Integrated delivery networks (IDNs) are a growing approach to streamlined healthcare in the US, providing support from the cradle to the care home. Pharmaceutical companies need to adapt their sales and marketing approaches to follow the changes that have come with the development of IDNs. IDNs have different decision-making processes, the size to leverage price discussions, and access to real-world data in order to understand a drug's true value.

**KEY QUESTIONS ANSWERED**

- What are the driving forces behind the creation of IDNs?
- How have IDNs measured up so far in terms of performance?
- How do IDNs compare with other integrated healthcare structures?
- Why have insurer-owned IDNs grown at such a fast rate?
- How do pharmaceutical companies need to change their strategies to ensure market access within IDNs?
- Which functions within the pharmaceutical industry will need to adapt most significantly in working with IDNs?

**INTEGRATED DELIVERY NETWORKS IN THE US: HIGHLIGHTS**

1. The creation of IDNs changes the structure of healthcare delivery by consolidating physician practices and aligning incentives across payers and providers.

2. There has been tremendous growth in IDNs, which in 2016 numbered 801 and included over 636,620 healthcare professionals and providers at 87,294 healthcare sites; Community Health Systems is the largest IDN in the US by number of hospitals.

3. IDNs tend not to have a single disease focus, but do home in on key stages, including the prevention of chronic disease, caring for patients with diseases in older age, and supporting patients during periods of high-intensity care and through into the community or into other care settings.

4. The view that IDNs can have throughout the entire care pathway allows them to understand and focus more clearly on the value of the drug rather than just simply its cost.

5. In IDNs, the decisions are likely to be taken at C-suite levels and by administrators with institutional objectives rather than by physicians with a healthcare perspective at the point of care.

6. In order to work effectively with IDNs, a key approach for pharmaceutical companies is to build value into their offerings, from the individual therapeutics, through the support services, to the pricing of drugs and the training of sales teams.
LIST OF FIGURES

53  IDNS AND MEDICINES MANAGEMENT
53  The role of formularies in IDN cost cutting
54  Working with specialty pharmaceuticals increasingly important for IDNs’ cost containment
55  IDNs’ effective medicines management can improve adherence and cost
56  Bibliography

58  IDNS ARE MAKING AN IMPACT ON PHARMA STRATEGY
58  IDNs require a different pharma sales model
60  Pharma needs to employ a tailored and coordinated approach to meet the IDN challenges
68  Bibliography

LIST OF FIGURES

9  Figure 1: Estimate of the global population, by age, 1950–2050
10  Figure 2: Proportion of the drug budget taken up by new medicines in the US and Europe, 2006–21
15  Figure 3: Publicly announced physician group mergers and acquisitions, 2011–15
26  Figure 4: Top 25 IDNs ranked by total number of facilities
27  Figure 5: Total number of doctors (doctors of medicine and doctors of osteopathic medicine), by facility
28  Figure 6: Total number of medical offices and groups, by facility
29  Figure 7: Total number of nursing homes, by facility
31  Figure 8: Community Health Systems net operating revenues, 2011–16
32  Figure 9: Kaiser Permanente health plan membership, by region
33  Figure 10: Kaiser Permanente healthcare professionals and other staff (approximate figures)
34  Figure 11: Kaiser Permanente annual operating revenue, 2008–17 (projected)
35  Figure 12: Geisinger Health Plan membership
36  Figure 13: Number of visits and admissions in 2015 for the Geisinger Health System
40  Figure 14: Patients cared for each day at Providence Health & Services (2016)
44  Figure 15: Integrated care’s potential impact on management of disease according to physicians’ opinions (by therapeutic area)
48  Figure 16: Increases in volumes of patients are more likely in hospital-owned or affiliated practices than in independent practices, Q1 2015–Q1 2016
49  Figure 17: Oncology practice affiliations, 2015–16
50  Figure 18: Reasons that oncology practices affiliate, 2015–16
51  Figure 19: Oncologists’ satisfaction scores with IDNs, 2014–16
60  Figure 20: Most frequently used real-world data sources, by organization type
64  Figure 21: Physicians’ belief that pharma and medtech can play a role in integrated care
65  Figure 22: Major areas addressed in service provision by the pharmaceutical industry
LIST OF TABLES

17   Table 1: Integrated care: benefits to patients and society
22   Table 2: Integrated care: focusing on similarities and differences
37   Table 3: Mayo Clinic coverage statistics
39   Table 4: A 2016 overview of the numbers and services at Providence Health & Services