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Sent: Monday, August 27, 2012 3:00:42 PM
To: Robert Krukowski
CC: Cathy Casey
Subject: CDF Funding Discussion
Attachments: CDF 2013.pptx

Rob & Cathy,

As I had indicated last week, I believe the PDF I presented before was a bit confusing with too many numbers for people to follow. Please review attached slide deck as replacement. I have also adjusted my new patient projections to more closely align with the our July actuals based on reporting from the INO referral program

Bil

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Chronic Disease Fund

2013 Funding



Overview

- Assists patients throughout the United States who meet income qualification guidelines and have private insurance or a Medicare Part D plan but cannot afford the cost of their specialty therapeutics.
- Currently supports patients with more than two dozen different diseases, including AMD and RVO.
- CDF is limited in the financial support it can provide for each disease, as it is based on the funding raised each year through mostly disease specific grants and contributions.
- 91 cents of every dollar goes directly to funding patients' out-of-pocket costs.

Objectives/Goal:

- Ensure Sr. Management is aware of the CDF funding strategy and implications to the ELYEA franchise if CDF's funding for AMD/RVO were to run out in 2013.
- Provide adequate funding so that CDF's AMD/RVO specific funds have the resources available to provide assistance to patients in need through-out 2013.

2013 Considerations

- Currently assists 20,000 patients with AMD
 - 91% of donations become Direct to Patient Assistance (DTPA)
 - 20% of Patients do not utilize funding after approval
- Majority of funding is disease state specific
- Estimated AMD population need for 2013:
 - \$125 million dollars
- CDF management has communicated that for 2013, if every donor doesn't cover their market share the fund will be closed, potential impact:
 - Patients not starting and/or stopping therapy due to inability to afford out of pocket costs
 - Providers upset as program has never been closed due to lack of funding
- Regeneron 2012 funding based on lower market share than EYLEA has obtained
- Need to provide adequate funding for BOTH existing approved patients AND anticipated new patients

2013 Considerations

- Genetech may decrease funding to CDF AMD fund due to:
 - Decrease in market share due to EYLEA
 - Recent launch of Commercial Co-pay program
 - Recent approval for DME
- Regeneron overall charitable giving strategy
 - What is our goal
 - How is it determined and by whom
- Positive tax benefits of donation to CDF
- Potential lost sales if patients cannot afford copay without assistance
- Leverage potential cost savings at Lash into increased CDF donation

CDF Need for Regeneron Population

• Currently Assisted Patients

- Estimated
 - 2,800 (20K*14% market share)
- Average Rollover Need
 - \$2,280 (CDF copay \$380*6 injections)
- Projected funding need
 - \$7,015,385 ((Patients*Rollover)/91%)
- Cancellations
 - \$1,403,077 (20%*Projected funding need)
- Final Rollover Patient need:
 - \$5,612,308 (Projected Funding need – Cancellations)

CDF Need for Regeneron Population

• New Patients

■ Estimated

- 4,968 (average monthly referral*40%)

- Base on actuals from July 2012 data pull of referrals/approvals reported @ E4U

■ Average Need

- \$2,660 (CDF copay \$380*7 injections)

■ Projected funding need

- \$14,521,846 ((Patients*Need)/91%)

■ Cancellations

- \$2,904,369 (20%*Projected funding need)

■ Final New Patient need:

- \$11,617,477 (Projected Funding need – Cancellations)

■ Total Patient Need:

- **\$17,229,785** (Rollover Need + New Need)

Discussion

- CDF quoted Regeneron Share of AMD fund ~ 6,200 Patients
 - 2013 New Patients ~ 9,500
- CDF quoted may be closer to actuals as Avastin patients not utilizing fund
- Total Request from CDF
 - \$40,019,341
- Potential Lost Revenue if fund were to shut down July 1, 2013 ~ **\$10,865,790**
 - Rollover
 - **\$4,662,000**
 - Assuming 30% of patients don't continue therapy once copay funding is lost * 3 remaining 2013 injections
 - New
 - **\$8,271,720**
 - Assuming 30% of patients don't initiate therapy without copay funding * 3 remaining 2013 injections