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AmerisourceBergen



Susan Weidner

Sr. Vice President, IntrinsiQ Specialty Solutions

Susan Weidner joined AmerisourceBergen in 2013. As the Senior Vice President of IntrinsiQ Specialty Solutions, Susan is responsible for our specialty solutions business, including software and analytics capabilities focused our Specialty Physician Services customers, including specialty providers, manufacturers, and payers. She launched our newly formed Digital Health segment including solutions to address precision medicine and community-based research strategies. In her position, she also coordinates activities across both our software and analytics businesses in support of our specialty distribution and physician group purchasing organizations.

With over 20 years of healthcare experience, she has led the design, development and implementation of innovative healthcare solutions, including those driven by healthcare informatics. Leveraging her expertise in clinical and outcomes research along with health economics, she has assisted pharmaceutical companies, payers and provider organizations in demonstrating the value of their product(s) and/or organizations.

Prior to joining IntrinsiQ Specialty Solutions, Susan held executive leadership positions at pharmaceutical, healthcare consulting, and precision medicine companies.

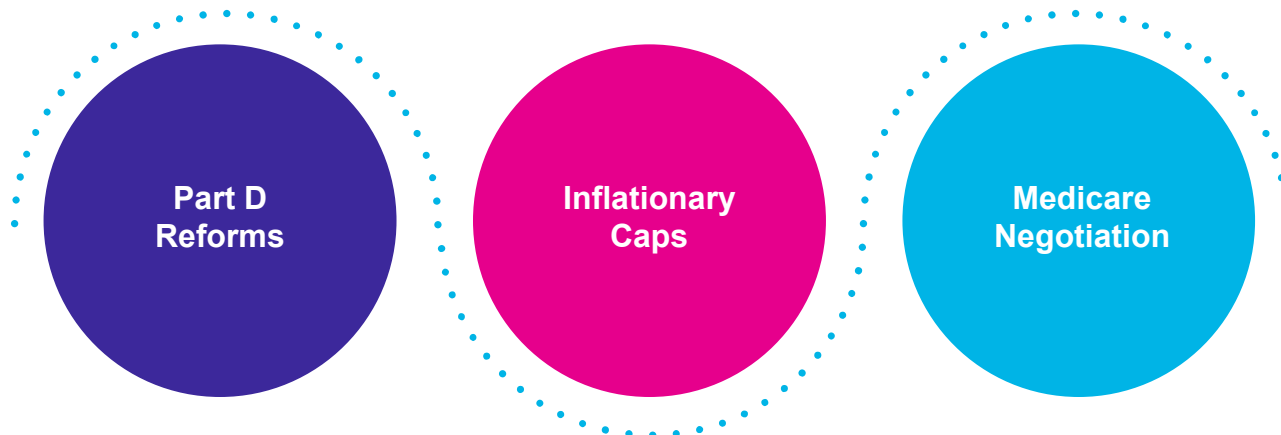
The Inflation Reduction Act and What It Means for Cancer Care

Susan Weidner

Senior Vice President, IntrinsiQ Specialty Solutions

October 20, 2022

Three core healthcare components of the Inflation Reduction Act (IRA)



OOP cap in 2024
Larger redesign to begin 2025
Expands LIS eligibility
\$0 OOP for Part D vaccines
\$35 insulin OOP cap

Medicare Part B and Part D
price increases that outpace
inflation owe rebates

Negotiation starts earlier (2023),
implementation in 2026

And...

Biosimilars

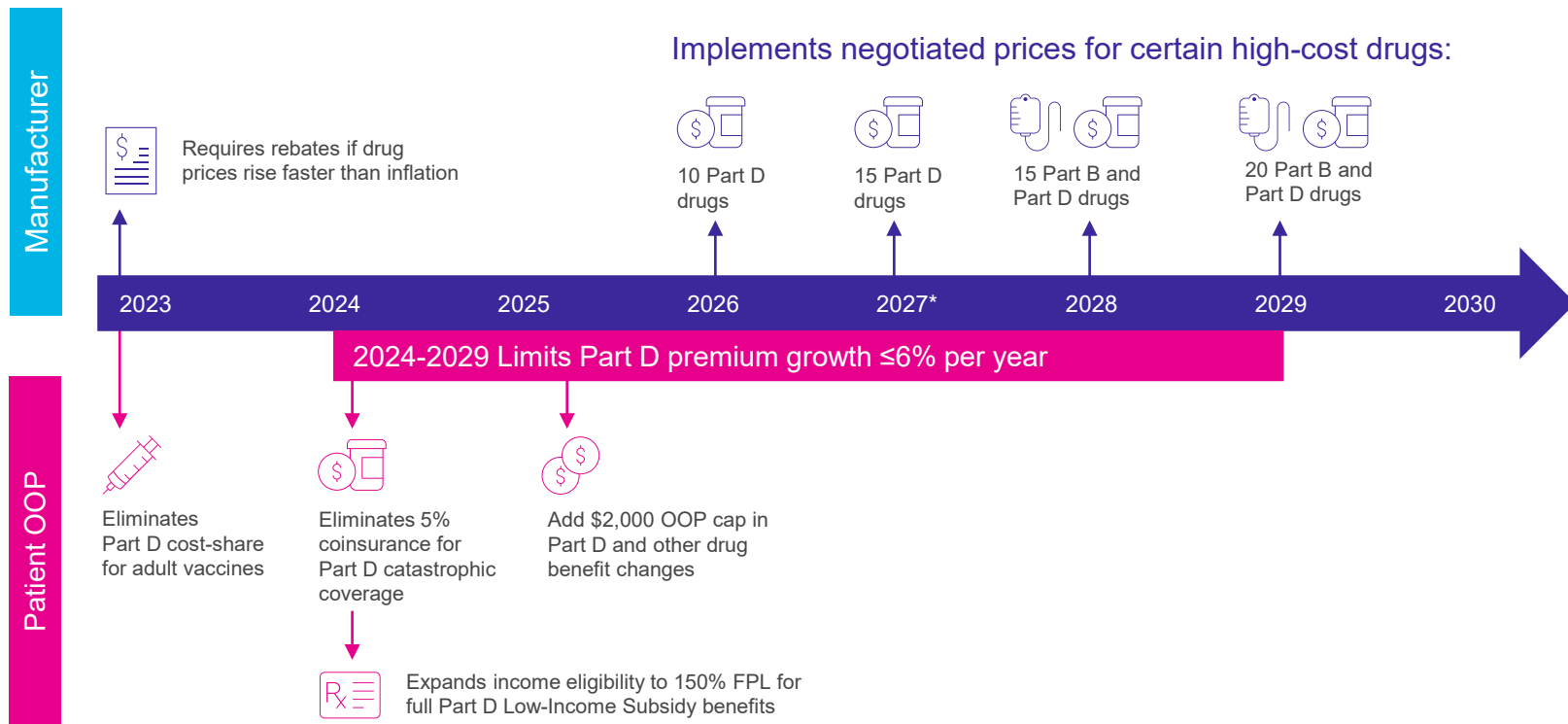
- Starting October, ASP + 8% of reference biologics ASP
- Starting July 2024, when no ASP, lesser of 103% of WAC or ASP + 6% of reference

Affordable Care Act Subsidies

- Extends temporary subsidies through 2025 for < 400% Federal Poverty Level

LIS – Low-Income Subsidy; OOP – out of pocket.

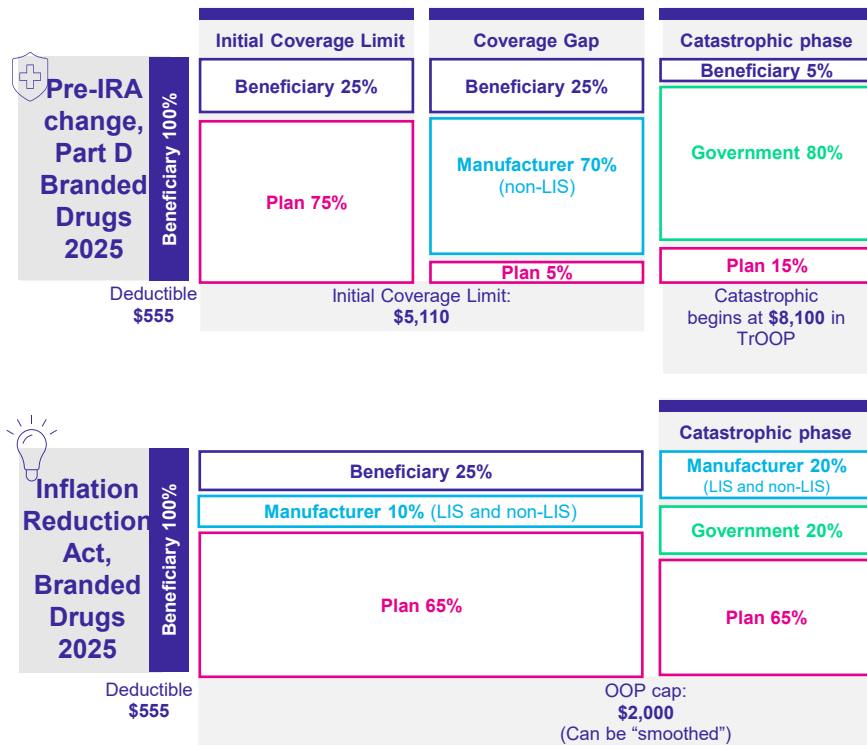
IRA implementation timeline for prescription drug provisions



FPL – Federal Poverty Level; OOP – out of pocket.

Note: Repeals Trump Administration's drug rebate rule until 2031.

Part D caps OOP for beneficiaries; shifts liability to manufacturers and plans



Based on Medicare Trustees Report, 2022

TrOOP: True Out-of-Pocket Costs (includes manufacturer coverage discount program and what patient spends)

Comparing 2025 Part D total annual spending, current law vs IRA by stakeholder^{a,b}

	\$400/Month drug		\$12,000/Month drug	
	Current law	IRA	Current law	IRA
Beneficiaries	\$1,616	\$1,616	\$9,990	\$2,000
Part D plans	\$3,184	\$2,759	\$23,575	\$86,356
Manufacturers	----	\$425	\$4,720	\$28,111
Government	----	----	\$105,715	\$27,533



Patient OOP costs significantly lower for high-cost medications



Significant increase in manufacturer and Part D plan liability for high-cost medications

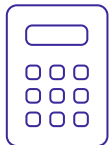


Increased manufacturer liability unlikely to be offset by increased adherence

^aXcenda analysis based on benefit parameters in 2022 Medicare Trustees report.

^bTotal annual spending assuming 12 fills.

Inflation penalties



Part B:

Medicare sales x (ASP Inflation – CPI)

Part D:

Medicare sales x (AMP Inflation – CPI)



Implications:

- Higher launch list prices
- Reduced revenue growth, potential for less investment in R&D
- Medicare further becomes subsidized purchaser, commercial prices increase

AMP – average manufacturer price; ASP – average sales price; CPI – Consumer Price Index; R&D – research and development.

Medicare negotiation basics

- ❖ Directs Medicare to negotiate for:
 - 10 Part D drugs in 2026
 - 15 Part drugs in 2027
 - 15 Part D and Part B drugs in 2028
 - 20 Part D and Part B drugs in 2029+
- ❖ Applies to drugs outside of their initial exclusivity periods
- ❖ Drugs must be covered on formularies and no longer be subject to Part D discount (10%, 20%)
- ❖ Financial penalties for non-compliance – excise tax (up to 95%)

Medicare price negotiation



Select drugs
for negotiation



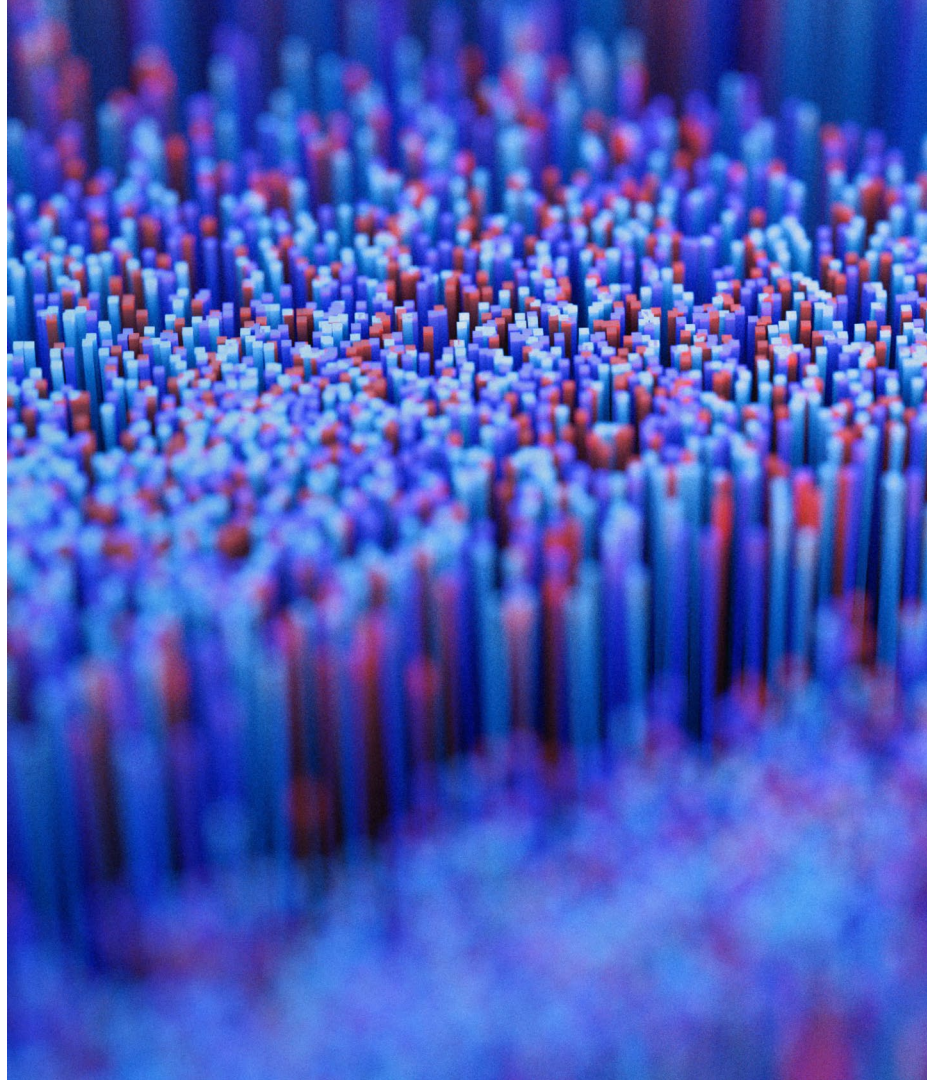
Negotiation



Implementation

Potential Selection for 2026

Januvia
Trulicity
Imbruvica
Jardiance
Levemir
Spiriva
Victoza
Biktarvy
Myrbetriq
Breo Ellipta



Estimated Part B Drugs Selected for Medicare Negotiations

Rank	Manufacturer	Part B Product	Years Eligible
1	Merck	Keytruda	2028
2	Janssen	Darzalex	2028-2029
3	Novartis	Xolair	2028-2029
4	Novartis	Sandostatin Lar Depot	2028-2029
5	Takeda	Entyvio	2028-2029
6	Sanofi Pasteur	Fluzone	2028-2029
7	Allergan	Botox	2029
8	Genentech	Perjeta	2029
9	Tolmar	Eligard	2029
10	Elan	Tysabri	2029
11	AstraZeneca	Fasenra	2029
12	Merck	Pneumovax 23	2029

Considerations

- ❖ Improves patient access/adherence
- ❖ Assume high launch prices
- ❖ Some manufacturers will continue to raise prices and pay a penalties, others will raise with CPI-U
- ❖ Uncertainties
 - Contract or chargeback for pharmacies and physicians
 - MFP is initial calculation, what is the floor for CMS/payers
 - How do market players respond to direct/indirect impacts

The image features a decorative header and footer with a blue and purple gradient background. Numerous thin, glowing lines of light, resembling fiber optics, radiate from the top and bottom edges, creating a dynamic, starburst effect. The central area of the image is a solid white background.

Q&A



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