

CAN PHARMA STAY RELEVANT?

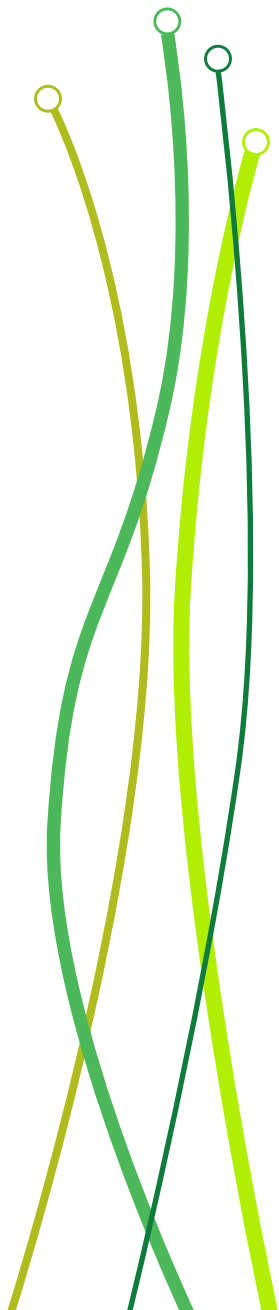
Defining a New Commercial Model
in a Patient-Centric Environment

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“The patient is ... [the] top priority... care should be centered individually for them and meet the needs they came to your facility for.”

— Registered Nurse

EXECUTIVE SUMMARY

The Bridge to Success: Change Patient Behavior to Improve Outcomes

As politicians clash over the long-term implications of healthcare reform, few debate the rewards of a patient-centered approach that fosters lasting change in patient behavior. The good news for pharmaceutical companies is that the path for understanding and motivating patient behavior change is easily accessible with the application of evidence-based behavioral science.

The better news is that pharmaceutical companies are perfectly positioned to lead the industry in delivering far-reaching benefits to the front lines of healthcare and the bottom lines of corporations. Here, we outline the strategic contribution and value behavioral science can offer in healthcare innovation as the link to serving the complex imperatives of a dynamic healthcare environment.

Despite dwindling pipelines and the vanishing blockbuster mindset, pharmaceutical companies will gain enormous opportunity by setting the industry standard for defining patient centricity. Truly putting patients first, however, requires a new way of thinking and pioneering strategies.

It requires brands that resonate across a cost-conscious landscape while engaging patients in their own care. Beyond effective treatments, an authentic patient-centered model that puts patients at the heart of every business decision — from discovery through commercialization — is the foundation of future pharmaceutical success.

WHAT PHARMA CAN DO

Sustainable Success: Beyond Treating Symptoms of Ailing Health Care

Healthcare staff and patients are often unfamiliar with anything other than financial or informational (product-focused) approaches typically offered by pharmaceutical companies. This perception undermines awareness of available capabilities that can be personalized to provide efficient, relevant patient support in a way that also supports their businesses.

This shift opens vital opportunities for pharmaceutical companies to build trust with healthcare professionals and patients. By seizing this opportunity to define what it means to be patient centric across stakeholders and truly “own” this concept, companies take command of positive change to serve critical needs for the future of health care.

Pharma is ideally positioned to reverse negative perceptions by demonstrating value through effective patient-centric support and by bringing drugs to market that are more reflective of patient needs. This requires a mindset shift that embeds patient centricity throughout all phases of drug development and commercialization by integrating this philosophy into a culture that delivers better outcomes.

Pioneering Evidence-Based Solutions

Patient centricity cannot be both superficial and successful. Getting to better outcomes is a long-term commitment that will not be achieved with a \$10 discount card. Behavioral science provides access to a fundamental framework that changes the culture of innovation within the walls of pharmaceutical companies to be truly patient focused and therefore maximize efficiencies.

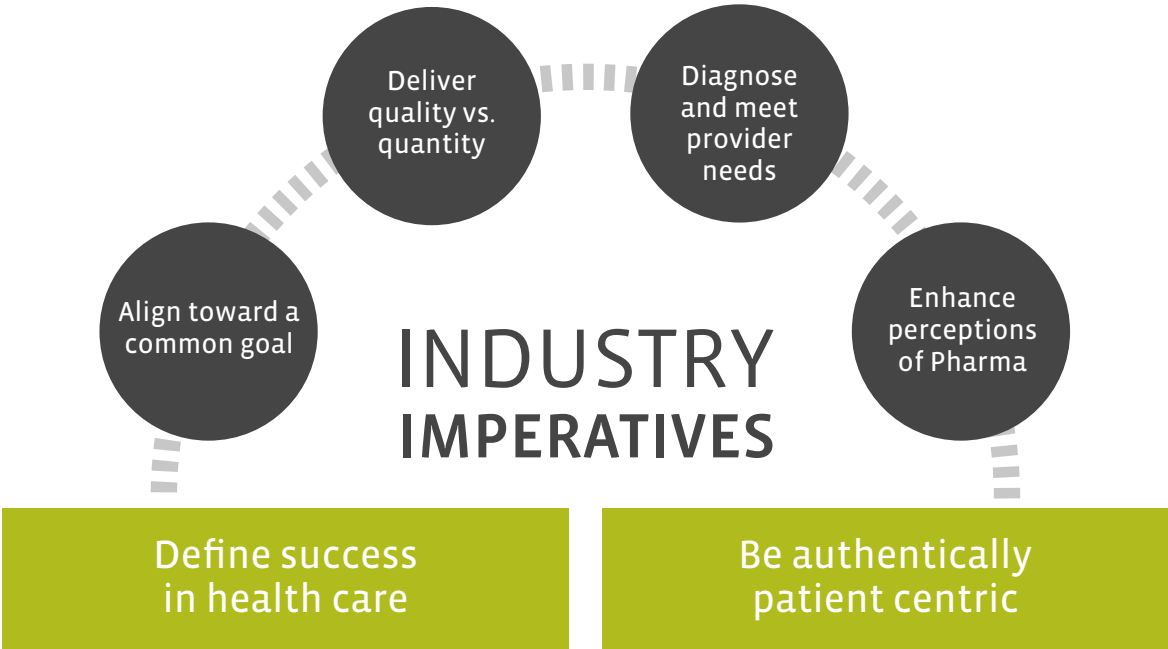
Through validated approaches that are relevant across multiple stakeholders, Pharma can drive lasting change in patient behavior and deliver value by responding to rules now being rewritten predominantly by patients.

In the next pages, we outline our research and the transformational insights it uncovers.

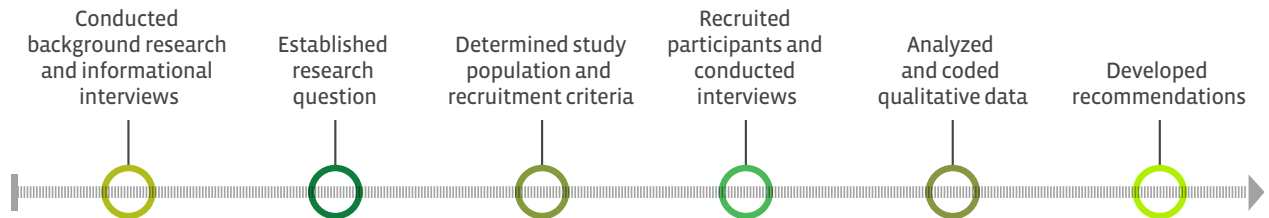
IDENTIFYING INDUSTRY IMPERATIVES

The Health Behavior Group at MicroMass Communications, Inc., conducted a research study to examine the impact of healthcare reform on the pharmaceutical industry. In this game-changing healthcare environment, policymakers, providers, payers and patients demand quality over quantity. Through insights derived from feedback provided by diverse industry stakeholders, this study dramatically underscores the emerging power of the patient — and demonstrates how pharmaceutical companies can be the catalyst for industry success amid the transformational groundswell.

Behaviorists at MicroMass conducted more than 20 hours of in-depth interviews among 21 diverse healthcare industry stakeholders about the challenges and changes relating to healthcare reform. This research revealed six imperatives that transcended complex and competing demands and arose consistently, regardless of diverse roles and perspectives. Two of these imperatives emerged as priorities in our analysis. In tandem, they represent the catalyst for the other imperatives to develop and the cornerstone to improve patient outcomes and propel Pharma’s future success.



RESEARCH STUDY METHODOLOGY



One-on-one interviews with stakeholders from diverse backgrounds



- > patients with chronic illnesses



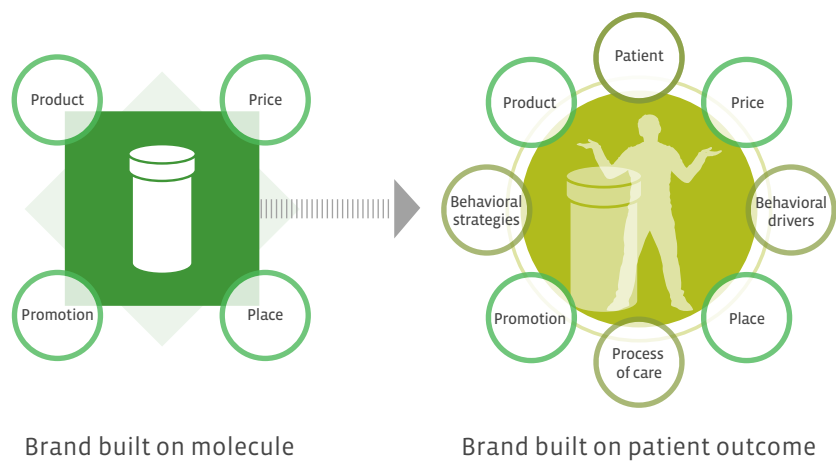
- > primary care providers
- > nurses
- > specialists
- > certified diabetes educators
- > pharmacists



- > hospital administrators
- > practice managers
- > hospital system analysts
- > health insurance reps
- > pharma marketing execs

A NEW COMMERCIAL MODEL – FROM MOLECULE TO MARKET

We began this research study looking for how healthcare reform is impacting Pharma. We discovered consistent indicators that demand integrating health behavior strategies throughout the development process to build a different kind of commercial model for success.



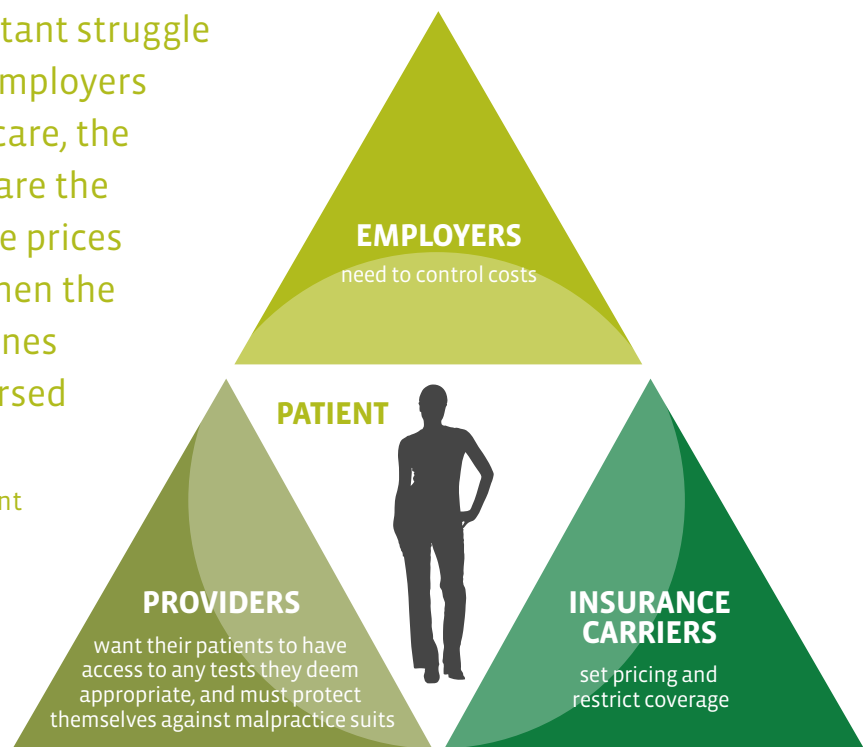
INDUSTRY IMPERATIVE 1

ALIGN TOWARD A COMMON GOAL

Healthcare reform sails into tumultuous waters that one study participant called Health Care’s Bermuda Triangle. It pits a fragmented insurance-driven model against doctor-patient directed care.

“So there’s really a constant struggle going on between the employers who are paying for the care, the insurance carriers who are the ones who are setting the prices for the insurance, and then the providers who are the ones who are getting reimbursed to see the patients.”

— Insurance Consultant



Navigating Health Care’s Bermuda Triangle

In the middle, patients are waving for a lifeline. Patients want the best care, but often feel they must settle for second best as they are buffeted by prior authorizations, prescription tiers and skyrocketing premiums. Despite rightfully being at the center of the healthcare debate, patients feel increasingly set adrift from a conversation inundated with dollars and disagreements.

INDUSTRY IMPERATIVE 2

DELIVER QUALITY VS. QUANTITY

As stated in the Affordable Care Act, the top priorities are to improve the quality of care and expand patients' rights. As quality of the patient's experience progressively drives reimbursement, so too will it drive the way providers run their practices. As the customer changes, so too must the traditional commercial model. Pharma must be prepared to deliver on the new demands, with rewards based on patient outcomes.

The traditional model for commercial success depended on the number of prescriptions sold. Now, if busy physicians are going to interact with Pharma, it will have to deliver value beyond proving product efficacy. In this rapidly changing landscape, future success for Pharma requires recognizing how decision making has changed, who is driving those decisions and how to form genuine partnerships that hold the top priority of delivering quality patient outcomes.

For healthcare professionals, the definition of value and success are changing, which in turn redefines value and success for pharmaceutical companies.

Providers say

- The worsening time crunch hampers their ability to offer quality care
- They are focused on correcting administrative inefficiencies



There are ... service and quality measures that impact how much we're being reimbursed [from our managed care companies] if we're not hitting those numbers. Obviously it impacts us from a reimbursement standpoint if people don't come back Now we have cards that we leave. We do different things like a hotel would do, so that now [patients] know that somebody came by It changes your methods

— Hospital Administrator

INDUSTRY IMPERATIVE 3

DIAGNOSE AND MEET PROVIDER NEEDS

Providers have enough to do within the traditional medical model of diagnosing, treating and prescribing. But, in this new healthcare paradigm, providers invariably describe being caught in a conflict between their desire to help and the lack of basic resources to do so. The added pressure to deliver better outcomes without added resources — while simultaneously adapting to massive administrative changes — creates a persistent time/money crunch that inhibits providers' success in delivering effective patient education.

Providers need an ally they can trust to give them effective strategies in their quest to change patient behavior to improve health outcomes. The majority of patient care falls on patients themselves, and if doctors cannot help them make the right choices, outcomes suffer. But today, doctors, who were trained in their discipline and not in how to change behavior, find themselves needing more than the ability to prescribe medication to make a difference in improving health outcomes.



Right now our medical system, it seems to be — and I'm making a general statement here — the providers and the doctors and the hospitals ... the way our system is set up, they're not reimbursed for keeping folks healthy. They're reimbursed for every patient they see, every procedure that they run, every test that's run, every surgery that's provided."

— Insurance Consultant

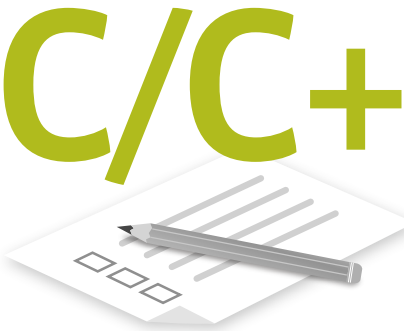
INDUSTRY IMPERATIVE 4

ENHANCE PERCEPTIONS OF PHARMA

It's no secret "Big Pharma" needs some reputation rehabilitation in the court of public opinion. Consult any Harris Interactive industry-reputation poll in recent years to see the steady decline. But it's not just the public that has reservations. In our research of broad-based industry insiders, from patients to executives, we found much room for improvement.

The lackluster C/C+ average shows a clear unmet need for more patient centricity. Despite the disheartening report card, Pharma has the ties to rebuild trust and reverse this trend while making a powerful impact on health care.

When asked how patient centric the pharmaceutical industry is, respondents gave an overall grade of



For Perceptions to Change, Pharma Needs to Evolve

CURRENT PERCEPTIONS OF PHARMA
Product
Sales
Adherence
Co-Pay Cards = Support

HOW PERCEPTIONS NEED TO CHANGE
Progress
Disease Education
Physician Training and Collaboration
Quality Patient Outcomes

KEYSTONE FOR A PATIENT-CENTRIC FRAMEWORK

MicroMass has pioneered the successful application of patient-centric human health behavior solutions to commercial challenges for nearly 20 years. That insight tells us Imperatives 5 and 6 are pivotal to Pharma’s ability to go beyond stopgap approaches through a seamless patient-centric mindset and authentic outcomes-driven innovation.

INDUSTRY IMPERATIVE 5

DEFINE ‘SUCCESS’ IN HEALTH CARE

As the debate rages, reconciling patient definitions of patient centric with what providers consider patient centric has far-reaching implications for Pharma. If Pharma is to remain relevant, it has to answer how it can drive positive change that meets the needs of both parties. Discerning how to forge partnerships through effective communication represents a dramatic shift in the traditional commercial model and shows that new success measures need new strategies.

“So I like that, even though [my doctors] don’t know each other, they’re all sending each other information back and forth, so when I go to get my physical every year, [my primary care provider] knows what my blood glucose numbers are without me having to tell her.”

— Patient



PATIENTS WANT:

- > A positive experience with staff and providers in the office/examination room
- > To be included in determining their treatment plan
- > Their questions answered



PROVIDERS WANT:

- > To provide quality care, but definitions vary:
 - Clinical outcomes
 - Patient satisfaction
 - Practice success
- > Valid metrics for business success in shifting environment

INDUSTRY IMPERATIVE 6

BE AUTHENTICALLY PATIENT CENTRIC

“I feel like knowledge is power for the patient and if they’re knowledgeable about what their plan of care is, for instance, then they can make better decisions. And in order to be knowledgeable about ... what they need to do ... they need access to that information ... patient-centered care is a buzzword that everybody defines differently.”

— Health System Analyst

Today, defining patient centric is like trying to hit a moving target. With myriad and conflicting definitions of what it means, nobody can deliver on it. Pharmaceutical companies are scrambling to hit an ill-defined target, only to find that when they occasionally do succeed, it is often only patient centric in the narrow perspective of a certain audience. By defining an industry standard for patient centric, Pharma can help other key healthcare players operate from the same playbook and deliver effective, synergistic healthcare solutions. With an unparalleled advantage of long-term relationships with all of these stakeholders, focusing on developing a robust patient-centric consensus across the industry represents a singular opportunity for Pharma.

Targeting Health Care Success



Pharma can help align industry-wide stakeholders to develop...

- › A consensus definition of patient centricity
- › Guidelines for patient-centric care that bridge patient and healthcare provider needs
- › Patient-centric metrics for practice and patient milestones

Innovative Strategies

This research illuminates what we've learned through our success in applying health behavior insights and solutions to healthcare marketing and commercial challenges. Patient centricity elevates the promise of health care by

- › Empowering patients to make choices and play a more active role in their care
- › Helping healthcare providers meet new quality standards
- › Ensuring optimal patient experiences
- › Improving outcomes

Three Key Behavioral-Based Steps to Successful Industry Change

AWARENESS

- › Begin to identify where patient-centric approaches can yield value within your organization
- › Work to better understand what drives and motivates your customers
- › Define where additional skills and education may be necessary within your organization

TRIAL

- › Train marketing teams in patient centricity so that it can be incorporated in areas that are measurable and discreet
 - Patient support programs
 - Patient support tools
 - Marketing materials
- › Engage with a greater variety of stakeholders in planning and guidance activities

USAGE

- › Establish internal champions to advocate and promote patient-centric thinking
- › Adopt a patient-centric mindset throughout your company
 - Mission
 - Values
 - Positioning

Unprecedented change is happening. And pharmaceutical companies have the unique opportunity to lead the industry in placing patients at the center of health care.

PATIENT CENTRIC DONE RIGHT

Patients, physicians, payers and pharmaceutical companies benefit because patient-centric support that results in positive health behavior can improve

- > Patient outcomes
- > Patient experience and satisfaction
- > Quality of clinical practice
- > Communication
- > Cost savings
- > Public perceptions
- > Sales and profits
- > Adherence
- > Healthcare utilization



CHANGING BEHAVIOR IMPROVES INDUSTRY AND PATIENT OUTCOMES

PATIENT CENTRIC IS NOT

Looking at patient needs through the eyes of specific products, services or business objectives (e.g., adherence reminders, co-pay reductions).

PATIENT CENTRIC IS

Examining needs and values through the eyes of the patient — a wider and more comprehensive perspective that first looks at the patient in the context of his/her disease — and keeps in mind both the articulated and unarticulated needs that drive a positive healthcare experience.

Patient-Centered Alignment Is Win-Win

Today, self-management often falls on the shoulders of patients with chronic disease. When patients make healthier lifestyle decisions, fill prescriptions and follow recommendations from their doctors, outcomes improve. Patient-centric support empowers patients to make better decisions about their health and encourages necessary and lasting behavior change. This is good for everyone.



1. Anderson RM, Funnell MM, Butler PM, et al. Patient empowerment. Results of a randomized controlled trial. *Diabetes Care*. 1995;18(7):943-949.

Acknowledgments

We thank Stephanie Finkbeiner for her work with the Health Behavior Group and her dedication and contributions to this research study. Stephanie is currently completing her Master of Public Health in Health Behavior at the University of North Carolina at Chapel Hill.

ROB PETERS

SVP, Behavioral Strategy

Any initiative to impact patient outcomes must be integrated throughout the process of care with patients and healthcare professionals (HCPs). Rob understands what drives professional decision making and how to disrupt marketplace inertia. Rob's astute understanding of the pharma marketplace, along with his expertise in crafting innovative strategies for HCPs, challenges the status quo. He has extensive global experience in multiple therapeutic areas from research and development through commercialization. Rob uses his expertise to drive recommendations that are clinically and behaviorally relevant.

ANDI K. WEISS, MPH

Senior Behaviorist

There's no magic bullet for creating lasting behavior change. Andi understands that for patients, healthcare professionals and even Pharma the process can be a challenge. She specializes in developing practical ways of motivating people to make healthy, sustainable lifestyle changes that lead to better patient outcomes. Andi's background in behavioral science and her innate ability to relate to patients combine to make her an authority on how to uncover and overcome challenges commonly faced in health care. Andi's contributions have been widely recognized in the industry. In addition to helping craft innovative solutions for Pharma clients, she serves on the DiabetesSisters advisory council.

About MicroMass Communications, Inc.

MicroMass Health Behavior Group is a consulting and strategy practice that specializes in driving behavior change and delivering better health outcomes for clients in the healthcare industry.

As leading experts in human health behavior, we pave the way for the new healthcare environment by applying strategies that drive lasting change. We've been perfecting our approach for more than 18 years.

We begin with a fundamental understanding of the behaviors that drive patients. We translate this knowledge into evidence-based strategies that can be applied to many stakeholders, including patients, healthcare providers, caregivers, payers and other customer groups.

For additional information about MicroMass, visit micromasshbg.com.