

# How Can We Make Payer Communications Really Sing?

**With so many different influences at play in access decisions, how can we make sure we tap into what's really driving payer decision-making. How do we go beyond the stated drivers to understand the inherent biases at play?**

We know that payers aren't purposefully trying to mislead us, yet the things that they say drives their decisions, don't always match what they ultimately do in reality. How can we get to the bottom of these incongruities?

Adelphi has been investigating how behavioural economics can be applied to help identify the fast thinking 'rules of thumb' or biases that underpin payers' decision-making. And we've found that it's helped us to make sense of a lot of the discrepancies.

But it's not just about identifying biases and finding out why they do what they do. For us it's far more important to be able to generate concrete recommendations around how pharma can enhance payer communications as a result of behavioural economics analysis.

## Self-Funded Research

We carried out research with 20 local level decision-makers involved in access decisions for diabetes and rheumatoid arthritis.

We had two main goals:

1. Understand the drivers payers are conscious of and the biases/heuristics that drive intuitive decision-making
2. Help pharma tailor communications to maximise impact with payers and optimise the success of their brands

After depth interviews and standard analysis to capture explicit drivers to decision-making and the drivers respondents were aware of, our behavioural economics' analysis included asking questions such as:

- What choices are available?
- What is the decision-making context?
- What stories are being built?

## Heuristics that Drive Intuitive Decision-Making

What payers said drives decision-making wasn't a surprise e.g. efficacy, safety, cost and affordability. However, this only explained a proportion of what was actually happening.

Adelphi found that nine heuristics were at play, each having an impact that payers weren't conscious of.

## Key Heuristics at Play



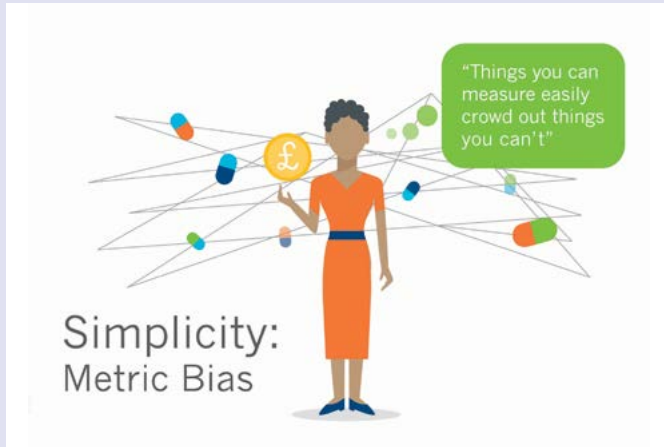
We grouped these biases into five key areas:

- **Justification** – given the high level of accountability – it is important for payers to be able to provide a clear rationale for their decisions
- **Perception** – tough decisions can be uncomfortable to make and payers decision-making can be influenced by the need to not feel like the bad guy
- **Risk** – payers have faced a real lack of job security in recent years – they are driven to mitigate risk in their decision-making
- **Simplicity** – when making complex decisions our brains take shortcuts to simplify the options – payers are no different and the decisions they make are immensely complex
- **Mental Accounting** – NHS budgets are complex and intertwined and mental accounting helps to manage this

Once the key heuristics had been identified, we were keen to see how pharma could use these to create nudges to impact on payer communications.

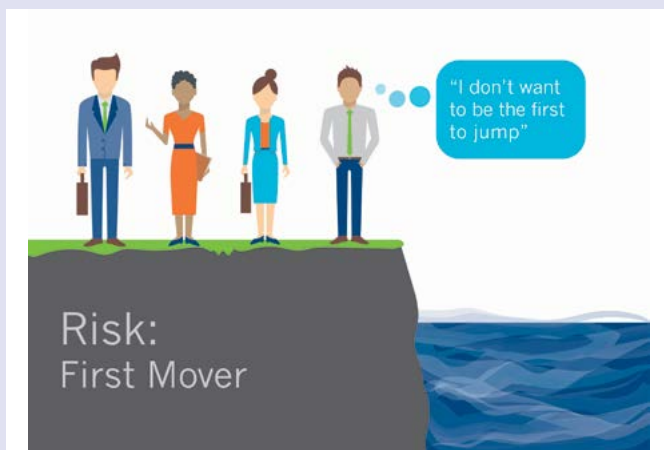
Here are some very top line insights into a couple of biases that fit within the groups, alongside guidance on how pharma could use them to nudge decision-making.

## Concrete Insights for Pharma



Immediate cost is the easiest thing to measure and therefore, often has much greater 'gravity' than anything that cashes out over time. In addition, access decisions involving many steps, stages and drug choices, very quickly bring extremely complex calculations. As a result, more doubt creeps in and confidence can be lost. To sum-up, things that are hard to measure can become almost inconsequential and therefore pharma should:

- Do the hard work for payers
- Work out the pathway savings – replace complex calculations with a simple single number metric, allowing comparison against the competition



We've all been there, when we don't want to be the first to jump. It's risky and interestingly payers all say they need evidence to make decisions, but aren't really that keen on stepping forward and being the one (or location) to gather it. Therefore, pharma needs to decrease the risk and:

- Reassure payers and 'hold their hand' so they are not going it alone
- Work with multiple localities to sign-up to 'go first' together as a more comfortable group

## Actionable Insights for Specific Brand Situations

The research confirms that behavioural economics' biases are most definitely at play in market access decision-making. By linking these to tangible payer behaviours, we've been able to translate the biases into actionable outputs that will positively impact on payer communications.

However, whilst the research identified some elements which are likely to be transferable, the decision process is very much situation-specific. As such, we recommend that access decisions should be evaluated within the context of the brand-specific environment to ensure that payer communications are relevant to the brand and payer agenda.

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