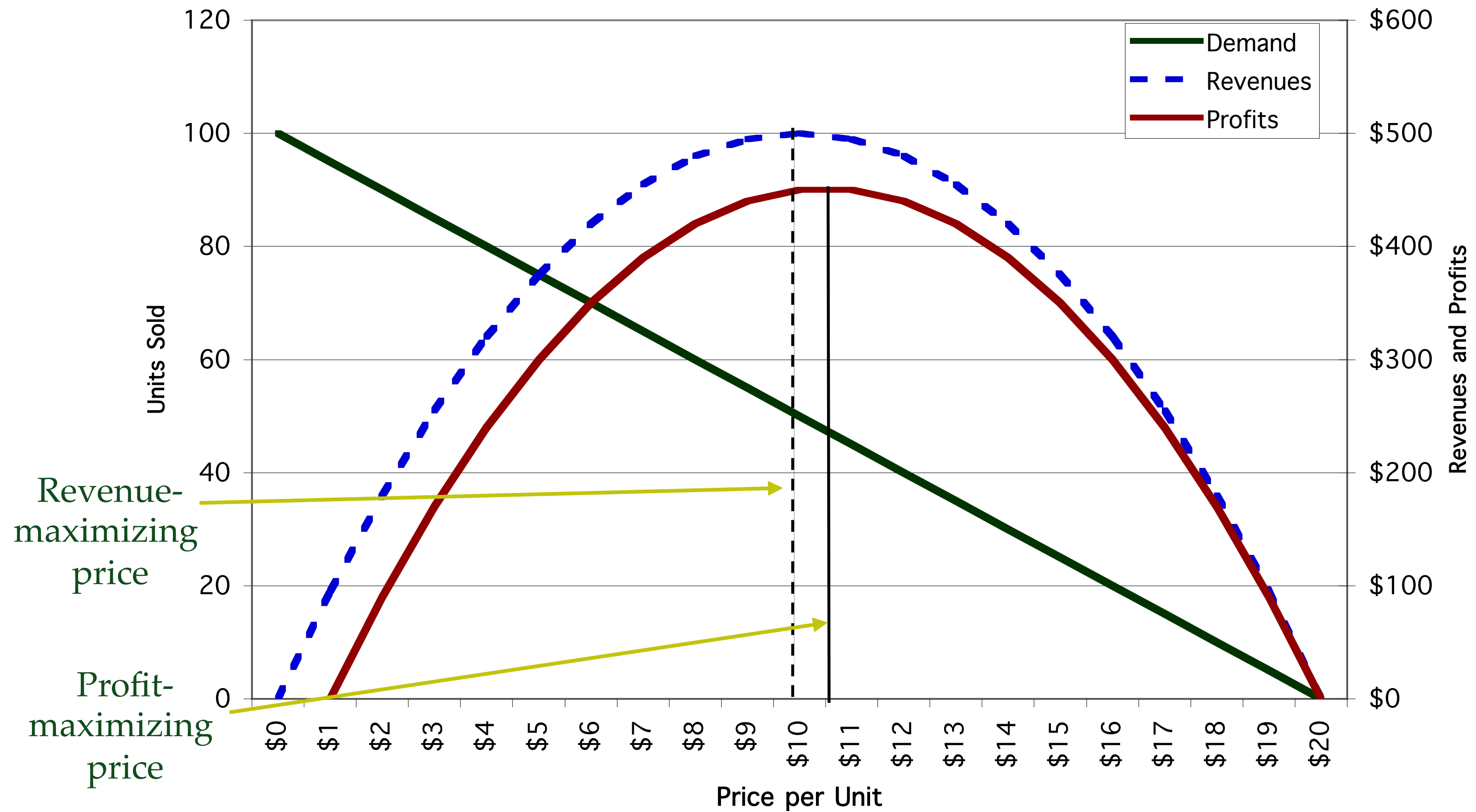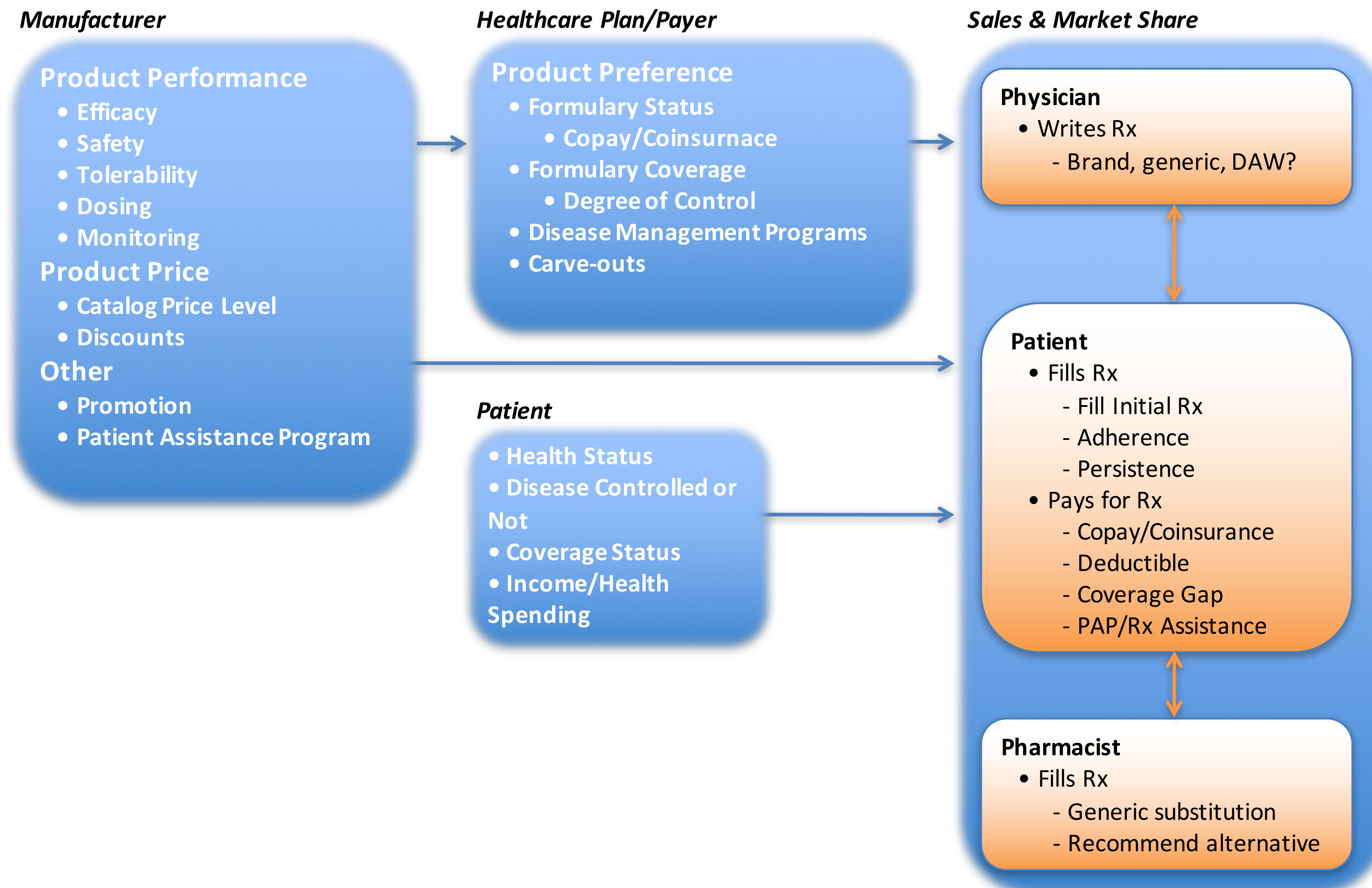- Pricing Optimizer™ is a modeling framework that combines the results of primary and secondary pricing research among the different actors in the product purchase decision to determine an overall optimal price

  - Simultaneously models the demand curves for physicians, pharmacists, managed care/other payers, and patients

  - Capture tradeoffs and influences among these different groups

  - Builds an overall demand function (price sensitivity curve)

  - Determines the gross profit-maximizing catalog price (wholesaler acquisition cost) and optimal rebates by customer segment for a product

- Used for pricing major products

Demand, Revenues, and Profits

Manufacturer

Product Performance
- Efficacy
- Safety
- Tolerability
- Dosing
- Monitoring

Product Price
- Catalog Price Level
- Discounts

Other
- Promotion
- Patient Assistance Program

Healthcare Plan/Payer

Product Preference
- Formulary Status
  - Copay/Coinsurnace
- Formulary Coverage
  - Degree of Control
- Disease Management Programs
- Carve-outs

Patient

- Health Status
- Disease Controlled or Not
- Coverage Status
- Income/Health Spending

Sales & Market Share

Physician
- Writes Rx
  - Brand, generic, DAW?

Patient
- Fills Rx
  - Fill Initial Rx
  - Adherence
  - Persistence
- Pays for Rx
  - Copay/Coinsurance
  - Deductible
  - Coverage Gap
  - PAP/Rx Assistance

Pharmacist
- Fills Rx
  - Generic substitution
  - Recommend alternative

3