Nonadherence costs pharma $600B-plus in annual sales: study

by Beth Snyder Bulik | Nov 16, 2016 12:16pm

Pharma knows nonadherence costs it major money. But just how much money?

$637 billion in potential sales annually, with $250 billion in the U.S. alone last year, according to a new study. Coauthors HealthPrize and Capgemini repeated their research from 2012, when they found $564 billion in lost revenue globally and $188 billion in the U.S. That means the global tally has increased by 13%, and 33% in the U.S.

The attention on adherence more often focuses on the added medical costs to the healthcare system—estimated at $300 billion annually—and the cost in health outcomes for patients. Pharma companies have more recently joined the conversation with partnerships and programs that include adherence aims; efforts from Verily and Sanofi and IBM and Novo Nordisk have recently made news.

However, that’s a newer mindset. Until recently, pharma companies didn’t pay much attention to adherence because they didn’t have to, said Tom Kottler, CEO of HealthPrize Technologies, in an interview with FiercePharma.

“We need to see a resurgence of focus on adherence because the marketplace is going to demand it,” he said. “Pharma used to be able to get away with selling a lot of products, but now they need to focus on keeping patients adherent.”

He added, “And I think pharma should want it to come to an end. They need to have less pressure on them from the marketplace in general and we think focusing on adherence is a way to do that.”

The benefits of working on adherence could be a boon for pharma, he said. Revenue grows,
healthcare system costs decrease, patient health outcomes are better, and as a bonus—pharma’s reputation gets shinier.

But there’s a downside to pushing adherence that may be holding some pharma companies back. That’s the perception of drug “pushing,” with some critics suggesting that adherence programs are being used as marketing tools to get patients to fill and refill prescriptions.

While Kottler’s HealthPrize is an adherence software service company that could benefit from pharma attention, he is far from alone in advocating adherence. The proliferation of tech and pharma deals—along with the earlier mentions, Qualcomm has deals with both Novartis and Boehringer-Ingelheim—often have adherence goals baked in.

Research, too, has long pointed to the problems of noncompliance. One of the most recent studies from IMS Institute focused on the costs of “suboptimal” drug adherence in a study on diabetes and found that among the U.S. Medicare population alone, $4 billion of spending was associated with poor Type 2 diabetes adherence and related complications. And government groups like the FDA and the National Institutes of Health have pushed calls to action to improve adherence.

With outcome-based healthcare on the rise, another group, payers are also likely to get involved in the adherence discussion.

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