
From: Nathalie Leitch
To: Killion, Mark; Shepherd, Michael; Hepp, Christopher; McClanahan, Patrick; Jennifer Altier
Sent: 11/21/2011 8:18:07 PM
Subject: Slides for Tomorrow...
Attachments: Generic KADIAN Slides 11.22.11.pptm

Hi – these are late, sorry, but I think we've been over the ideas enough at this point that content should be clear/self-explanatory. Please have a look and let me know if you'd like to make changes/additions.

Good luck with the calls tomorrow. Please let me know how the team responds to the info.

Thanks,

Nathalie

Nathalie Leitch

Director, Specialty Rx Products



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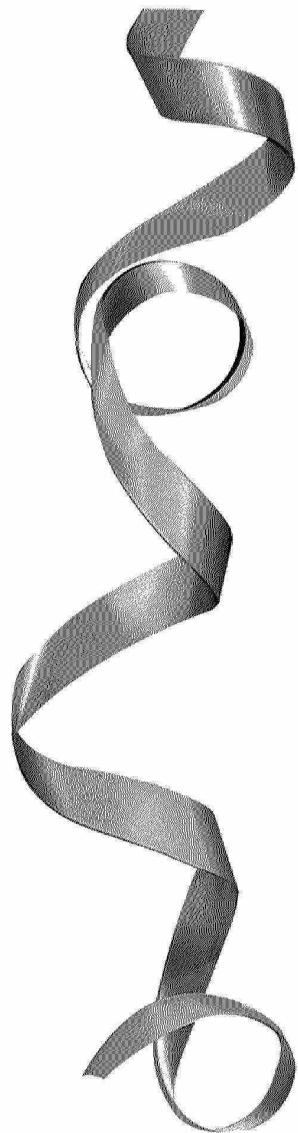
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Regional Meetings November 2011

Generic KADIAN[®] Sales Team Training



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Situation Recap

- Watson Pharmaceuticals, Inc. announced on November 10, 2011 that it had received approval from FDA for a generic version of KADIAN®
 - 20mg, 30mg, 50mg, 60mg, 80mg, 100mg strengths only
- Actavis responded by launching an authorized generic of the product
 - 20mg, 30mg, 50mg, 60mg, 80mg, 100mg strengths only
- Actavis has contracted approximately 55% of the market for its generic product

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KADIAN®
Morphine Sulfate Extended-Release Capsules
10mg-20mg-30mg-50mg-60mg-80mg-100mg-200mg



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Opportunity

- Actavis believes that it makes sense to continue to promote KADIAN[®]
 - Two generic competitors; pricing is stable
 - Seasoned, effective sales team; strong prescriber relationships
 - Cost/formulary issues are no longer barriers to writing of prescriptions for KADIAN[®]

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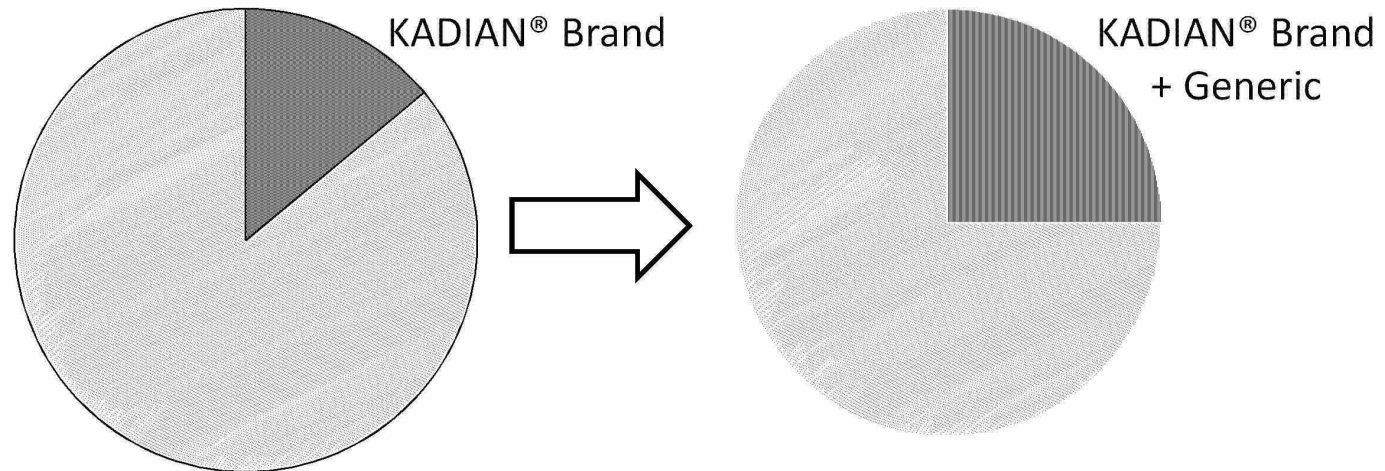
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Goals

- Expand the market for KADIAN®
- Keep the KADIAN® Sales Team in place

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Strategy

- Position generic KADIAN[®] as an alternative to generic MS Contin
 - Increase share of new patient starts versus generic MS Contin
 - Drive generic MS Contin-to-generic KADIAN[®] conversions
 - Rationale:
 - Market research studies have shown that
 - Cost of medications plays a significant role in the prescribing decision
 - In many cases, prescribers prefer the features and benefits of KADIAN[®] to generic MS Contin
- Availability of generic KADIAN[®] addresses both of these points

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Plan of Action

1. Identify 20-25 priority prescribers in your territory
 - These are KADIAN[®] loyalists who also write a large volume of generic MS Contin
 - Focus on accounts where you have strong/good relationships
2. Communicate message re generic availability and position generic KADIAN[®] as an alternative to generic MS Contin
 - Use approved dialogue probes and sales aids
3. Drive the business to the Actavis generic

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1. Priority Prescribers

- Identify 20-25 priority prescribers in your territory
 - Use your September sales reports to identify KADIAN[®] loyalists who also write a large volume of generic MS Contin
 - These prescribers are familiar with KADIAN[®] features and benefits BUT may have been prescribing generic MS Contin for patient insurance/financial reasons
 - Focus on accounts where you have strong/good relationships
 - Ask for the business

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2. Message Strategy

- KADIAN[®] is still the same product you have prescribed for 15 years – only now it is available as a generic
 - More favorable pricing for your patients
 - Available in many leading pharmacies
 - Same features and benefits as the branded product

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Dialogue Probes and Questions

- What has been your experience with KADIAN[®] and morphine sulfate with your patients?
 - For your patients where you prefer to prescribe a branded product, you can now provide your patients with the same KADIAN[®] product with its long history of safety and efficacy at a generic price
- Is there a reason you prefer one product for your patients?
 - Cost is no longer an obstacle to prescribing KADIAN[®]
- Is BID dosing important for you and your patients?
 - KADIAN[®] provides convenience and flexibility with once or twice a day dosing

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Dialogue Probes and Questions, Con't.

- Are steady plasma levels important to your patients? If so, why is that important to you?
 - KADIAN[®] provides steady blood levels of morphine sulfate with few peaks and valleys (show PK charts from Detail Aid)
- Have you converted patients from morphine sulfate to KADIAN[®]?
 - Use Conversion/Mini-Conversion guides to demonstrate 1:1 ration for morphine conversions
- How much do you consider the patient's out of pocket cost? Does this impact your prescribing decision?
 - Now you can prescribe the same KADIAN[®] with it's long history of safety and efficacy at a generic price

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Conversion Guides

- Physicians should refer to the Conversion Guide when converting patients to KADIAN[®]
- Information in the guide regarding morphine to morphine conversions include:
 - Use total daily dose of the current opioid therapy to determine the total daily dose of KADIAN[®] (1:1 ratio)
 - Administer this amount in the most convenient KADIAN[®] capsule dose strength, either as a single dose q24h or in equally divided doses q12h
 - Cases of inadequate analgesia should be managed by supplementation with IR morphine

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11

3. Drive the business to Actavis Generic KADIAN®

- Increasing scripts for generic KADIAN® is the first step BUT driving the business to Actavis' generic is the ultimate goal
 - Key selling points:
 - Inform prescribers that the Actavis generic is identical to the brand
 - Use pharmacy flyer sales aid to identify for prescribers where the Actavis generic is available
 - All major retail outlets except Walgreen's!
 - Patients who have their prescriptions filled at locations where the Actavis generic is stocked will be able to use their co-pay cards to cover the generic co-pay

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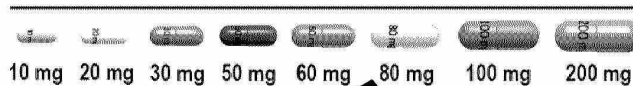
DRAFT Pharmacy Flyer

Now Available...

Generic Version

of KADIAN® (morphine sulfate extended-release) Capsules CII from Actavis.

- Produced and Packaged in the same facilities as the brand.
- Same Size, Color and Shape that existing KADIAN® patients are familiar with.



10 mg 20 mg 30 mg 50 mg 60 mg 80 mg 100 mg 200 mg

Capsules are not shown at actual size.

Available Immediately at:

- | | | |
|----------------------|--------------|-----------------|
| - Discount Drug Mart | - Kroger | - Rite Aid |
| - Epic | - NC Mutual | - Stop and Shop |
| - F.W. Woolworth | - Omnicare | - Supervalu |
| - HD Smith | - Optisource | - Target |
| - Kaiser | - PBA | - VA/FSS/PHS |
| - K-Mart | - Publix | - Wal-Mart |

Rx only

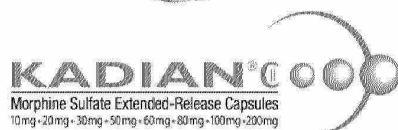
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10mg-20mg-30mg-50mg-60mg-80mg-100mg-200mg

Additional Updates: Managed Care Strategy

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- Actavis has sent a communication to all current contracted Managed Care partners detailing
 - Generic availability
 - Continued exclusivity of 10mg & 200mg KADIAN® Brand
 - All current KADIAN® agreements will be honored
- Based on discussions with several of the largest providers, branded KADIAN® will continue to be covered on plans for some time
- The generics (both Watson and Actavis) will be added to formularies on Tier 1 in the near term
- Actavis will continue to monitor Fingertip Formulary to track when these updates occur and will keep the team up to date
- Some uncertainty remains as to whether or not the generics will be blocked on plans where KADIAN® did not have formulary status
- Actavis will continue to research the status of the generic at these plans and will keep you updated



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14

Additional Updates: State Medicaid Plans

- State Medicaid plans that have branded KADIAN[®] as a preferred product will likely keep the branded product on their formularies as a preferred brand for at least the next few months
- Where this is the case, ABMs should continue to promote this, using the new state preferred stickers on existing detail pieces

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Additional Updates: Patient Programs

- The Patient Assistance Program will be concluding as of December 31, 2011. Patients currently enrolled in the program are being notified of that this week, as well as the fact that there is a generic KADIAN® available
- The details around the future of the co-pay program are still being worked out
 - Actavis may maintain the program for patients who are prescribed brand KADIAN® or in the very least for patients who are prescribed the 10mg and/or 200mg strengths
 - Actavis may also expand the program to include coverage for generic co-pays for the Actavis generic
- The exact timing on changes to the co-pay program is TBD and we will notify you as soon as that decision is made
- In the meantime, co-pay cards should not be handed out and messaging referring to KADIAN® costing \$0 with co-pay card (i.e., new shelf-talker) should no longer be communicated

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What's it Going to Take?

- Growth over baseline
 - Baseline KADIAN Rx will be established by taking the average Rx per territory for most recent three month period
- Nation level goal
 - November goal: in-line with baseline
 - December goal: approximately 1.25 incremental Rx per target prescriber, or ~7,000 incremental KADIAN Rx in total
- Keep in mind:
 - Current HCP targets write >200K generic morphine sulfate Rx per month
- Territory quotas will be generated and finalized over the next few days

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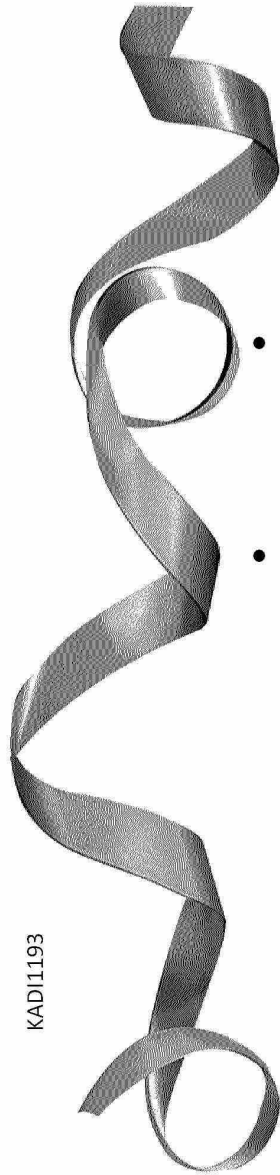
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Incentive Compensation Plan

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- Incentive Compensation Plan for November and December will have two components:
 - ABM Incentive
 - Actavis Incentive
- Why two components?
 - The financial model for KADIAN[®] has changed with introduction of the generics
 - Growth in KADIAN[®] scripts is required in order for ongoing sales support to be sustainable
 - To reinforce the importance of script growth, an additional component has been added to the incentive compensation plan
 - Individual ABM performance will impact the bonus payout of the team
 - If the team has success, you will earn more bonus dollars
 - If the team doesn't perform as a whole, your bonus payout will be reduced

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Remember...

- Don't get hung up trying to protect the brand business or on details like asking prescribers to write DAW;
 - Focus on growing the market for KADIAN[®] and selling prescribers on the features and benefits of the drug just like you've always done
 - KADIAN[®] = brand + generic scripts
- The fact that generics are now available is just one more reason for writers to prescribe KADIAN[®] or their patients

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KADIAN® Boxed Warning

- KADIAN® is associated with a number of serious risks, many of which are potentially fatal
- The PI includes the following boxed warning concerning potentially fatal overdosing if KADIAN® capsules are chewed, crushed, or dissolved, and other serious risks.

WARNING:

KADIAN® contains morphine sulfate, an opioid agonist and a Schedule II controlled substance, with an abuse liability similar to other opioid analgesics. KADIAN® can be abused in a manner similar to other opioid agonists, legal or illicit. This should be considered when prescribing or dispensing KADIAN® in situations where the physician or pharmacist is concerned about an increased risk of misuse, abuse or diversion.

KADIAN® capsules are an extended-release oral formulation of morphine sulfate indicated for the management of moderate to severe pain when a continuous, around-the-clock opioid analgesic is needed for an extended period of time.

KADIAN® Capsules are NOT for use as a prn analgesic.

KADIAN® 100 mg and 200 mg Capsules ARE FOR USE IN OPIOID-TOLERANT PATIENTS ONLY. Ingestion of these capsules or of the pellets within the capsules may cause fatal respiratory depression when administered to patients not already tolerant to high doses of opioids. KADIAN® CAPSULES ARE TO BE SWALLOWED WHOLE OR THE CONTENTS OF THE CAPSULES SPRINKLED ON APPLE SAUCE. THE PELLETS IN THE CAPSULES ARE NOT TO BE CHEWED, CRUSHED, OR DISSOLVED DUE TO THE RISK OF RAPID RELEASE AND ABSORPTION OF A POTENTIALLY FATAL DOSE OF MORPHINE.

20

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KADIAN
Morphine Sulfate
10mg - 20mg - 30mg -

KADIAN[®] Bolded Warnings

- KADIAN[®] Capsules are to be swallowed whole and are not to be chewed, crushed, or dissolved. Taking chewed, crushed, or dissolved KADIAN[®] Capsules leads to rapid release and absorption of a potentially fatal dose of morphine.
- KADIAN[®] 100 mg and 200 mg Capsules ARE FOR USE IN OPIOID-TOLERANT PATIENTS ONLY. This capsule strength may cause fatal respiratory depression when ingested or administered to patients who are not previously exposed to opioids.
- Care should be taken in the prescribing of this capsule strength. Patients should be instructed against use by individuals other than the patient for whom it was prescribed, as such inappropriate use may have severe medical consequences, including death.

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Important

- Do not make comparative product claims
 - Do not say or imply that KADIAN[®] is safer or more effective than another drug
 - This has not been demonstrated by substantial evidence or clinical experience

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Important

- Do not compare information from other LAO PI's to the KADIAN[®] PI
- Do not engage in a discussion of any product other than KADIAN[®]

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