Before we begin...



Do you still remember the story?

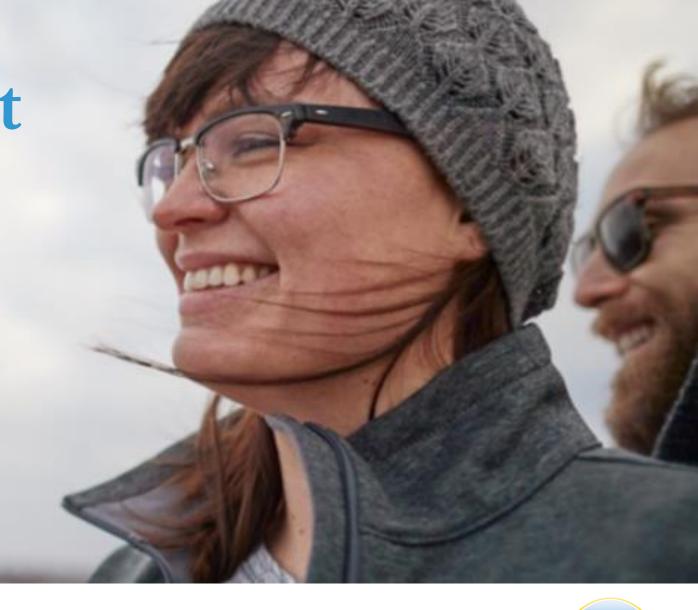






Partner Project Presentation

Boston University Statistics Practicum December 13th, 2018









What Factors Influenced Writing of Xiidra NRx Based on Historical Data?

- New patients insured by non-government plans typically received Xiidra prescriptions at higher proportions compared to new patients on government plans
 - Relationship holds up even when examined across different insurers, dates, or sales call volumes
- For prescriptions to new patients (NRx), the proportions of Xiidra versus Restasis differ significantly across Books of Business (BOB) and for each BOB, these proportions vary over time
- Increased sales call volume is associated with higher proportions of Xiidra NRx when examined on a health care practitioner (HCP) or decile level
- The higher an HCP's patient government payer mix, the lower the proportion Xiidra NRx for that HCP
 - Physicians with very high government payer mix still received significant sales call volume



Agenda

Market and Payer Effects

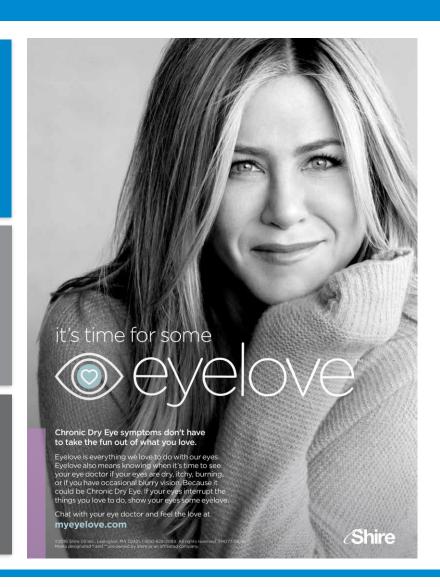
- Dry Eye Disease (DED)
- New Patient Prescriptions (NRx)
- Government and Non-Gov. Plans
- Book of Business (BOB)

Sales Call Effects

- HCP Level Response
- Response by Payer Mix
- State and Decile Analysis
- Momentum Effect

Model Summary

- Model Predictors
- Key Takeaways
- Model Performance
- Limitations and Opportunities





Market and Payer Effects

- Dry Eye Disease (DED)
- New Patient Prescriptions (NRx)
- Government and Non-Government Plans
- Book of Business (BOB)

Dry Eye Disease (DED) is an Inflammatory Ocular Surface Condition

- Common eye disease affecting 30M people in US and 344M globally
 - Only 1M are on prescriptions for DED in the US
- Symptoms include eye dryness, discomfort, stinging, burning, and blurred vision
- Incidence growing worldwide due to aging population, increased digital screen use, and improved awareness and diagnosis
- Treatments:



Xiidra



Restasis

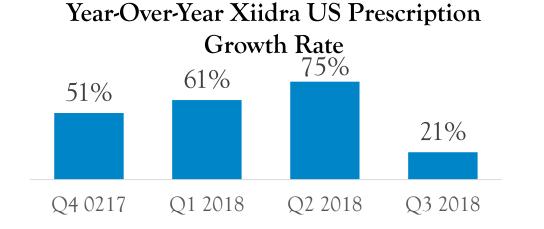


Artificial Tears (OTC)

Xiidra is Shire's FDA-approved Aqueous Solution For DED

- Main competitor is long-time incumbent,
 Allergan's Restasis
- Xiidra gaining market share with ~25% vs. 75% for Restasis by prescriptions (as of 10/18) ⁽¹⁾
- 200,000+ prescriptions written in the four months available in 2016





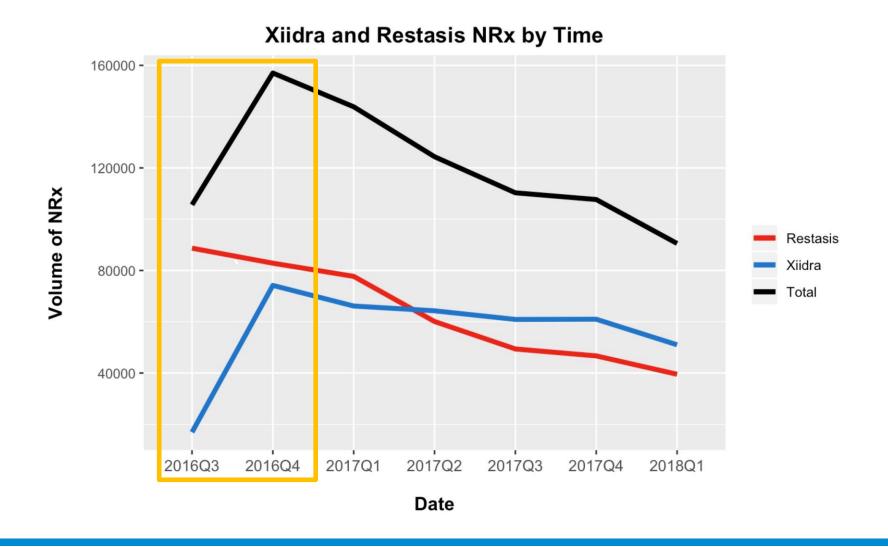


Source: SEC Filings, Wall Street Research

^{1.} Per Wall Street estimates.

^{2.} Revenue of \$62M in Q1 2018, \$100M in Q2 2018, and \$93M in Q3 2018.

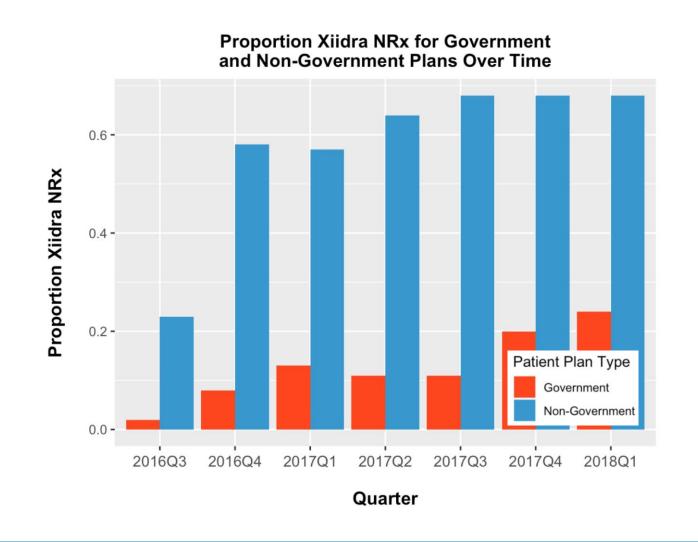
Xiidra Launch was a Massive Success that Increased Size of DED Market





Non-Government Plan Xiidra NRx Proportions Are Greater But Both Types Are Growing

- Proportions of Xiidra NRx for patients on non-government plans are significantly greater than those on government plans
- Disparity due in part to differences in Plan D coverage of Restasis versus Xiidra

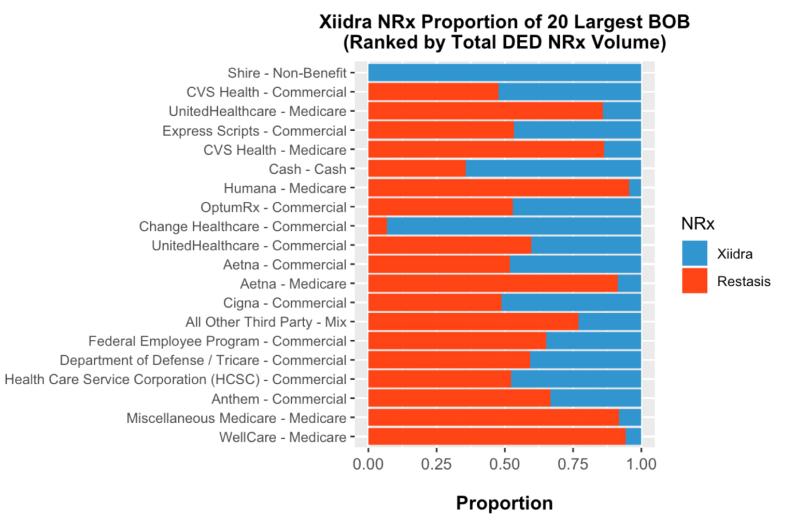




BOBs have Significant Variation in Proportions of Xiidra NRx

- Regardless of BOB, government plans (such as those with "Medicare" in name) all have very high Restasis proportions
- Shire Non-Benefit, the company's eponymous program, has the highest total volume

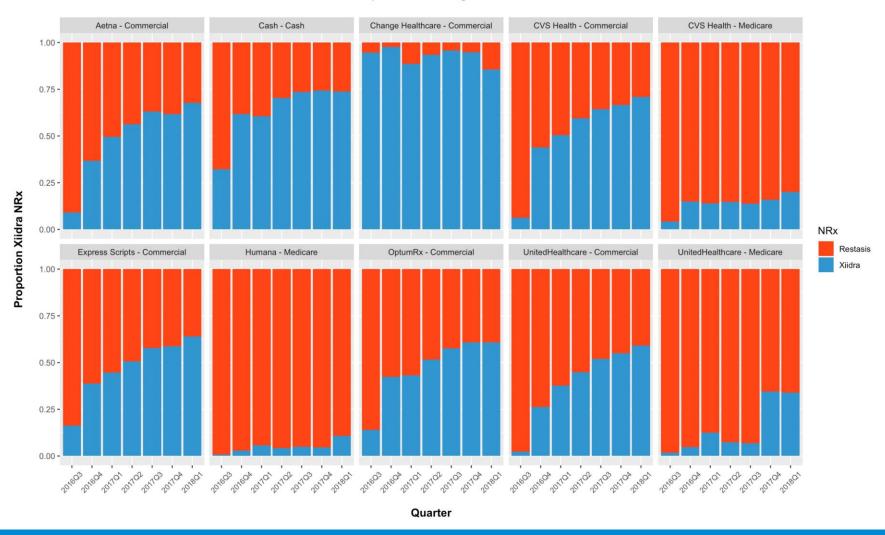
 NRx and is all Xiidra



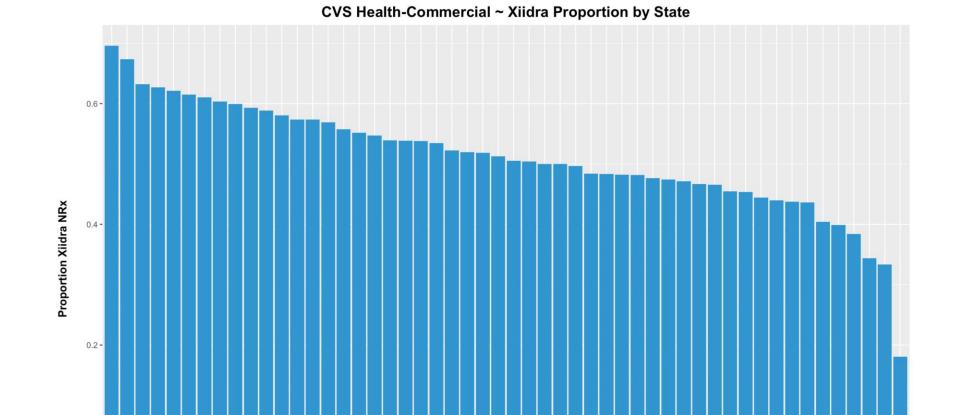


Xiidra NRx Growth Varies Across BOBs But are Generally Positive

Xiidra NRx Proportion of 10 Largest BOB Over Time



Xiidra NRx Proportions Varies Across States: eg. CVS Health (Non-Government)

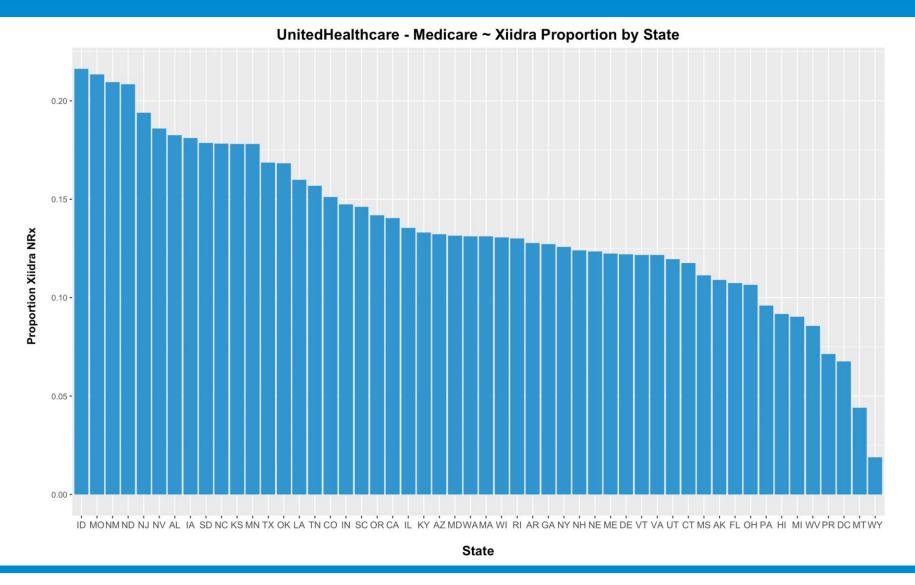


State



SD NV TX IA TN NC AL ARMO ID UT KS NJ MN RI CO LA IN IL OK ND SC WA OH KY NE MI ME DE NM MA DC MS AZ CA MD WI FL GA NH PA VA VT NY WY CT OR WV HI AK PR MT

Xiidra NRx Proportions Varies Across States: eg. UnitedHealthcare (Government)



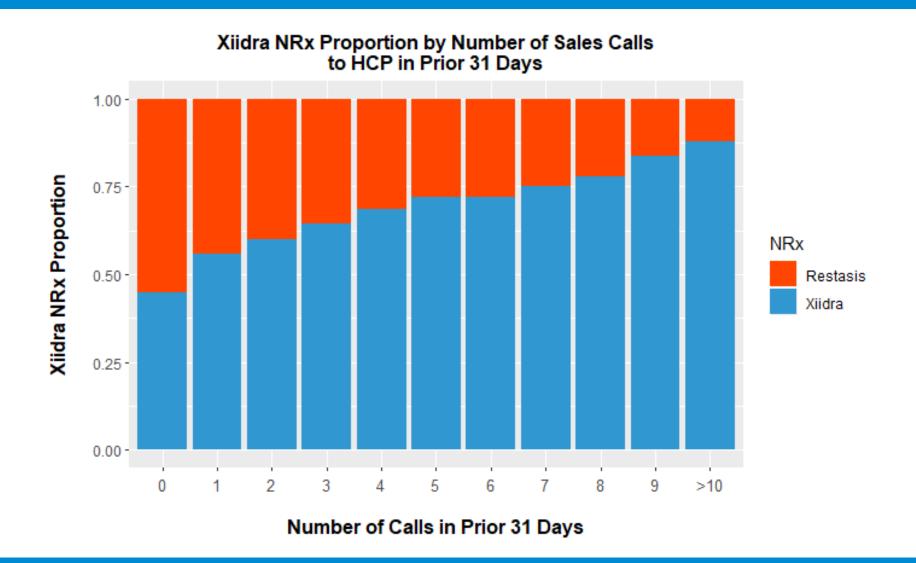




Sales Call Effects

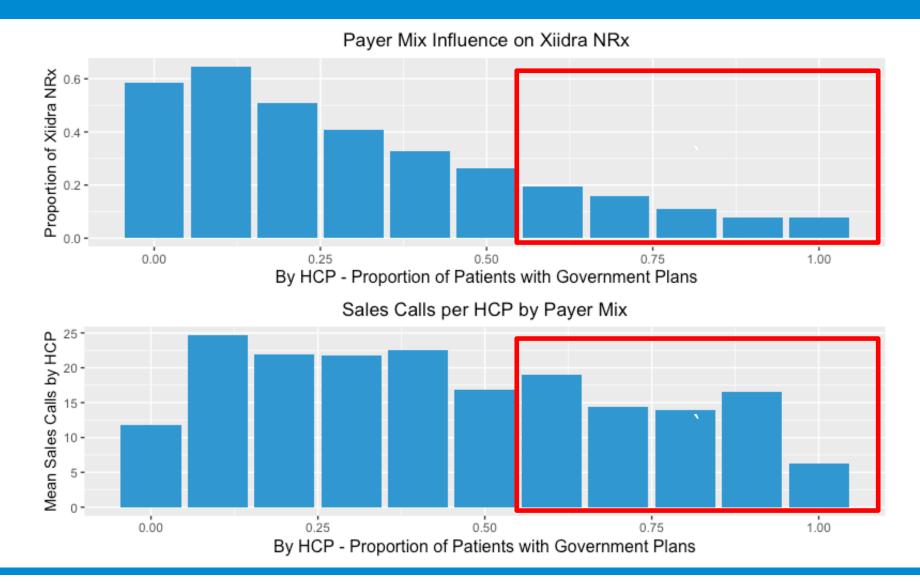
- HCP Level Response
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Higher Call Volumes to HCPs Associated with Higher Xiidra NRx Proportions



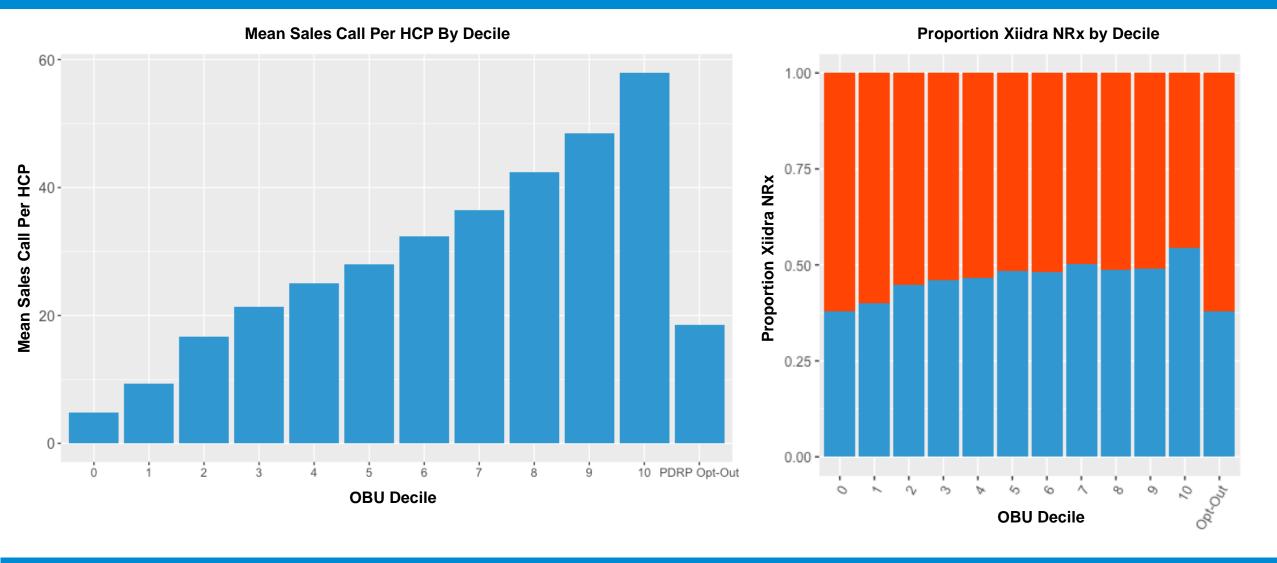


Calls to HCPs with Large Government Payer Mix May Be Less Effective



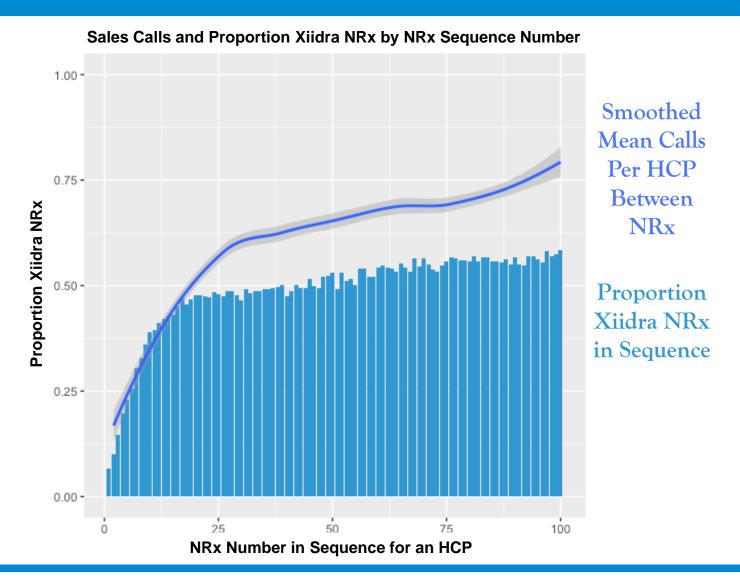


Higher OBU Deciles Receive More Calls and Prescribe Higher Proportion Xiidra NRx





Writing of Xiidra Prescriptions Builds Momentum Before Plateauing



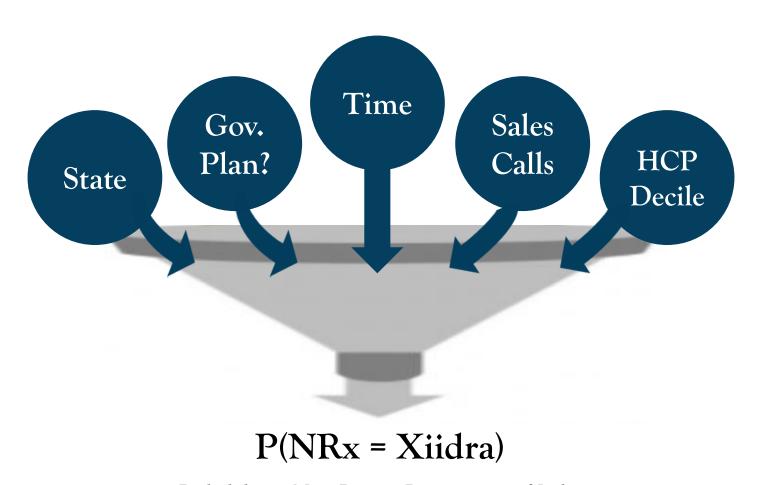




Model Summary

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Regression Model Uses Five Predictors To Estimate Probability of Xiidra NRx



Probability a New Patient Prescription is Xiidra

Model Computes Probabilities given Combination of Attributes

- Input values for five indicators and probabilities modeled based on comparison of means in historical data
- We can infer that every unit increase in Non-Government BOB will lead to the increase of probabilities for Xiidra NRx in all states.
 - But, every unit increase in call weight has different influences in different states
- This can not be extended to future dates because model is not calibrated with baseline values in that time period

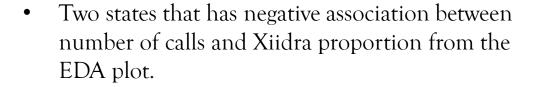


An Examples on State and Sales Call Effects From Model

 Two states that has negative association between number of calls and Xiidra proportion from the EDA plot

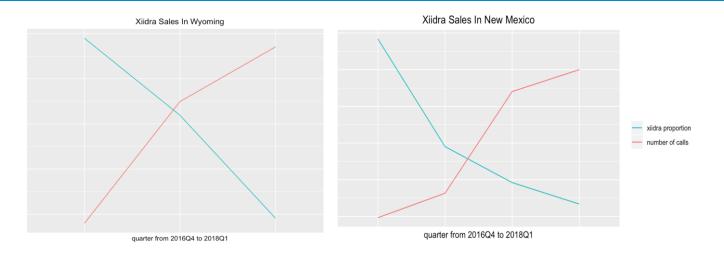
Coefficients

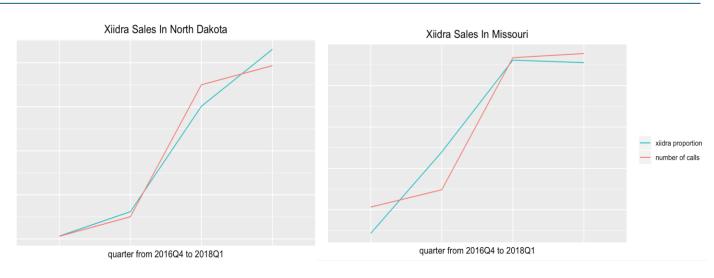
- Interaction term WY and Call_weight: 0.35
- Interaction term NM and Call_weight: 0.86



• Coefficients:

- Interaction term ND and Call weight: 0.10
- Interaction term MO and Call_weight: 0.60







Significantly More Accurate Classification than Null Model

• Classification accuracy rate: 0.72

• Error rate: 0.28

• Null model accuracy rate: 0.53

• Rate of Improvement: 0.19

		Actual		ı
		Restasis	Xiidra	
	Restasis	272,970	67,535 (17% True Negative)	340,505
	Xiidra	171,958 (39% False Positive)	326,861	498,819
		444,928	394,396	

Limitations of Analysis and Opportunities for Future Projects

Limitations

- Model is not appropriate for future prediction in current form
- Responses to sales calls vary by HCP
- Observations of NRx are not independent
- Causal inference can't be achieved through regression
- Exploring high dimensional data using dataset with only a few attributes

Opportunities

- Multilevel models to account for structure of clustering within HCP, state, and payer
- Randomized control experiments (A/B testing) to glean effects of varying sales call volume on different HCP groups
- Causal inference through large-scale observational studies of prescription data and electronic health records using propensity score matching





