

Pharmaceuticals & Medical Products Practice

COVID-19 and commercial pharma: Navigating an uneven recovery

To respond best to the changes driven by the COVID-19 pandemic, pharma companies should consider reorienting their commercial models to fit the needs of healthcare providers and patients better.

by Ortal Cohen, Brian Fox, Nicholas Mills, and Peter Wright



The COVID-19 crisis is creating an extraordinary strain on society, which must deal with the infection, the fear of infection, and the physical, emotional, and financial implications of physical distancing. In this environment, healthcare professionals (HCPs) are facing unprecedented challenges: advising and treating patients with suspected and confirmed cases of COVID-19, finding ways to tailor treatment recommendations, and providing effective care (often remotely). In some instances, they are also worrying about their financial security as practices and health systems face unprecedented financial issues.

The impact of COVID-19 on hospitals and the heroic contributions of HCPs (and the extreme challenges they face) have been well documented. HCPs, however, must also address fundamental changes in the treatment of patients with conditions other than COVID-19. Across medical specialties and therapeutic areas, the treatment of such patients has fundamentally changed. HCPs are rapidly adjusting how they deliver care (such as through increased use of telemedicine). As a result, the support they need from pharma companies, payers, and other stakeholders is also changing.

Pharma companies overall—and their commercial organizations, specifically—have largely focused on the immediate crisis, including by facilitating access to medicine; supporting HCP, institution, and patient needs in new ways; safeguarding employees; and enabling employees to operate in a new environment. In this context, one of the top priorities of a pharma company's commercial organization must be ensuring that the delivery of high-quality patient care is ongoing and the supply of critical drugs is shored up to avert potential drug shortages in the future.

While pharma leaders recognize and are responding to the immediate needs, many remain unclear about where things go from here. How will patient and customer needs and expectations change in the long term? When and how should their teams begin

visiting HCPs again? How must their commercial organizations adapt to accommodate the new environment? As leaders ask these questions and others, it is becoming clear that the post-COVID-19 recovery will be a time of real change and, potentially, risk for pharma companies' commercial organizations. It will be critical that each pharma company build new ways to interact with physicians in deep and meaningful ways. For some, that imperative will serve as a catalyst to make changes that they have been looking to make for years (such as a shift toward customer centricity, digital interactions, and new ways of working).

This article provides a snapshot of how the pharma marketplace has changed. It draws from multiple data sources, including US healthcare-claim data from March gathered from Compile and HealthVerity; two physician-sentiment surveys conducted by Sermo on April 4 and 5, 2020 (one surveyed 937 HCPs from ten countries, including 355 US-based participants; the other surveyed 1,174 HCPs from ten countries, including 213 US-based participants); and two US-consumer-sentiment surveys conducted by McKinsey on March 16 and 17, 2020, and on March 27 and 29, 2020 (979 and 1,062 US residents, respectively, aged 18 to 84 and balanced to be nationally representative for sex, age, income, race, ethnicity, region, and type of health insurance). These data represent a moment very early in the evolution of this crisis. It is already clear, however, that pharma companies' commercial organizations must contemplate fundamental changes to their go-to-market approaches for both marketed and ready-to-launch products. This article highlights changes that leaders can consider for marketed products.

Immediate impact of COVID-19: A patchwork quilt of effects

Overall, the COVID-19 crisis has been a massive shock to the healthcare system. This macroobservation, however, obscures high variability beneath. Initial reports suggested that

prescription rates were not affected through March, but it is unlikely that this information is predictive. In each of three areas—utilization, adoption of new behaviors, and pharma engagement—a range of changes can be seen across specialty and geography. This variation is critical for pharma leaders to understand if they want to craft effective strategies for crisis recovery.

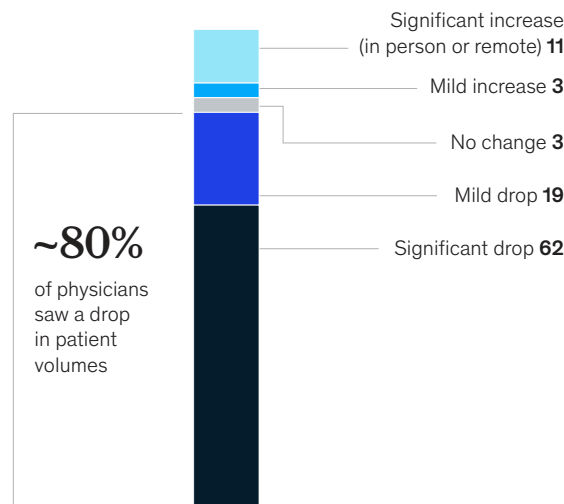
Fewer patients seeing physicians and fewer prescriptions for most disease areas

Overall, the impact of COVID-19 has dramatically reduced the number of patients seeing HCPs, since fewer patients are seeing HCPs for non-COVID-19-related conditions. Among surveyed HCPs, 82 percent report declines in patient volumes, with more than half describing the declines as “significant” (Exhibit 1). Patients reports are similar:

Exhibit 1

Most physicians report a significant drop in patient volumes.

Physician-reported impact of COVID-19 on patient volumes, % of respondents¹



Note: Figures may not sum to 100%, because of rounding.
¹n = 213.
 Source: Sermo COVID-19 Healthcare Practitioner Survey, Apr 2020

40 percent of surveyed patients report having a doctor cancel an appointment, while an additional 30 percent or so canceled the appointments themselves. As a result, half of surveyed physicians worry that their patients will not be able to receive timely care for new or existing conditions (particularly those that are not COVID-19 related).

While the overall reduction in volume is widespread, variation immediately appears when looking more specifically. When examining patient visits by specialty, for example, the number of oncology-related visits has declined far less than have those related to cardiology or dermatology (perhaps reflecting patient or physician perceptions of urgency) (Exhibit 2). Such data represent a snapshot of a time still early in the trajectory of this crisis, but the HCPs surveyed expect the trends to continue—and to accelerate, potentially.

The patient-volume declines also appear to vary significantly by geography, closely tracking COVID-19-case rates and public-health actions. For example, medical-claim data from March 2020 show significant differences across geographies (Exhibit 3). The Los Angeles area, which had relatively early occurrences of infections and stay-at-home orders, saw a fall in claims earlier than did other large cities, many of which have seen rapid declines in claims more recently.

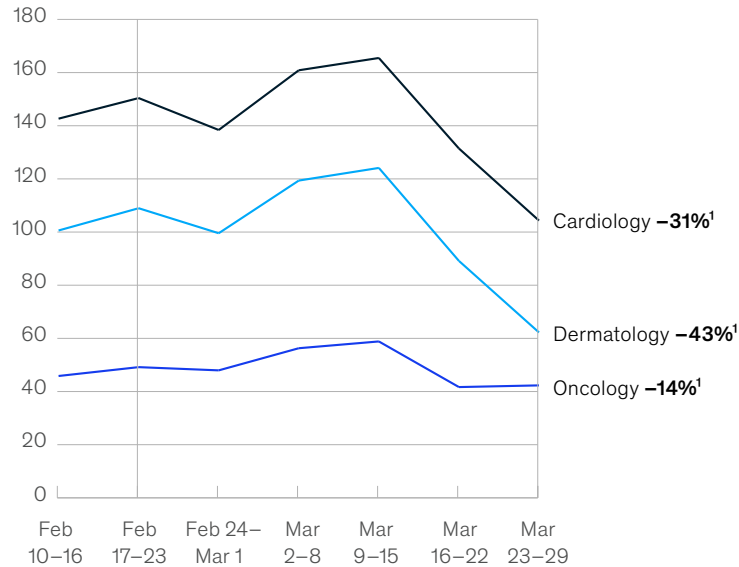
The reduction in patient visits will undoubtedly have significant effects on prescription volumes. So far, some pharma watchers have observed relatively steady prescription volumes; in some cases, there have even been increases. Those prescription gains, however, are likely to be short lived (as has been seen in China, where the total-prescription metric declined by more than 27 percent at crisis peak in February 2020¹). Patient stockpiling of refills (as was recommended by the US Centers for Disease Control and Prevention) and a shift to 90-day fills (which some retailers supported to promote patient health) likely buoyed recent prescription numbers. Physicians surveyed report greater

¹ “China healthcare hospital Rx monthly,” *Morgan Stanley Research*, April 7, 2020.

Exhibit 2

Patient visits vary across specialties.

Number of weekly patient visits (recorded by switching houses), thousands



¹From week ending Feb 23 to week ending Mar 29.
Source: HealthVerity

volume reductions when it comes to new-patient interactions (Exhibit 4). This is likely to translate into fewer new prescriptions in the future.

Furthermore, as the economic situation evolves and the extent of unemployment becomes clearer, so will its effect on shifts in patient coverage and out-of-pocket spending—and the impact on patient demand. Four trends should be monitored closely: shifts in covered lives and patient insurance when coverage shifts from commercial to Medicaid and (to a lesser extent) to individual market or exchange, abandonment of prescriptions as patients experience formulary changes and face increased out-of-pocket costs (or have lower willingness or ability to pay), changes in eligibility for patient-

assistance programs, and channel shifts, including increased use of mail pharmacies and causal effects on patients' ability to use co-pay cards.

Anecdotal evidence also points toward broader shifts in healthcare delivery. For example, in oncology, surveyed HCPs report some patients receiving infusions being moved to closer-to-home infusion sites. Small community practices are concerned about their ability to continue operating as a result of COVID-19.²

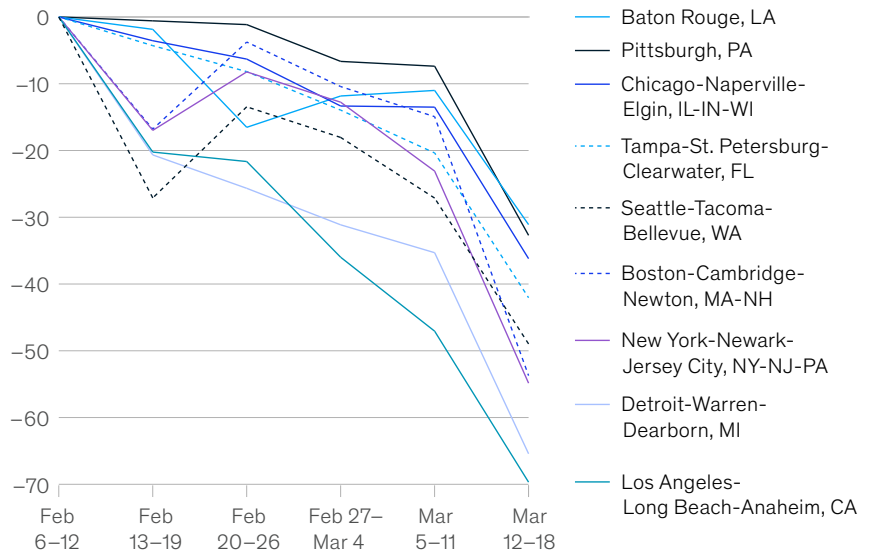
Overall, pharma companies should expect to see significant disruptions in many therapeutic areas and geographies. The pace of these changes is expected to vary significantly in depth, pace, and

² Joanne Finnegan, "Doctors worried about survival of their medical practices: 'This could be the death blow,' says physician," *FierceHealthcare*, April 3, 2020, fiercehealthcare.com.

Exhibit 3

Medical claims reflect considerable geographic differences in timing and severity of patient-volume decline.

Weekly medical claims for select US CBSAs, index (0 = week of Feb 6–12, 2020)¹



¹CBSAs = core-based statistical areas. Based on medical-claim data collected during last week of Mar 2020 and adjustments to account for immature data/time lag in data capture. Downward trends in mid-Mar 2020 corroborated by other claim-data sources. Source: Compile

timing, making it difficult to both “call the bottom” and plan to support the crisis recovery effectively.

Rising use of telemedicine and remote tools does not offset the loss of in-person interactions

Remote-working tools for patient care, administrative needs, and education are being embraced in different ways across geographies and physician specialties and affiliations. As has been broadly observed, telemedicine has spiked across specialties and geographies—a trend that many surveyed physicians believe will endure postcrisis (although, based on survey results, physicians do not think it will become the norm). As illustrated in Exhibit 5, the growth in remote engagement with patients, however, is not currently making up for loss

of in-person HCP–patient interactions. Surveyed US physicians report an average 45 percent decline in weekly patient consultations versus precrisis levels, after accounting for an uptick in remote consultations.

Significantly declining pharma interactions

Most pharma companies have partially or completely pulled their reps out of the field. As a result, surveyed HCPs report that their interaction frequency (including remote interactions) with pharma reps has declined more abruptly than the reported interaction frequency with patients, falling by an average of 65 percent. Remote interactions with pharma are reportedly two times more frequent in the United States than before, but they are only

Exhibit 4

The reported patient-interaction decline is somewhat larger for new patients than for existing patients.

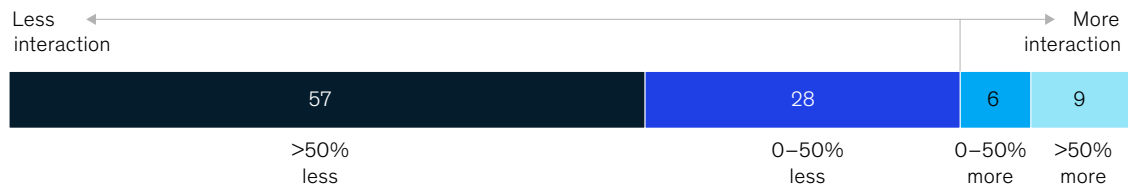
Change in overall patient interaction, % of respondents



Change in new-patient interaction, % of respondents



Change in existing-patient interaction, % of respondents



Note: Figures may not sum to 100%, because of rounding; n = 213.
 Source: Sermo COVID-19 Healthcare Practitioner Survey, Apr 2020

partially offsetting the overall decline (Exhibit 6). Physician sentiment on addressing the immediate crisis appears to be part of the reason.

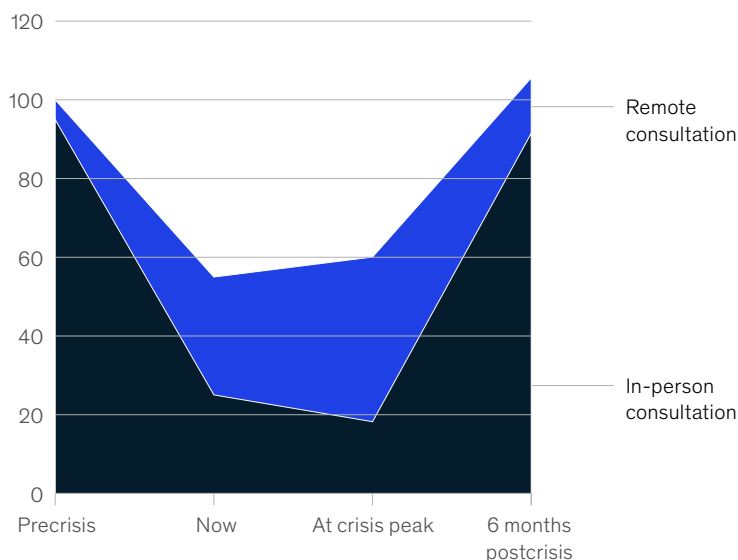
Although most surveyed physicians expect in-person interactions with pharma reps to resume after the crisis, one-third of them believe it is not helpful to have pharma reps “on call to support critical non-COVID-19-related procedures” during the crisis, and two-thirds say that pharma should “stay out of the hospital/clinic until the pandemic is better controlled.” These are strong signals that pharma leaders will need to consider carefully how best to “reenter” in the right way and time.

Certainly, some of this sentiment is specific to the immediate challenges of the crisis, but 28 percent of surveyed physicians indicate that the crisis will have a lasting impact on their willingness to welcome pharma reps for live meetings. Physicians do expect that remote engagement with pharma reps will be a more prominent part of the interaction mix after the crisis. However, compared with precrisis interactions, US physicians expect a 15 percent reduction in overall interactions, with all of that decline coming from in-person interactions.

Exhibit 5

The COVID-19 crisis has increased the number of remote consultations with patients.

Average weekly patient consultations by type,¹
index (100 = before the crisis)



¹n = 213.

Source: Sermo COVID-19 Healthcare Practitioner Survey, Apr 2020

Catalyst for pharma companies to commit to a customer-centric commercial model

As previously noted, COVID-19 is, first and foremost, a global humanitarian challenge, and two of the top priorities for pharma companies' commercial organization must be to ensure the ongoing delivery of consistent supply and access to drugs and of high-quality patient care and to safeguard their employees. After addressing those immediate priorities, commercial-pharma leaders can turn their attention to the crisis recovery. They can consider how to steer their organizations through a highly uneven recovery that will demand real commitment to a customer-centric commercial model.

In some ways, the crisis could be a wake-up call for commercial pharma. Historically, many in the industry have had a vision for how to transform the customer-interaction model but have suffered from "pilot paralysis" or unwillingness to risk near-term sales disruptions to make a change with long-term benefits. Now, for many, the disruption has happened. Commercial leaders can consider several topics when planning their responses.

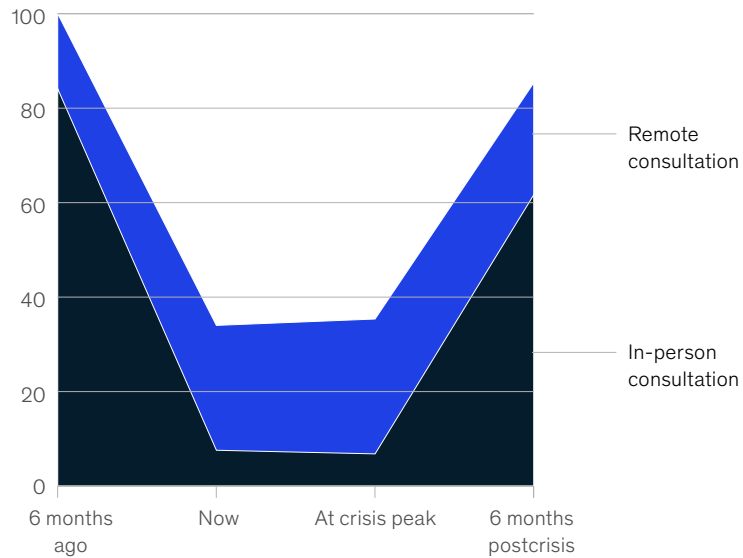
1. Be precise about when to reengage

The uneven shifts in healthcare delivery we have described are likely to result in a similarly uneven return to a stable healthcare-delivery ecosystem postcrisis. Variations by country and region, by

Exhibit 6

The decline in healthcare professional–pharmaco engagement is significant and is not expected to recover fully after the crisis.

Average weekly interactions of healthcare professionals with pharma reps by type,¹
index (100 = 6 months ago)



¹n = 355.

Source: Sermo COVID-19 Healthcare Practitioner Survey, Apr 2020

specialty, and, in some cases, by individual HCP or institution are to be expected. Half of surveyed US physicians expect that it will take longer than two months for their practice activity to return to prepandemic levels (with similar sentiment observed across top EU markets). Geography and HCP affiliation will likely play bigger roles: while 28 percent of surveyed US physicians indicate that they canceled in-person appointments following guidance from local authorities or their institutions, 42 percent will wait for guidance from authorities before resuming in-person activity.

Pharma companies' return to the full breadth of customer engagement and support activities should mirror the nature and speed of customers' transition to recovery. While pharma companies typically shut down their face-to-face engagement quickly (and

often nationwide), reversing that will likely require a staged approach that mirrors the highly uneven way in which the healthcare system is expected to "switch back on." Commercial organizations will likely need to tune into HCP- and account- or institution-level shifts in behavior, needs, and expectations to assess the appropriate timing and nature of reengagement. That will likely require monitoring of local epidemiological and economic factors and real-time monitoring of physician-level claim data to determine when an office may be "open" for reentry (including patient coverage and utilization). Predictive analytics can play an important supporting role here.

Reentry should be approached with the right level of sensitivity, testing how physicians would like to interact with pharma reps. This will typically

Crisis response and remote working have forced companies into radically changing how they work.

require rep judgment and a process to ensure that reps remain friendly with their customers. Pharma companies should consider investing in this market-intelligence process and conduct comprehensive readiness assessments by geography, therapeutic area, site of care, and individual HCP or practice.

The crisis recovery will likely also be shaped by physician and clinic capacity in a period of unique demand as demand for HCP care returns. Many appointments have been canceled during the lockdown (only around 30 percent of consumers report being able to keep planned upcoming appointments), creating the risk that conditions will worsen because of undertreatment or the stress of the crisis. Also, new, undiagnosed patients will present with symptoms that emerged during the crisis. A challenging counterweight to the release of that pent-up demand will be the affordability of much-needed care. High levels of unemployment and (in some communities) loss of healthcare insurance will likely affect the healthcare choices of tens of millions of patients. Meeting those needs will require patient-service organizations to embrace flexible approaches (such as partnership models and digital solutions) to serve patients effectively.

2. Revamp how to engage with healthcare practitioners and patients

Many commercial pharma companies are on a path toward a more customer-centric, integrated, omnichannel customer-engagement model. Brand leaders are considering how best to expand the interaction channels for their brands and how the expectations on coordination across a coherent

journey are changing. Regardless of what the next normal looks like, the transition out of the crisis is likely to require greater integration of in-person and remote interactions; careful mix modification by geography, specialty, and site of care; and tailoring of engagements to individual physician and patient preferences and expectations (ideally informed by two-way interaction).

The targeted reintroduction of customer-facing teams during recovery from the COVID-19 crisis, however, is a moment in which commercial pharma leaders can reset aspirations to match the enormity of the situation, leveraging the new ways of working that their organizations have rapidly adopted during the crisis. It will require a rethinking of customer-engagement approaches and a significantly more responsive interaction model (likely informed by predictive analytics). Immediate investments in data, systems, and analytics and efficient approaches to measuring the appropriateness of new channels and customer-engagement approaches will be important to achieve this dynamism.

Crisis response and remote working have forced companies into radically changing how they work. Although in-person working models will return, pharma companies' commercial operating models will need to look different from today in order to raise the level of customer support. First, cross-functional collaboration across customer-facing (or -interfacing) functions, ranging from medical information to event management (for both digital and in-person channels), is both necessary and possible in a virtually connected organization.

In the midterm to longer term, that may require revisiting the underlying commercial organizational structure to enhance customer centricity (such as transitioning from structuring organizations around a brand to structuring them around a customer type).

Second, the need for speed of response has heightened the expectations for fast-acting messaging and materials. Agile decision-making processes to develop current content and redeploy resources can help. The enhanced use of data and technology to stay informed, stay connected, derive insights, measure the effectiveness of new tactics, and stay productive has underscored the fact that every function in a pharma commercial organization must raise its digital IQ to deliver their best. In the immediate term, this means investing in capability building and upskilling across the organization while considering longer-term implications on new roles and talent mix.

Finally, the ability to shift budgets and resources dynamically to where they are most needed (such as geographies and therapeutic areas that will be quicker to recover) outside of the annual business-planning process will be a critical underlying success factor. Practices developed during the crisis to think outside of the normal planning cycle and continue to work in iterative, cross-functional scrum approaches could be very helpful to sustain.

3. Reimagine what the commercial mix should be to accommodate new needs and preferences

How physicians interact is expected to change markedly. More than 50 percent of surveyed physicians expect telemedicine to be more important to their future work. A broad basket of technology enablers will also be used more often—for example, half of surveyed US-based physicians think that tools for measuring patient vitals remotely and supporting clinical decisions could be more broadly adopted (Exhibit 7).

Beyond channels of interaction and the role of technology, different content and value propositions will be needed during and after the crisis recovery.

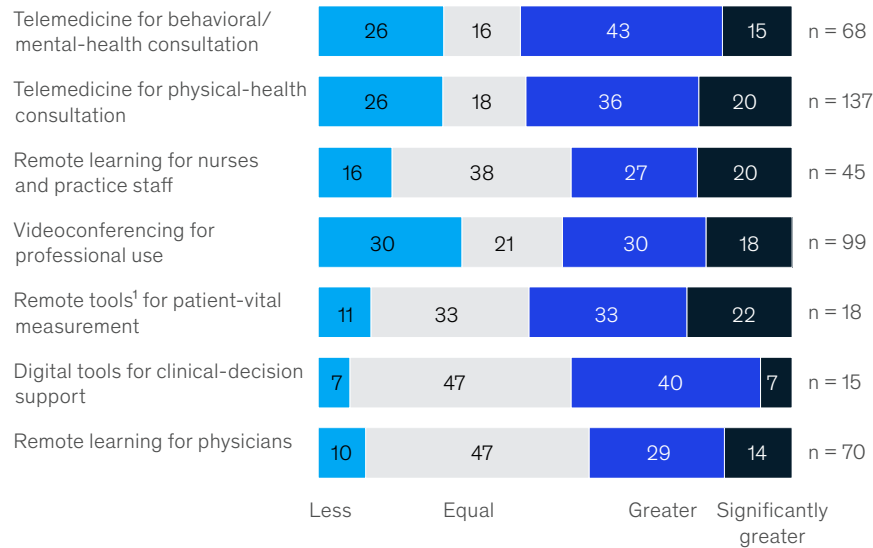
Careful consideration will be needed to determine how best to meet the needs of patients, individual HCPs, and HCP practices or institutions as HCPs and health systems transition to recovery. Depending on the specialty and disease area, new customer-support priorities could span the full patient journey and would require adaptation based on real-time physician journeys out of the crisis. Consider the following actions:

- ***Build a much more engaging suite of virtual interaction models.*** Pharma companies' commercial organizations could move away from the traditional push digital channels of banner ads, headquarters-driven emails, and web-based content that are already out of date in a COVID-19 world toward more engaging ways to interact virtually with customers (such as virtual peer-to-peer sessions, medical webinars on the latest data, and multicustomer videoconferences on treatment protocols). They could also consider how to upskill the front line on the best ways to connect with customers virtually (such as training on the navigation of technical issues, the anatomy of a conversation, and how managers coach virtually).
- ***Evolve branded and unbranded content to meet the needs of the moment.*** During recovery, there are a set of new needs to address with new branded and unbranded content. Examples include guidance on new processes for accessing treatment and products (such as reimbursement of telemedicine work and e-prescriptions), the impact of COVID-19 on specific patient populations, patient-management best practices, and drug interactions with COVID-19. During and after the recovery, efficient approaches to content development and management will be crucial.
- ***Reach new patients, enable remote (or mostly remote) diagnosis, and reshape customer journeys for the future.*** Telemedicine is likely here to stay (albeit not at current levels of use), and there are significant needs linked to its

Exhibit 7

Physicians expect to see a significant increase in the use of digital tools after the COVID-19 crisis.

Physician expectations of remote-working-tool use postcrisis relative to precrisis, % of respondents



¹For example, wearables and sensors.

Source: Sermo COVID-19 Healthcare Practitioner Survey, Apr 2020

access and utility. Of surveyed US consumers who canceled healthcare appointments, 56 percent (and 77 percent of those aged 55 and older) did not try to access remote care. Of those who did try to access remote care, almost half had challenges with knowing how to make appointments, appointment availability, or insurance coverage. Even with easier access, many ailments will be inherently difficult or impossible to diagnose remotely. Disease-state education, innovative approaches to the identification of undiagnosed patients, and redesign of patient journeys to minimize in-person interactions to achieve a diagnosis are potential ways to help. Beyond diagnosis, the patient journey and the nature and site of

interventions could look meaningfully different during the crisis recovery (and potentially in the next normal that later emerges). Will patients be more interested in directly shipped medications than they previously have been, for example? Now is the time to find ways to play a more constructive and active role in shaping these journeys for the better. Being at the forefront of care-delivery innovations will require a bold approach to ecosystem partnerships and business development to add required capabilities.

- **Increase efforts to address challenges to affordability and reimbursement.** Even in the mildest unemployment scenarios, material

shifts occur from group commercial coverage to the Medicaid and individual markets—and the uncovered-patient pool grows. The issue will vary greatly at a geographic level, based not only on areas affected more by COVID-19 but also on differences in legislative response at the state level. That will create a new need to support patient access to medication. One way to start is by developing an accurate view of the next normal in average out-of-pocket costs and ability to pay (these curves will look different than in prepandemic analyses and will vary geographically). From this, pharma companies could build on efforts already under way to ramp up bridge programs and expand Patient Assistant Program guidelines and support. That would enable an organization to enhance patient support and education, including through increased virtual capacity to support patients and use of digital touchpoints to provide key information along their journeys. Finally, pharma leaders should consider how to support HCP offices better: as the patient mix changes, pharma companies can keep them abreast of new utilization-management updates and patient-support programs as they emerge.

- **Expand therapy adherence and disease management.** In the immediate term, extended periods between patient–physician interactions may lead to therapy-adherence challenges. Of surveyed US physicians, 66 percent expect a negative impact on patient adherence to therapy during the pandemic. Backlogs and capacity constraints may mean the issue persists beyond the immediate crisis. Pharma companies should consider expanding the range of support that they provide to patients, including such services as remote monitoring programs, home-health services to support patients in appropriate therapy use, a wide range of education tools that can be delivered through virtual and digital channels, and broader content and solutions that can support patients through the emotional stress of their conditions (including peer-to-peer patient communities).

- **Reimagine service and value propositions for health systems.** Integrated delivery networks in the United States and health systems globally are experiencing the full set of challenges associated with COVID-19. Given the breadth and complexity of the services provided, the local nature of the crisis recovery, and each health system’s individuality even before the crisis, one can expect an even greater variability in their needs and expectations coming out of the crisis. Pharma engagement that is highly sensitive to health systems’ situations and grounded in problems they are actively trying to solve—for example, care-delivery adaptation, patient-support enhancement, and supply- and inventory-management innovation—could pave the way for a greater spirit of partnership as the next normal is established after the crisis.

Where to go from here

The challenges of the present can feel daunting to even the most resilient leaders, yet history has many examples of institutions emerging from crises stronger and more vibrant than before. As of this writing, the timing and nature of the COVID-19 recovery remains unknown—as are the severity of the public-health and economic challenges ahead. With this in mind, pharma companies can consider taking four fundamental actions to prepare for the uncertain future:

1. Task your individual commercial teams to evaluate the needs and journey implications of their individual customers (HCPs, patients, and other stakeholders) thoroughly, both in the immediate term and in the scenarios that lie ahead.
2. Establish a “reengagement control tower” across the business in each major market. The group would be responsible for running analytics to inform when to reengage and for staffing the feedback system to monitor reengagement dynamically for an agile response.

3. Launch a scenario-based strategic-planning effort to prepare for widely different outcomes (from a large, protracted disruption to a more modest return to normal somewhere in the near future), define no-regret moves across scenarios, and identify scenario-specific actions with appropriate triggers.
4. Mobilize strategic working groups to scale up and accelerate the changes that have previously been contemplated for the commercial model but have not had the resources, remit, or required urgency to be pushed forward.

consideration as the healthcare system switches back on in highly uneven ways across geographies and specialties and as both HCPs and patients begin see their needs and preferences differently.

Pharma companies that are willing to take steps now to rethink their commercial models to meet the new needs and expectations of customers—and to do so in timely and collaborative ways—will be best positioned to adapt successfully through the crisis recovery and the next normal that follows. Fully adopting those new capabilities and practices at scale across their commercial organizations will require ambitious transformation of their models. Executive-level sponsorship and resolve will be necessary to reassure an organization seeking stability in a time of crisis. One message must be clear: to come out of the crisis stronger, the future must look different than the past.

The COVID-19 crisis is markedly changing things for the pharma commercial model. Rapidly and effectively adapting will require careful

Ortal Cohen is a consultant in McKinsey's New York office, where **Peter Wright** is an associate partner; **Brian Fox** is senior partner in the New Jersey office, where **Nicholas Mills** is a senior partner.

The authors wish to thank Taulant Bacaj, Yilu Dai, Tara Grabowsky, Brent Hooper, Rukhshana Motiwala, and Ravi Yelleswarapu for their contributions to this article.

Designed by Global Editorial Services
Copyright © 2020 McKinsey & Company. All rights reserved.