

# Developing a Game Plan for the Implementation of the Inflation Reduction Act of 2022

The Inflation Reduction Act (IRA) represents a landmark shift in federal policy governing the biopharmaceutical industry, the Medicare program's approach to prescription drug pricing, coverage, and reimbursement. Magnolia developed IRA Playbooks for biopharmaceutical manufacturers to help them understand the implications of the IRA and develop long-term strategic plans to adjust for the sweeping market changes it will cause.



## Interpreting Legislative Guidelines

After identifying the key provisions within the IRA affecting health care stakeholders and the biopharmaceutical industry, **Magnolia** was engaged by clients to assist with

- Interpreting guidelines and understanding implementation timelines
- Developing strategies for engaging regulatory agencies and trade associations in IRA advocacy efforts plans (PDP) and Medicare Advantage prescription drug plans (MA-PD); managed and fee-for-service Medicaid; self-pay/uninsured data; and patient assistance programs.



## Gathering Preliminary Payer Perceptions

**Magnolia** fielded payer surveys and conducted actuary interviews to understand their perceptions of the IRA and considerations that will be driving their future coverage decisions. These payer pulse surveys

- Provided information on how formularies and utilization management are shaping up for 2024 and beyond
- Identified how payers will expect to contract with biopharmaceutical manufacturers in the future to account for the significant changes in plan liabilities that will result from the IRA



## Assessing the Budgetary and Economic Impact of the IRA

**Magnolia's** policy and economics experts analyzed **pricing and utilization data** to

- Asses the economic impact of the IRA considering a biopharmaceutical manufacturer's portfolio of products
- Develop models to estimate costs and project future utilization of biopharmaceutical manufacturer free drug programs as a result of the Part D redesign
- Build pricing and rebating scenarios for Part D plans and commercial contracts given changes in benefit design and premium stabilization provisions
- Assess the impact of the IRA on future pricing for pipeline products



Drawing upon these analyses, **Magnolia** developed customized IRA Playbooks to provide biopharmaceutical manufacturer-specific game plans to analyze key considerations and strategic recommendations for future clinical trials, distribution and labeling strategies, policy, advocacy, patient support services, and pricing/contracting.