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How CVS Caremark Plans to Improve Health Equity

(Source: An article by Paige Minemyer for FiercePharma)

When CVS Caremark embarked on a journey to tackle health disparities, it was quick to realize that any undertaking would involve a significant basis in data to be successful.

That required both gathering more data and building the tools necessary for tracking and analysis. For example, the company had not gathered information about race and ethnicity in the past, but now asks payers and plan sponsors for that data to more accurately focus on where disparities are occurring.

In addition, the company built a proprietary tool that examines data from 17 different indexes to identify where such disparities exist. That tool then marks "red dots" on a map to highlight risks which are then used for internal data to further drill down to identify challenges in specific communities.

With this data in place, CVS is tackling equity at multiple levels of the company. Approximately one year ago, CVS Health hired its first chief health equity officer, Joneigh Khaldun, M.D., to drive strategy around equity and health disparities at the enterprise level.

Additionally, different segments within the company are focusing on the issue through their unique positions in the market, including spearheading work within the Caremark pharmacy benefit manager (PBM) division. There the PBM has established a four-pronged approach to addressing disparities: awareness and educational resources; testing and screening; access to health services; and treatment optimization interventions.

These principles are applied to each of the health equity initiatives that the company rolls out. For instance, two initial disease states of focus at Caremark are HIV and sickle cell anemia, both of which disproportionately impact communities of color.

While there is much that Caremark can do to educate populations at risk for sickle cell about testing and preventive care, the team also had to apply that thinking internally and learn more about the unique challenges facing that segment of the population.

For one, sickle cell patients are predominantly black and may face discrimination in seeking care. The team learned from national experts on the disease that they recommend patients visiting an emergency department dress nicely to avoid being removed by security, as they may be mistaken for drug addicts.

They determined that by finding educational opportunities for staff, they could identify disparities such as staff education measures being taken to ensure proper management concerning those diseases, an area that was previously lacking.

In another initiative, CVS partnered with drugmaker Gilead Sciences to make no-cost HIV testing available in MinuteClinics across five geographies in recognition of National HIV Testing

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In Brief...

- **AmerisourceBergen** announced that its Board of Directors elected *Lorence H. Kim* as a new independent director effective October 1, 2022. This will increase ABC's board from ten to eleven members, nine of whom are independent. "Lorence's background makes him an excellent fit for AmerisourceBergen as we advance our strategic growth priorities and vision," said *Steven H. Collis*, Chairman, President & Chief Executive Officer. Separately, the company announced a strategic relationship with **Outlook Therapeutics**, a biopharma company working to develop and launch in the U.S. the first FDA-approved ophthalmic formulation of *bevacizumab* for use in retinal indications.
- **McKesson Corporation** announced the acquisition of **Rx Savings Solution**, adding a combination of benefit optimization, patient engagement, and price transparency capabilities for employers and patients to its fast-growing prescription technology solutions business. This is a strategic acquisition in support of broadening McKesson's biopharma offering via expanded links to payors and patients. The deal is valued at US$875 million and is expected to close the second half of FY 2023.
- **Walgreens Boots Alliance** announced the acceleration of its plans for full ownership of **Shields Health Solutions**, which is delivering strong financial performance, clinical excellence, and value-add contributions to WBA's business. The company has entered into a definitive agreement to acquire the remaining 30% stake for approximately US1.37 billion, based on the exit multiple agreed at the time of WBA's 2021 investment in Shields. Separately, **Walgreens Pharmacy** has received exclusive access to *Phospholine Iodide* (*echothiophate iodide* for ophthalmic solution) from **Fera Pharmaceuticals**. The drug is used to reduce elevated intraocular pressure of glaucoma and for accommodative estropia (the inward turning of the eye) in children.
- U.K.-based **GSK** has appointed its first female chief financial officer, *Julie Brown*, to succeed *Iain Mackay*, as the drugmaker focuses on its core pharmaceuticals business. With *Emma Walmsley* as GSK's chief executive, Brown's appointment creates a rare all-female top management at a

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Health Equity (cont.)...

Day in late June. The project identifies five communities that are "priority jurisdictions" for the Department of Health and Human Services' *Ending the HIV Epidemic in the U.S. Program* for free testing. Encouraging people at risk to get tested has become even more important, as COVID-19 drove down the use of preventive care services and health testing.

But for CVS Caremark, its work around equity is just the beginning. CVS is committed to changing the health equity landscape in a positive way for those communities that are underserved.

The US-China Decoupling is a Wakeup Call for Biotech Companies

(Source: An article by Brian Yang for Scrip Intelligence)

Business confidence within the Chinese biotech contract manufacturing sector is being shaken by the Biden administration's latest effort to encourage investment in U.S. domestic biotech manufacturing capabilities.

An executive order issued by President Biden on September 12th aims to secure U.S. biologics manufacturing and supply chains with a clear message – Washington is shoring up support for key industry sectors such as semiconductors and now biotech and will work with its own industries to better compete with China.

The order was a shock to the Chinese biologics manufacturing arena and major firms such as WuXi Apptec, a subsidiary of WuXi Biologics, along with Pharmacon Beijing Ltd. Co. and Hangzhou Tigermed saw share prices fall drastically, some by as much as 20% on the day the executive order was signed.

The U.S. initiative is intended to ensure that biotechnologies invented in the U.S. are made in the U.S., indicating a further decoupling with China, the world's second largest economy.

Major Chinese contract development and manufacturing organizations (CDMOs) such as WuXi Biologics provide a full range of services to multinationals as well as Chinese domestic biotechs. A large segment of WuXi's international business is focused on the U.S., and other Chinese CDMOs also court U.S. clients.

While Biden's order is designed to bring jobs back to America along with improving national supply chain security, some say a possible switch of contract manufacturers cannot occur quickly.

So far, 70% of drug ingredient manufacturing facilities registered with the U.S. Food and Drug Administration are outside the U.S., 13% of which are in China. The country is also the largest supplier of drug ingredients to India, a major provider of finished generics to the U.S. pharma market.

The complexity of the drug supply chain means the Biden order may have limited impact on the Chinese CDMO sector, but the move still highlights a need to diversify away from sole supply sourcing strategies on both sides.

A recent survey by the American Chamber of Commerce in China showed that while many U.S. companies recognize the need to diversify suppliers and away from sole reliance on sourcing from China, few are taking action.

While already at a historic low, the U.S.-China bilateral relationship seems set to suffer further by additional decoupling as it spreads into the biopharma sector.

However, China may be more resilient in biopharma development than in other sectors such as the semiconductor industry. China has a large talent pool and vast clinical resources primed to nurture its own novel biologic therapies.

Already, tightening national security reviews on Chinese investments into the U.S. and audit requirements for U.S.-listed Chinese firms have diminished some Chinese companies' hopes of listings on U.S. stock markets. One exception is oncology firm Apollomics, Inc., which recently agreed to merge with a special acquisition purpose company, Maxpro Capital Corp., to secure a U.S. listing.

This will be the first for a biotech from China after a long hiatus since LianBio's public offering in 2021. Major Chinese industry conglomerate Shanghai Fosun Pharmaceutical (Group) Co., Ltd. is also said to be planning to divest its pharma subsidiary. Fosun has amassed many overseas assets during its expansion to finance, insurance and tourism during the height of its mergers and acquisitions period, but now faces pressure to pay down debts.

In Brief (cont.)...

blue-chip British company and a global major pharma player. Brown, who has extensive experience in the health and pharmaceutical industry will join GSK in April of 2023 and officially assume the position in May.

- **Moderna** has offered a prospective glimpse into the commercial opportunity presented by the coronavirus vaccine. Assuming half of the U.S. adult population (approximately 258 million) receives an annual booster, the private vaccine market could be worth as much as US$12.9 billion annually. This assumes a potential target price of US$100 per shot. The flu vaccine coverage ratio in all adults in the U.S. is about 50%, while flu vaccination rates are somewhat lower in other high-income countries. Moderna also offered scenarios based on COVID shot prices of US$82 and US$64, culminating in a potential U.S. market worth US$10.6 billion and US$8.3 billion respectively.
- **Pfizer Inc.** announced today an agreement to supply up to six million treatment courses of its COVID-19 oral treatment, *Paxlovid* (*nirmatrelvir* tablets and *ritonavir* tablets) to **Global Fund** as part of its *COVID-19 Response Mechanism (C19RM)*. The C19RM has been the primary channel for providing grant support to low- and middle-income countries to purchase COVID-19 tests, treatments, personal protective equipment, and critical elements of health systems strengthening. *Paxlovid* treatment courses will be available for procurement through this mechanism, subject to local regulatory approval or authorization, by the 132 grant-eligible countries determined by Global Fund based on income classification and disease burden. Pfizer expects supply to be available starting in 2022, pending regulatory authorization or approval and based on country demand.

(Sources: Company Press Releases, Drug Store News, FiercePharma, Nephron Research and World Pharma News)