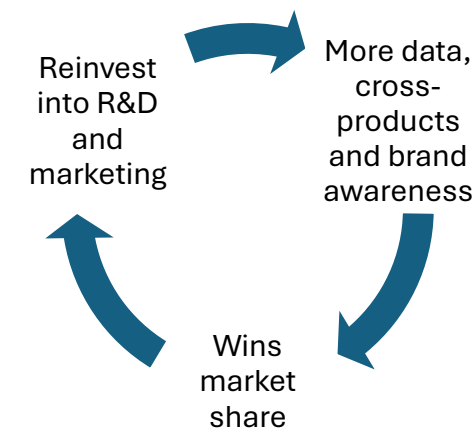


Indication Selection Cheat Sheet: Beware Payor-Managed Indications



Payor-managed indications exist on a continuum based on these factors:

- ☐ High \$ spend (large patient populations)
- ☐ Lots of competition (ideally pharma)
- ☐ Not an immediately deadly disease



The math behind why incumbent volume is so tough to displace in highly managed indications:

	Volume	×	Monthly Price	×	Discount	=	\$ Rebate	
Incumbent	10K patients	×	\$1,000	×	10%	=	\$1M	Leads to this ↑
New Entrant	1K patients	×	\$1,000	×	75%	=	\$750K	