CSRO

CELEBRATING 20 YEARS

BUSINESS OF RHEUMATOLOGY

Expanding Infusion Suite Services

June 14, 2023

Alternative Infusion Site Implementation

Adrienne Hollander, MD

Managing Partner, Arthritis, Rheumatic & Bone Disease Associates

ARBDA is New Jersey's largest independent rheumatology practice

- Single specialty rheumatology practice with 18 providers and 6 locations with offices up to 80 miles apart
- Branded infusion center (31 chairs) supporting ARBDA- and non-ARBDA providers
- Lower cost than hospital-based infusion sites

Arthritis, Rheumatic, & Bone Disease Associates
An Affiliate of Trabecular Medical Group

IDYLLIC
infusion treatment center

*Celebrating **20 years** of serving as a **voice for the rheumatology community,** working to ensure patients have access to care.*

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AIS is a rare opportunity to satisfy unmet patient care needs while also driving business growth

Clinical care gap
Expanded portfolio of provider-administered drug in specialties that are not equipped to handle them

Importance of strategic growth
Extensive competition in regional market requires expansion into ancillary service lines to maintain growth trajectory

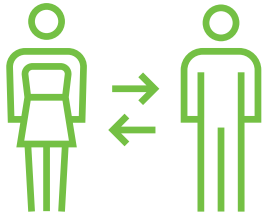
Proven business model
Demonstrated success of AIS in driving revenue growth for similarly mature practices

Existing competency
Established infrastructure, buy-and-bill experience, and clinical know-how all support low barrier-to-entry

ARBDA implemented AIS-specific processes to ensure patient safety and mitigate business risk

Opportunity Assessment

- Requires ARBDA medical committee approval (evaluates safety and clinical risks)
- Ensures adequate reimbursement to cover drug and administration costs



Referring Provider Participation

- Must share order, medical records, and any labs necessary for PA
- Completed infusion flowsheets shared back with referring provider

Product-Specific SOPs

- Educates staff on protocol, MOA, safety and side-effects

Mandatory Annual EM Visit with Patient

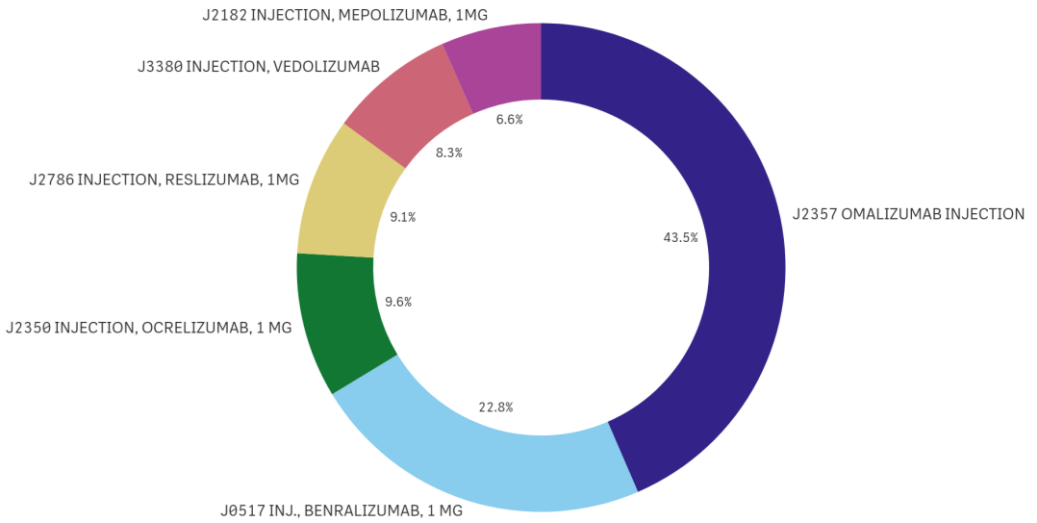
- First visit must occur before initial AIS infusion
- Enables discovery of safety risks that may not be evident from referring provider's documentation

Getting the word out

- **Rebranding** to create a unique, patient- and provider-focused identity distinct from the core practice
- **Phased provider outreach** to different specialties
- **Engaging payers and pharma** to build awareness of service line offering and to learn about specific products (pipeline and approved)
- **Patient engagement** through SEO/DTC, NICA listing, and free stuff

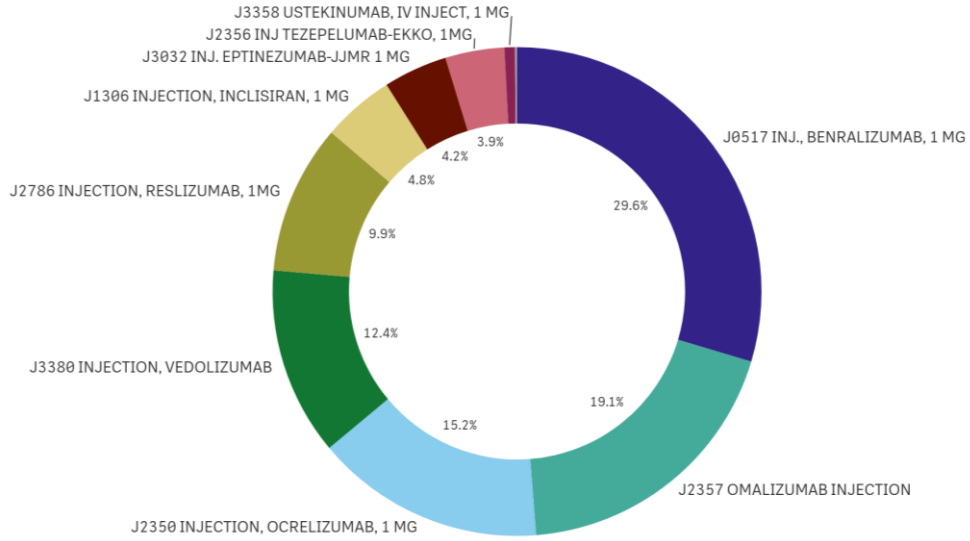
Since inception of the AIS service line, IDYLLIC has continued to expand its product offerings

IDYLLIC AIS product mix, 2019



GALVANIC

IDYLLIC AIS product mix, 2022



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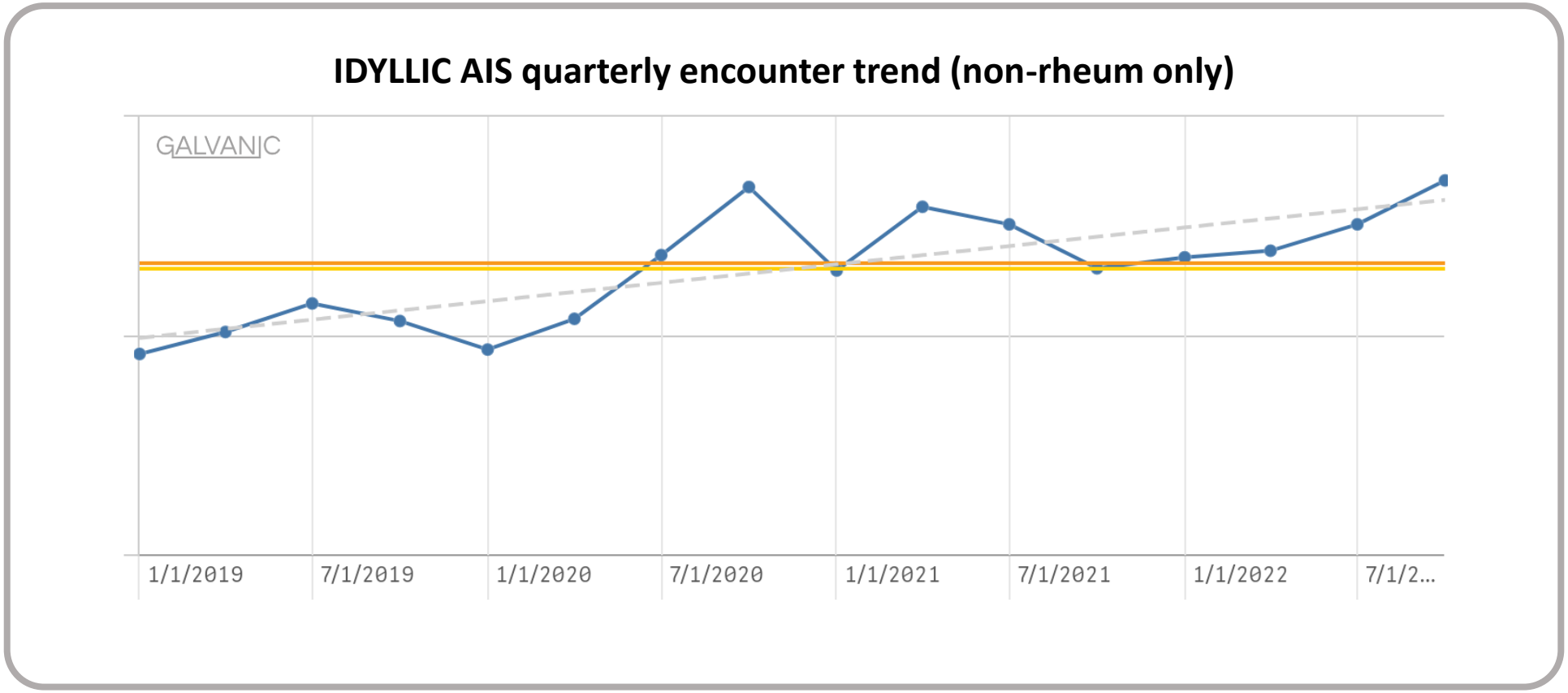
Quarterly AIS volume has increased by 86%, equivalent to compound annual growth of 17%



Marketing Your Infusion Suite

Angel Magar, MBA

CEO, Arizona Arthritis and Rheumatology

Why Market Your Infusion Services to Others?

1. To increase revenue
2. Improve suite utilization
3. Assist with Research efforts
4. Gain negotiating leverage with payers

How Do You Market to Other Specialties?

- Hire a marketing firm/consultant to help rebrand your suite
- Use your staff to knock on doors
- Partner with drug reps
- Sign-up with NICA
- Sign-up with manufactures
- Partner with other free-standing infusion sites

How Do You Market to Other Specialties? *(continued)*

- Make the process simple
  - The person knocking on doors is the “person of contact”
  - Leave flyer/postcards that offer solutions
    - Are you struggling with getting you patients started on infusions?
- Stop in on a regular basis
- Have the liaison follow up with referring provider after the first couple of referrals

Who Oversees These Outside Infusions?

- Community Liaison
  - Someone who is well-versed in:
    - The clinical aspects of your practice
    - Benefit verification
    - Co-pay assistant and foundation programs
    - Comfortable specking with physicians
- Self-motivated
  - Make 25% of their salary productivity based

What is the Process?

- Once the patient is in they system, he is processed the same way as internal infusion referrals
- This includes clearing a 32 point check system

What are the Challenges?

- Specialty pharmacy mandates
- Overcoming the perception that you should only infusion rheumatology patients
- Assuring other rheumatology practices that you do not plan to keep their patients
- State laws
  - Some states require the patient to be seen by provider prior to infusing
  - Federal payors require you to have a provider on site while infusing

How Profitable Can Outside Infusions Be?

- AZIV receives 35-45 new outside orders a week
- AZIV Payments
  - 2019 = $3.2m
  - 2020 = $6.2m
  - 2021= $7.3m
  - 2022 = $8.4m
  - 2023 = on track for $10m

Opportunities in Infusion Center Diversification

Brian Nyquist

President & CEO, National Infusion Center Association

Why Consider Diversifying?

- **Market growth means huge opportunity**
- Spread risk and manage exposure
  - What if rheumatology drugs take a hit?
- Increase negotiation power
- Improve more lives
- Better serve your community

Biopharma R&D Pipeline

- **Provider-administered biopharmaceuticals are the future of health care**.
- Over 150 FDA-approved non-oncology provider-administered drugs on the market.
- Top non-oncology biologic product in 2020 by market share (sales): Remicade ($4.5B)
- Top non-oncology biologic products in 2021 by market share (sales): Ocrevus ($5.5B), Entyvio ($4.4B), Gammagard ($X), Tepezza ($1.7B), Stelara ($9.6B)
- Remicade will continue to lose market share to biosimilars through 2027, but unbranded infliximab may counterbalance.

Biopharma R&D Pipeline

- **Biopharma R&D investments continue to trend toward provider-administered monoclonal antibody therapies**.
- Market value projected to double from 2022 to 2030 ($**462B - $613B**)
- As of April 2023, **45%** of research molecules (**1,043 trials**) are in Phase 3
  - **109** completed in 2022
  - **186** expected to be completed in 2023
  - **51%** to be completed by 2025
- Top 4 specialties (by # of trials): Dermatology, Hematology, Respiratory, Neurology.

Biopharma R&D Pipeline

Drivers of Market Growth

- Robust pipeline
- Increasing mergers & acquisitions among key players
- Advances in diagnostics leading to earlier intervention
- Expansion of precision medicine beyond oncology

Restraints on Market Growth

- High drug costs
- Nominal cost savings with biosimilars
- Net negative reimbursement for preferred biosimilars
- Inviable reform strategies
- Payer/PBM policies

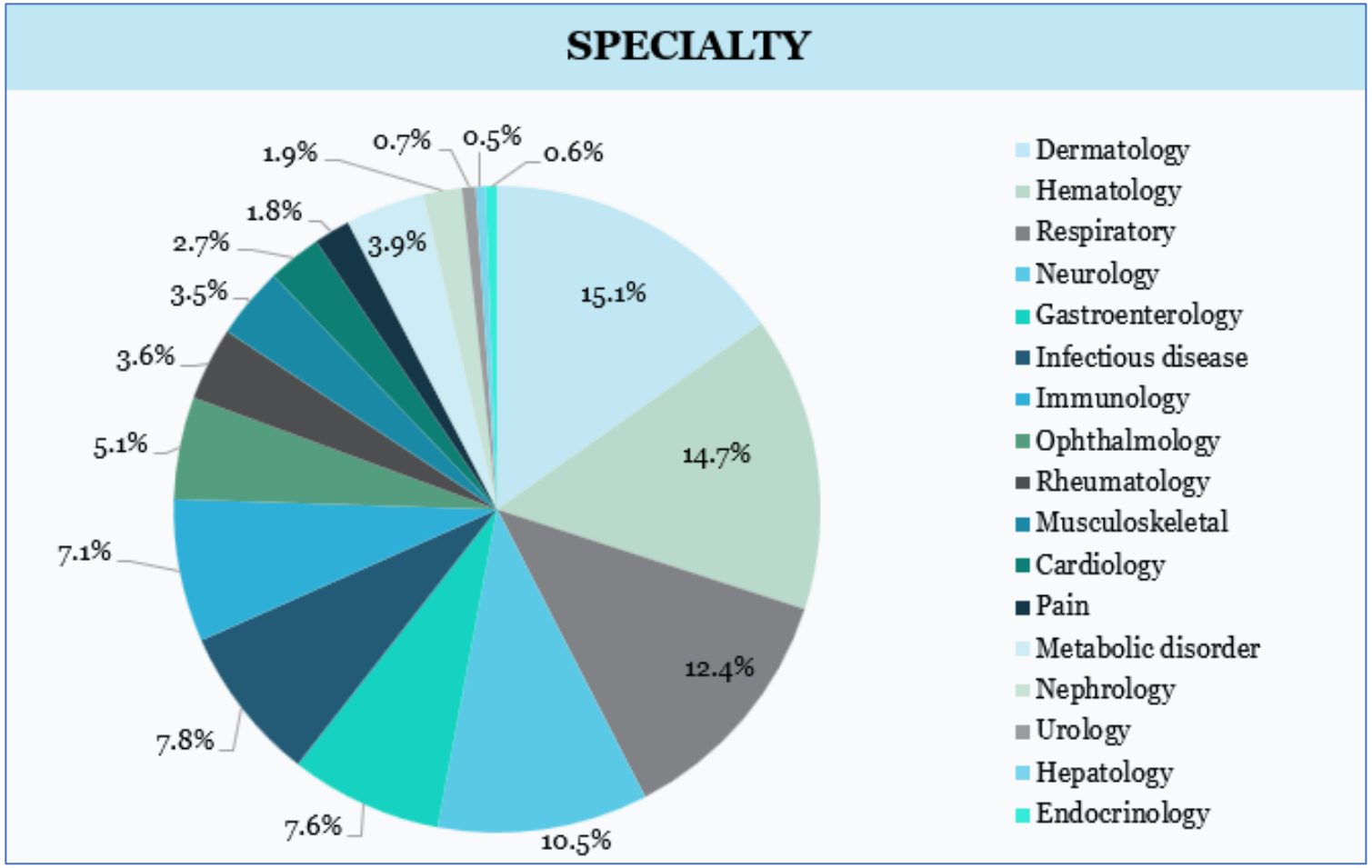
Important Considerations

- Navigating prior authorization requirements
- Ensuring timely and adequate reimbursement
- Leveraging position to optimize contracts
- Legal Considerations
  - "Incident to" billing requirements
  - Staff training & competency
  - Clinical criteria for pre-auths and payment
  - Storage and handling requirements

Drug Resources

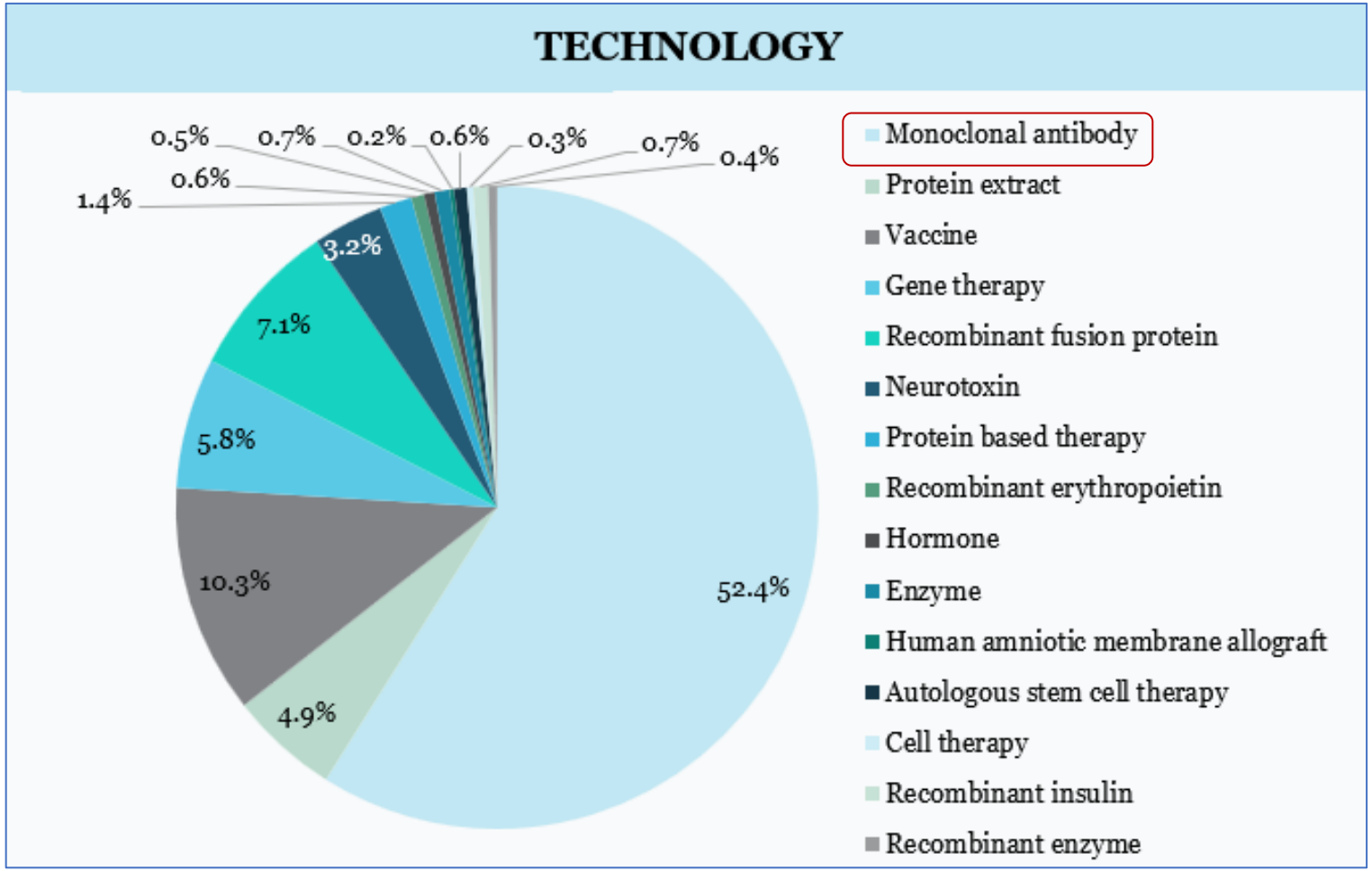
Brand Name	J Code	Generic Name	FDA-Approved Indications	Dose	Route	Frequency
Benlysta	J0490	belimumab	Systemic Lupus Erythramostus	10 mg/kg	IV	Every 2 weeks x 3 doses, then every 4 weeks
Cimzia	J0717	certolizumab	Crohn's Disease	400 mg	Subcutaneous inj.	Every 2 weeks x2, then every 4 weeks
			Rheumatoid Arthritis, Psoriatic Arthritis, Ankylosing Spondylitis	400 mg	Subcutaneous inj.	Weeks 0, 2, and 4, then:
				200 mg	Subcutaneous inj.	Every other week
			Plaque Psoriasis	400 mg	Subcutaneous inj.	Every other week
Entyvio	J3380	vedolizumab	Ulcerative Colitis	300 mg	IV	Weeks 0, 2, 6, then every 8 weeks
			Crohn's Disease			
Fasenra	J0517	benralizumab	Asthma	30 mg	Subcutaneous Inj	Every 4 weeks x3, then every 8 weeks

Biopharma R&D Pipeline



Source: NICA Quarterly Pipeline Report

Biopharma R&D Pipeline



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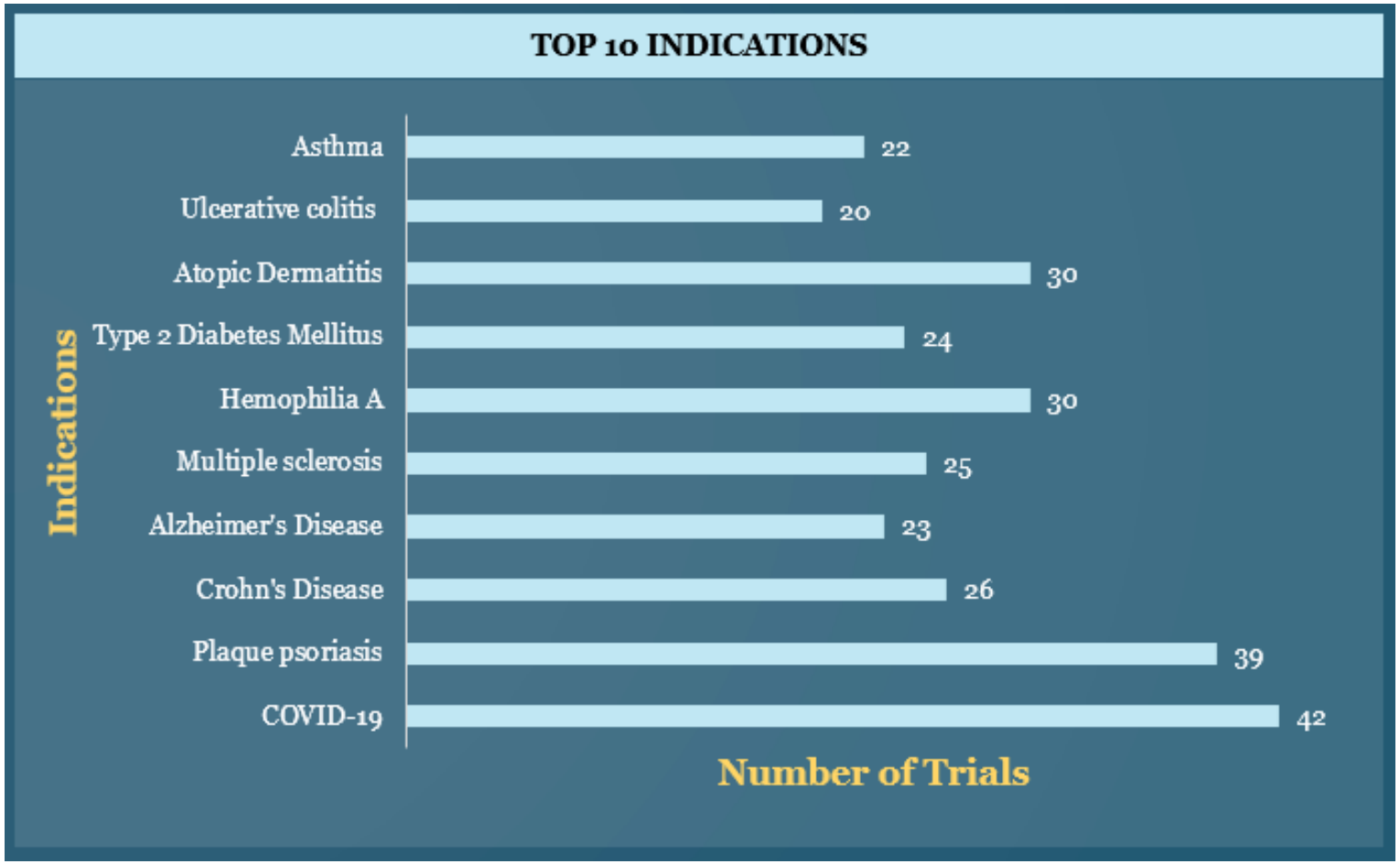
Biopharma R&D Pipeline



Source: NICA Quarterly Pipeline Report

Questions?

Adrienne Hollander, MD

Angel Magar, MBA

Brian Nyquist

Upcoming CSRO Events

- **Virtual Advocacy Day**
  - Thursday, July 13 – meetings held throughout the day
    - Details & registration: www.csro.info/conferences/upcoming-events/2023-virtual-advocacy-day
- **Advocacy Conference & 20th Anniversary Celebration**
  - August 25-27 – Austin, Texas
    - Details & registration: www.csro.info/conferences/upcoming-events/advocacy-conference

Thank you!

UNITED RHEUMATOLOGY

A Specialty Networks Company

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