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SDI REPORTS: TAKEDA TOUTS NEW DRUGS TO MANAGED CARE

Company makes most visits to pharmacy executives and medical directors; AstraZeneca, Johnson & Johnson, Merck, Abbott round out top 5

Plymouth Meeting, Pa. – Aug. 31, 2009 – According to SDI, a leading healthcare market insight and analytics firm, in spring 2009, Takeda made more visits to managed care professionals than any other pharmaceutical manufacturer, accounting for almost 7% of contacts recorded in SDI's Managed Care Pharmacy Executive and Managed Care Medical Director audits. Takeda was followed by AstraZeneca, Johnson & Johnson, Merck, and Abbott, each representing about 5% of reported visits.

Takeda's focus during the majority of these visits was on its two new drugs, Kapidex and Uloric. More than three-fourths of Takeda's product discussions with managed care professionals involved one of these two brands.

"Typically, companies with newer drugs spend the majority of their time with managed care plans promoting these products," says Nick Carras, an SDI Senior Product Manager. "Managed care plans often evaluate a product a few months after its introduction and decide whether to include it on their formulary, and at what formulary tier."

A formulary is a list of medications that an insurer will pay for. Formularies are often designed in tiers. The lowest tier usually consists of generics and carries the lowest co-pay for patients. As tiers rise, so do out-of-pocket costs paid by patients.

SDI's Managed Care Formulary Drug Audit reports that more than 70% of surveyed health maintenance organizations and pharmacy benefit managers, representing almost 230 million covered lives, review new drugs for inclusion on their formularies 3 to 6 months after the drugs first appear on the market. Four percent of plans review a new product sooner; 15% take 7 to 12 months.

"Pharmaceutical companies increase their interaction with managed care insurers during the first few months after a drug is launched, hoping to positively influence formulary coverage and tier-placement decisions so that patient out-of-pocket cost is minimized," says Carras. "If out-of-pocket costs are high, that can be a real barrier for patients – and in turn for the success of a brand."

Carras notes that pharmaceutical companies may offer co-payment assistance programs to help offset costs as managed care plans evaluate their drug.

Through a combination of manufacturer-assistance programs and gradual formulary adoption, patient out-of-pocket costs tend to decline over time. For example, in Kapidex's first month on the market, the average out-of-pocket cost for a prescription was \$61.06, according to SDI's Vector One®: Payer. Five months later, the average out-of-pocket cost dropped to \$34.43.

About SDI

SDI is a leading healthcare market insight and analytics firm. It provides the industry's most comprehensive de-identified patient-level data to pharmaceutical, biotech, and medical device companies, enabling them to better understand the healthcare market. SDI also serves the government and the financial services, media, and consumer packaged goods industries. Founded in 1982, SDI counts the world's top 50 pharmaceutical and biotech firms as its clients.

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