



## **Perspective: FICO Provides Pharmas with New Insight into Medication Nonadherence**

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PERSPECTIVE #HI226492  
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### **IN THIS PERSPECTIVE**

This IDC Health Insights Perspective discusses the FICO Medication Adherence Score product used for evaluating patient prescription adherence.

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### **The Situation**

Nonadherence to prescribed medication is an extensive problem in the healthcare industry. It exists across nearly all therapeutic areas and affects patients of all age groups, though it does tend to be even more pervasive among the elderly. This is a significant problem for several reasons. First, nonadherence leads to poorer outcomes, which jeopardizes the health of the individual and potentially those around the patient. Second, the likelihood of necessary follow-on care, often of a more serious nature, increases dramatically. This not only increases the possibility of complications and lengthens the time required to treat the patient, but this sizably increases cost as well. The number of patients who either do not refill a prescribed medication or do not follow a drug regimen all the way to its completion exceeds 40% annually. Each year, poor drug regimen compliance has been estimated to add between \$250 billion and \$300 billion in cost to the U.S. healthcare system. This is a major impetus behind much of the increasing investment in remote patient monitoring and better "connected" health.

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### **Measuring Patient Adherence**

While poor medication adherence is prevalent in the United States and estimates have been reached on its total impact from a cost perspective, one aspect that has not successfully been tackled is predicting its occurrence. FICO, most commonly known for its scores assessing people's credit risk, has created a tool that is aimed at assessing a patient's risk of nonadherence to prescribed medication, which it refers to as the FICO Medication Adherence Score. The score, which assesses a patient's propensity to stay on a drug regimen within a single therapeutic area, or for a specific pharmaceutical brand, utilizes publicly available demographical information and can

incorporate medical or Rx claims data when available. The only required inputs to use the tool are a patient's name and address.

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### **FICO Medication Adherence Score — From a Pharmaceutical Industry Point of View**

The FICO Medication Adherence Score has the potential to provide valuable insight to pharmaceutical sales and marketing teams that until now has not been readily available. Considering that nonadherence to prescribed medication leads to poorer patient outcomes, and more specifically to pharma, is estimated to cost the industry more than \$35 billion in lost revenue annually, there is great value in the opportunity a tool like this could provide for pharmaceutical sales and marketing optimization.

For example, if a pharmaceutical company knows that a particular patient population is likely to have low adherence, then it can utilize a more involved marketing and education strategy to repeatedly drive home the importance of regimen compliance. Whereas with patient populations that have very high compliance scores, brand teams can utilize much simpler, less costly marketing with less repetition and still achieve the same level of healthcare value delivered.

The same possibilities exist for physicians, and even pharmacies, for helping them deliver the most appropriate and accurate level of care. For extremely non-compliant patients, it may be necessary for a nurse to sit down and intimately explain details to a patient, while for highly compliant patients a simple printed informational insert may suffice, enabling both money and time to be saved. Ultimately, the resulting increase in patient adherence will lead to improved patient outcomes.

Further opportunities exist for pharmaceutical sales operations to be improved as well. Analysis of aggregate scores by zip code, city, or region could provide new insight into improving territory alignment. This would allow field sales to better engage physicians on adherence issues based on the adherence propensity of their patient populations, resulting in higher potential long-term revenue for individual brands. Insight into patient adherence tendencies could also be extremely useful during new product launches, leading to improved physician targeting and quicker adoption of a new drug in the marketplace.

Analysis of adherence scores by individual healthcare practice could also provide valuable insight into which physicians have the most compliant patient populations. Those physicians could then be targeted for speaking engagements and sharing best practices with other healthcare practitioners to help improve the level of care being delivered to a wider population of patients.

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## **Looking Ahead**

Beyond improved insight into projected prescription adherence, when combined with closed-loop marketing information, these scores could help pharmaceutical companies not only improve their understanding of "who" to target but also better understand "why" patients are noncompliant, providing insight into the most optimal methods for patient education. Tying together this knowledge with new technologies in remote patient monitoring could provide the pharmaceutical industry with the know-how to better penetrate and reduce the segment responsible for \$35 billion in revenue lost annually, and ultimately improve patient care, rather than the industry simply trying to sell around it. Consequently, the insight provided by the FICO Medication Adherence Score is still a fairly new concept but, if embraced by the industry, could provide substantial opportunity for improvement in pharmaceutical sales and marketing.

## **LEARN MORE**

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### **Related Research**

- *Aggregate Promotional Spend: A Preview into U.S. Pharma Compliance Efforts* (IDC Health Insights #HI225367, October 2010)

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