

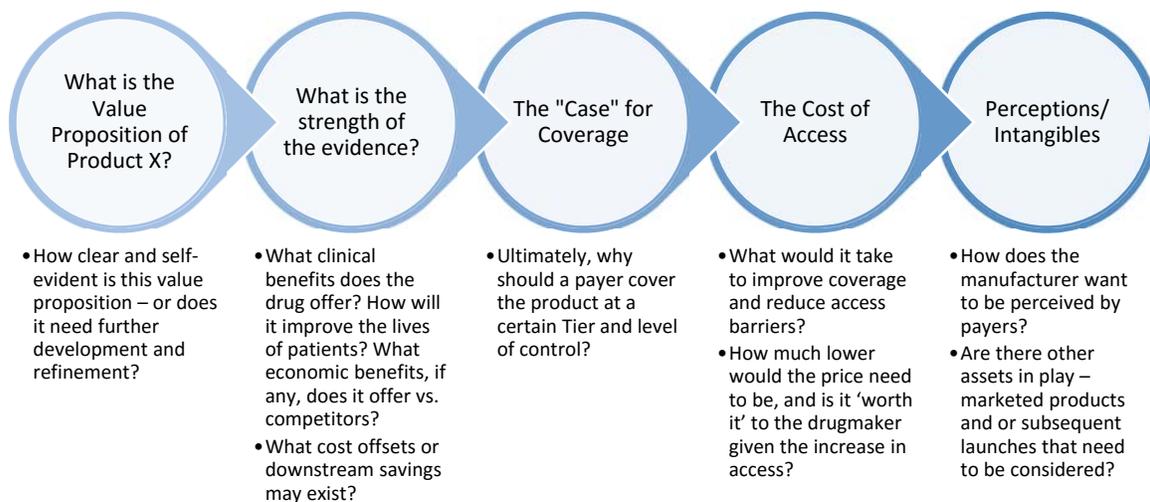
Trinity OpTimizeR: Strategic Pricing Research at Trinity Partners

Few topics are more controversial than healthcare costs and pharmaceutical pricing. Scientific and technological breakthroughs have made possible drugs and medical devices that have added immense value to society and improved the lives of millions. Yet, as the population ages and lives longer, and utilizes new therapies, the cost of healthcare has begun to skyrocket. While we as *individuals* celebrate breakthrough medicines that save lives and improve patients' quality of life, we as a *society* have not yet figured out how to appropriately price and pay for these innovations.

We at Trinity enjoy a unique vantage point: we are consumers of healthcare resources ourselves, and also members of the healthcare industry helping our clients successfully bring new products to market. We understand the financial pressures and risks manufacturers face, and appreciate the payor and patient restrictions that weigh into the drug pricing calculus. And we do believe that drug discovery must continue to be a profitable business if we are to find effective treatments for the innumerable patients that still waiting for novel therapies. The question is: ***how can manufacturers balance their responsibilities to their shareholders as well as their address the needs of payers, physicians and patients?***

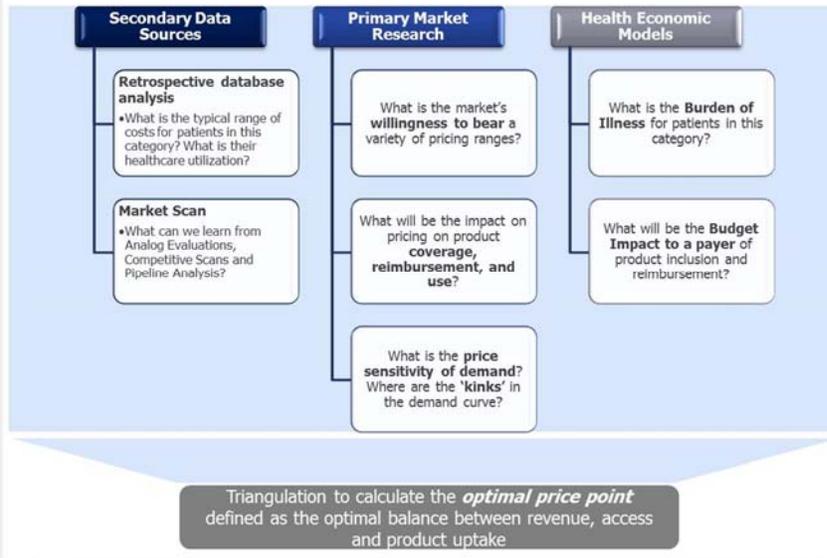
Taking a Balanced View, Powered by Evidence

We at Trinity take a **balanced, rational and evidence-based approach** to drug pricing that our clients can explain, stand by and defend. Our approach to pricing and subsequent recommendations reflect a holistic understanding of the industry, of the product, and its place in the treatment algorithm and disease area:



We take into account the views of multiple stakeholders that ultimately shape and impact pricing and product utilization – payers, physicians, pharmacists, patients, and distributors. This helps us balance multiple objectives for our clients: revenue, share, access, speed of uptake and PR. Depending on the client's question, the category, the market environment and their dynamics, we bring to bear multiple perspectives – primary market research, secondary data analysis and health economic modeling. This multi-disciplinary approach helps us to triangulate on the optimal price. Trinity's Strategic Pricing studies are called **OpTimizeR**, and this document sheds some light on how we conduct pricing research.

Holistic 360° view integrating across multiple disciplines

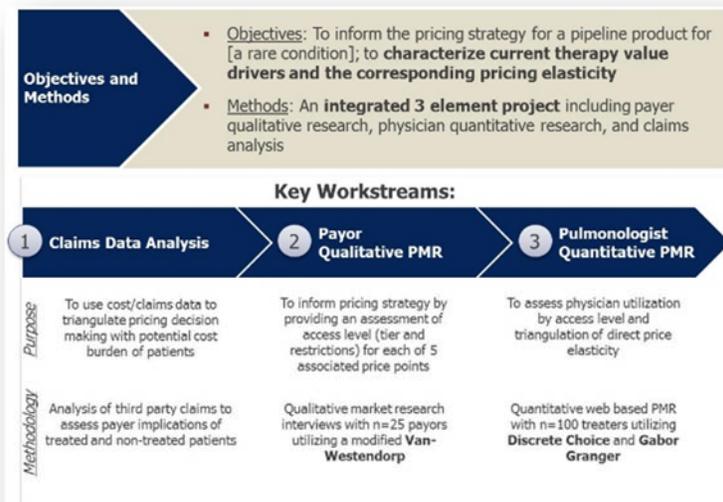


“Methodologically speaking, we leverage our expertise in primary market research, advanced statistical analysis and modeling and then combine it with our strategic consulting roots, to design robust research studies that yield reliable data upon which to base important strategic decisions.”
 – Aparna Deshpande, Principal

Project Design and Outputs

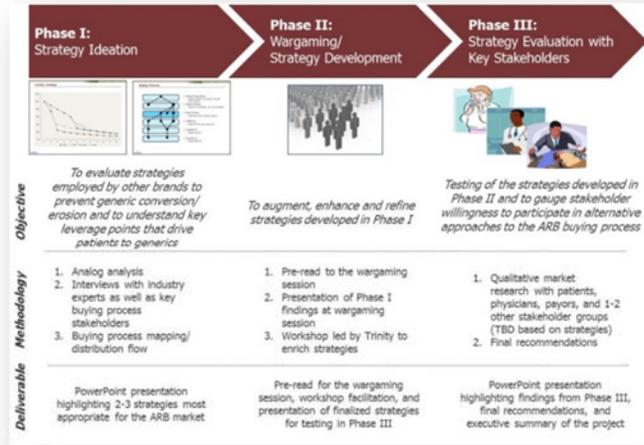
Pricing project design can vary widely, depending on the client’s ask. Is it an early phase pricing opportunity study, or a Phase 3 product gearing up for launch? Is this a first in class, novel product with tremendous first-mover advantage, or is it a new entrant in a crowded marketplace? Which markets are of greatest interest to the client – US? Ex-US? Others?

These questions, and many more factors, can shape the project design. That said, many of our Strategic Pricing studies tend to be multi-phased and multi-disciplinary. Many of them utilize Analog Assessments, Claims Data Analysis, and Primary Market Research, both qualitative and quantitative.



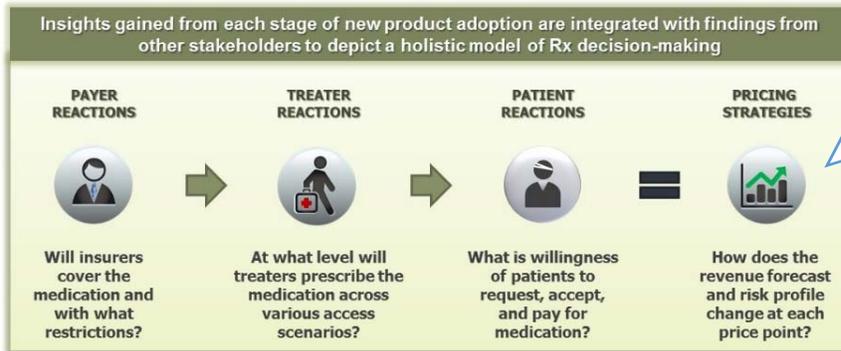
“The Claims Analysis provided insights into the cost burden and resource use patterns associated with the disease. We leveraged those findings in subsequent phases with Payers and Pulmonologists. It helped ground the discussion in real-world costs and made the pricing exercise more real for respondents.” – Leslie Orne, Senior Partner

Sometimes, depending on the market and the situation, primary market research is not the best way to proceed. In those situations we might deploy a different approach. Here is an example of when a combination of Ideation, leading to War-gaming, Strategy Development and then Pricing Strategy Evaluation was appropriate for the client.



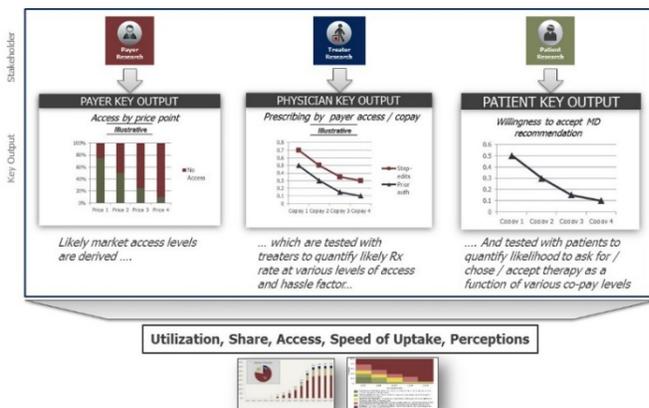
“We were developing a 1st in class agent in a large market with many, many competitors. We launched with Trinity’s price recommendation because it balanced several objectives for us: share, revenue and how payers would react to us when it comes to our full portfolio of products, across the franchise, not just the new product.” – Pharma client

Our pricing studies are also designed to provide clear insights into the interplay between multiple stakeholders. Only then can we reflect the interconnectedness of the healthcare industry: from manufacturers to payers (Plans, PBMs, ACOc, IDNs), physicians and patients.



“The major payoff of our approach is that marketers can make educated and thoughtful pricing and positioning decisions based on not just product use but whether the overall value proposition is marketable and aligns with the broader brand vision.” – Neal Dunn, Partner

Each stakeholder has an impact, and we model that dynamic interplay, assessing its effect on your product’s utilization, share, access, revenue, or portfolio-wide impacts. We also consider intangible costs/benefits, such as public perceptions of your company and your internal culture.

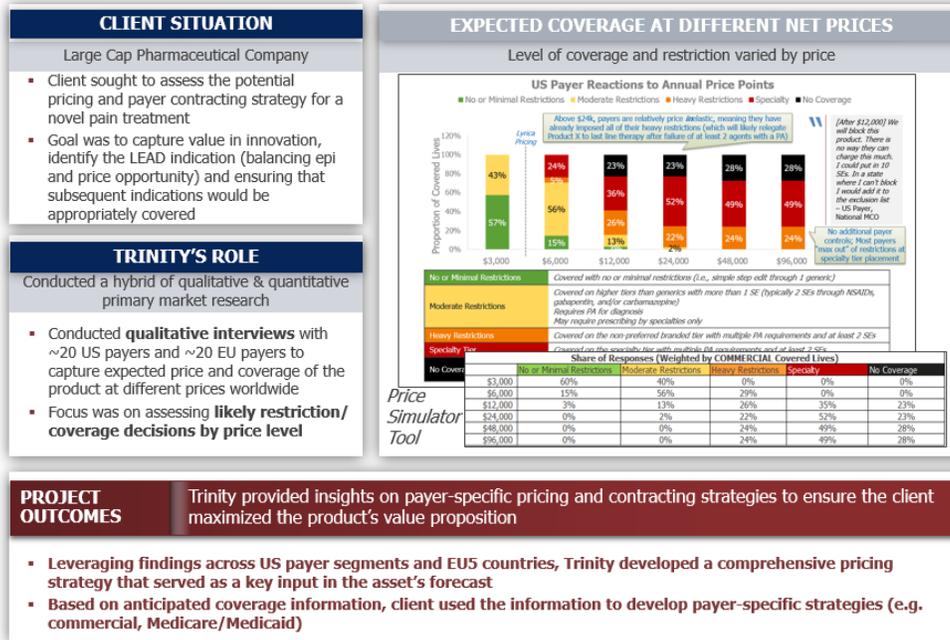


“We care about access and we care about revenue. But we also care about what payers think about us as a company. We need to continue to do business with them! No one wants to be on the front page of the news because they were seen as price gauging.” – Biotech client

Case Study

Here is an example of some recent work we have conducted, to give you a flavor of our approach:

Evaluating the pricing potential for a novel asset in acute and chronic pain



Going the Extra Mile

Below are some of the reasons clients give us when we ask why they value our approach:

- ✓ Deep knowledge of the healthcare industry and recent developments on both the manufacturer and payer side (non-coverage, exclusions, non-traditional restrictions)
- ✓ Multi-disciplinary capabilities and approach: Data Analysis, PMR Payer Panel, Statistics, HEOR, Policy
- ✓ Ability to optimize across multiple products in the portfolio, across markets
- ✓ Develop insightful implications about indication and launch sequencing
- ✓ Ability to integrate to Contract Design and on-going Contracting Support

In Closing ...

Trinity prides itself on providing great service and thoughtful insights. You can expect that we will work closely with you leaving behind pricing recommendations that help set your brand up for success. If you have questions about pricing, please reach out. We will be happy to brainstorm a few ideas with you.

Leslie Orne, Senior Partner, lorne@trinitypartners.com

Neal Dunn, Partner, ndunn@trinitypartners.com

Aparna Deshpande, Partner, adeshpande@trinitypartners.com

Nandini Hadker, Engagement Manager, nhadker@trinitypartners.com