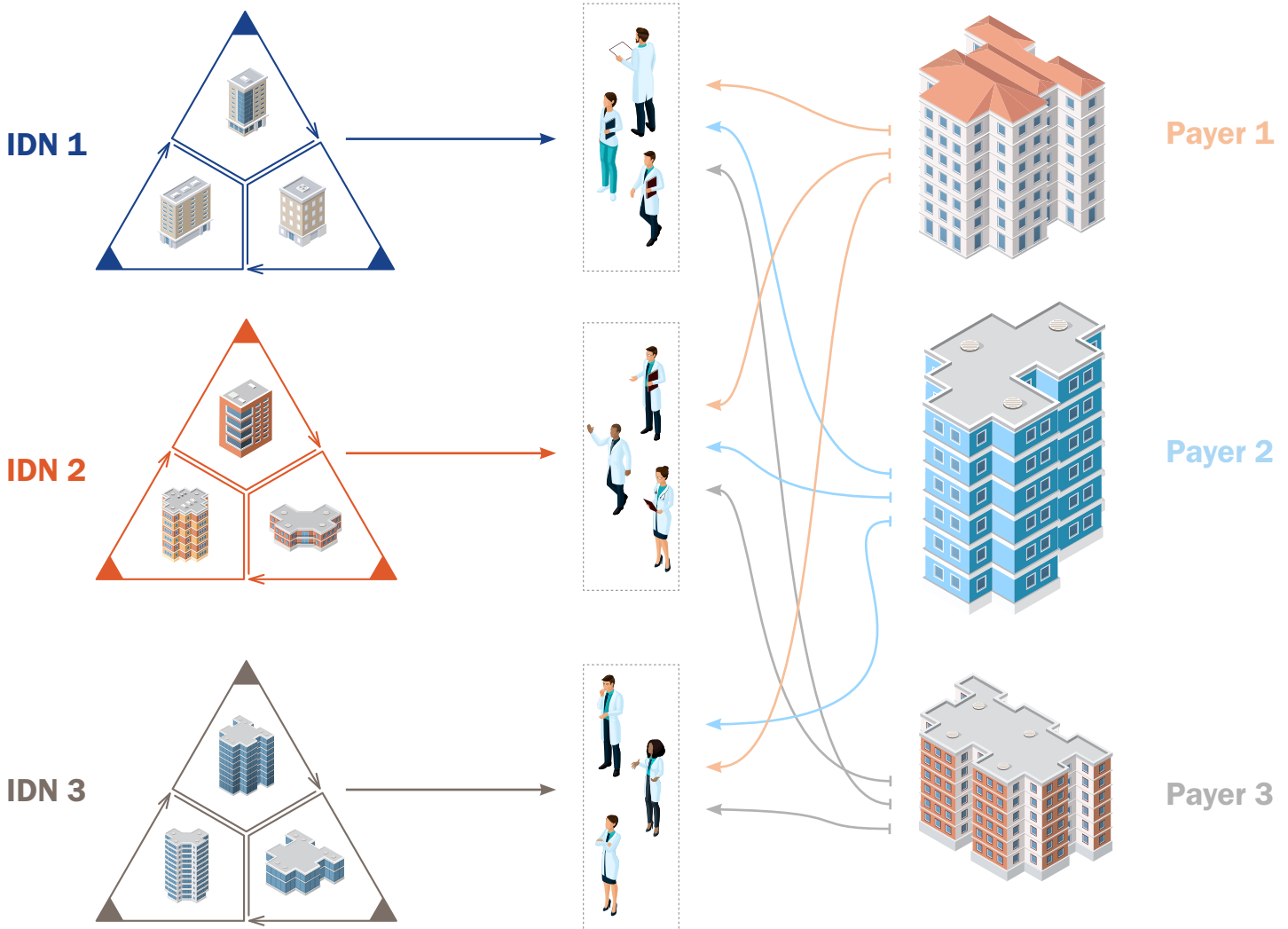
**Step 1**

Analyze observed influence on HCP prescribing for each payer and IDN independently

We use the ratio of brand market share at the account relative to share at a peer group of accounts (payer or IDN) to determine the degree to which payers and IDNs independently influence HCP prescribing among their respective constituents

Quantify observed **IDN** influence on prescribers in their networks

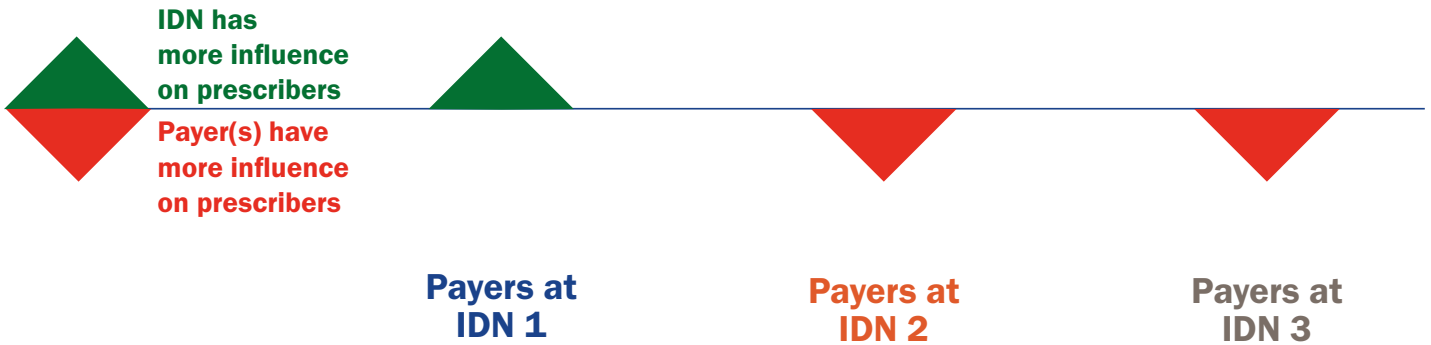
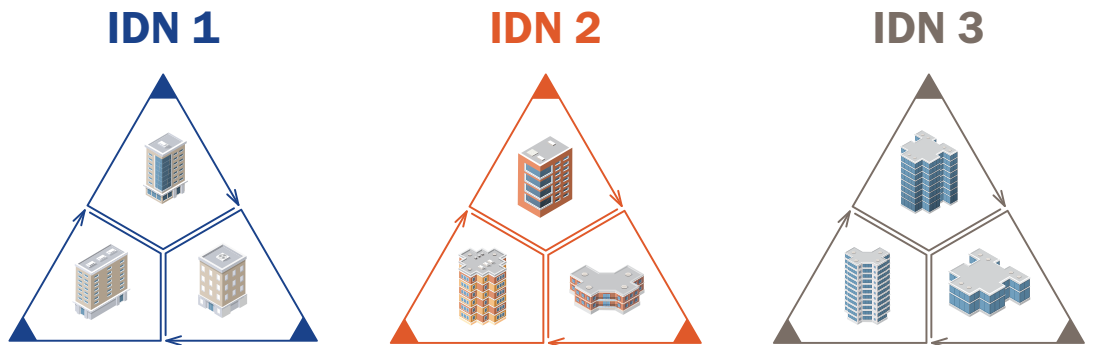
Quantify observed **payer** influence on prescribers in their networks



**Step 2**

Calculate the  
influence  
interaction ratio

By quantifying the relationship between each IDN's influence and that of their corresponding payers (interaction ratio), we can identify each IDN's relative influence on prescribing





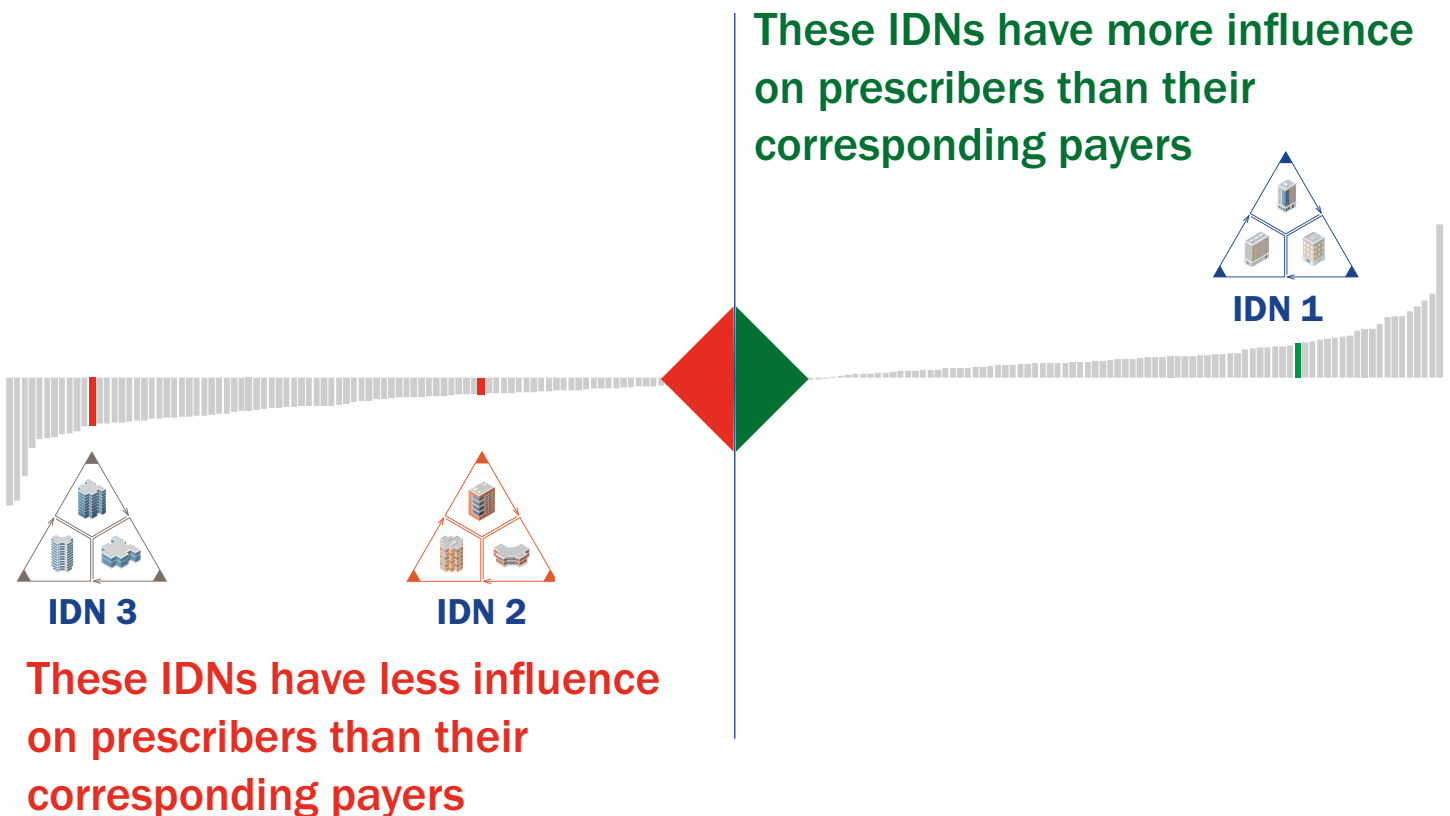
**Step 3**

Array IDNs according to their true level of influence on prescribing, vis-à-vis their payer mix

We exhibit the distribution of IDNs in order of relative payer vs IDN influence, from those with the greatest payer influence to those with the greatest IDN influence.

**Example From Real-World Analysis**

Influence was calculated for 192 IDNs and their corresponding payers



# Implications for strategy and resource allocation

Armed with a clearer picture of the source of influence driving prescribing at any given IDN, market access teams can make well-informed decisions about what strategies and tactics will optimize access goals and net revenue. The strategy grid below shows how the influence interaction analysis described here can guide marketers in their decision-making.

## Organizational Strategy Matrix

		<u>Payer Influence</u>	
		Low	High
<u>IDN Influence</u>	High	<p><b>Maximize IDN Marketing</b></p> <ul style="list-style-type: none"> <li>• Protect and maximize utilization</li> <li>• Ensure IDNs understand the clinical advantages</li> <li>• Discuss potential transitions of care for hospitalized patients</li> <li>• Consider contracting with IDNs to ensure competitive positioning</li> </ul>	<p><b>Optimize IDN and Payer Marketing</b></p> <ul style="list-style-type: none"> <li>• Build integrated account plans between IDN and payer teams</li> <li>• Maintain competitive positioning</li> <li>• Maximize pull-through efforts to capitalize on any favorable coverage</li> <li>• Consider contracting with IDNs and payers to ensure competitive positioning</li> </ul>
	Low	<p><b>Maximize HCP Marketing</b></p> <ul style="list-style-type: none"> <li>• Ensure HCPs understand the clinical benefits</li> <li>• Drive prescriptions 1:1 with HCPs</li> <li>• Discuss potential transitions of care for hospitalized patients</li> </ul>	<p><b>Maximize Payer Marketing</b></p> <ul style="list-style-type: none"> <li>• Ensure product is positioned well at payers to minimize barriers</li> <li>• Maximize pull-through efforts to capitalize on any favorable coverage</li> <li>• Consider contracting with payers to ensure competitive positioning</li> </ul>

# Emerging questions

## How does the increase in number and size of IDNs impact this analysis?

As hospital systems keep getting larger and more plentiful, measuring their influence on affiliated prescribers will become more important than ever. Physicians not associated with an IDN will continue to feel pressure to join one, because they will be increasingly challenged to compete on patient access and cost-saving advantages that come with size. The compounding effect of IDNs both adding and influencing prescribers reinforces the need for pharmaceutical companies to devote more attention and resources to these networks in their market access plans.

## How should pharma companies market to IDNs?

Both payers and IDNs can drive physician prescriptions by setting coverage policies; however, IDNs also use other capabilities, services, and guidelines to drive their prescribers' behavior. Pharmaceutical companies that develop marketing tactics tailored to IDNs will be more favorably positioned to advance their access goals with these important players. Here are questions pharmaceutical companies should consider when evaluating how to market to IDNs:

- What organizational structures across field and internal marketing make sense given the portfolio (eg, within or apart from payer marketing)?
- Who are the decision makers and influencers worth targeting at each account?
- How should marketing be similar and different based on whether the IDN takes possession of the drug (eg, net cost recovery, patient support).

## Which types of IDNs are most worthy of consideration?

Although larger IDNs contain more prescribers, size should not be the primary factor in determining whether an IDN should be targeted at the organizational level. Rather, the first consideration should be the impact of an IDN's policies and guidelines on their prescribers. Some IDNs are loosely affiliated practices and offices that exert minimal influence, while others are highly centralized and drive mandated policies. By targeting IDNs that have more structured policies, pharmaceutical companies can influence many more prescribers while marketing toward a limited number of individuals.

1. Martin R. Integrated delivery networks: what pharmaceutical companies need to know before engaging them. IQVIA. Published May 2, 2020. <https://fdocuments.in/document/white-paper-integrated-delivery-networks-health-systems-such-as-integrated-delivery.html>
2. MarketResearch.com. U.S. Integrated Delivery Network Market Size, Share & Trends Analysis Report By Integration Model (Horizontal, Vertical), Services Type (Acute Care/Hospitals, Long Term Health), and Segment Forecasts, 2020-2027. Grand View Research; 2020. <https://www.marketresearch.com/Grand-View-Research-v4060/Integrated-Delivery-Network-Size-Share-13365009/>
3. Singh A. 2021 M&A in Review: A New Phase in Healthcare Partnerships. Kaufman, Hall & Associates LLC; January 10, 2022. Accessed May 5, 2022. <https://www.kaufmanhall.com/insights/research-report/2021-ma-review-new-phase-healthcare-partnerships>

At Payer Sciences, we are eager to help you with your payer and IDN questions and strategies.

Learn more about us by visiting our [website](#), or click below to start the conversation.

