

Pharma's Time to Jointly Redefine Healthcare is Now

The challenge of ensuring healthcare sustainability, the rise in more targeted treatments, and a shift in emphasis to preventative interventions – not to mention the importance of patient centricity in determining healthcare decisions – are creating a perfect storm for the transformation of healthcare systems and of pharma's role within them. Here, Gérard Klop of Vintura explores how pharma's new role will evolve in an increasingly value-based healthcare scenario, the challenges companies will encounter as they reinvent themselves, and the cultural and organisational changes that will be required.

For more than 15 years, experts have been sounding the death knell for traditional models of healthcare delivery, emphasising the rising importance of patient outcomes and measurable value. With large and growing ageing populations and increased instances of comorbidities, all stakeholders need to plan care and treatments in smarter ways, taking a more holistic approach to patient care. It is the only way healthcare systems will be able to cope with overwhelming demand.

The pharma industry – experiencing its own identity crisis as blockbuster revenue streams give way to more expensive niche therapies – has a big opportunity here, to reposition its role and activities so that these contribute more directly to a future in which the ecosystem functions more seamlessly as one, and where outcomes and value can be measured appropriately.

Becoming more deeply embedded in the delivery and monitoring of patient outcomes, which is warranted with advanced therapies, offers an opportunity for pharma companies to reposition themselves as trusted healthcare partners. In this scenario they can leverage their deep disease and therapeutic insights, play a role in transforming healthcare and thereby enhance their reputation.

But how can companies position themselves optimally for such a future?

First: Acceptance

As more advanced, personalised and targeted therapeutics become the strategic focus, pharma companies need to be able to justify the high prices of those treatments through closer real-world monitoring of their impact on patients and their wider value to the healthcare ecosystem (e.g. in more efficient use of resources and reduced dependency on healthcare personnel long term). This requires that pharma's relationship with patients extends beyond a single or series of indirect transaction(s), assuming a more of an active – and even innovative role – in the patient pathway and healthcare system.

Leading pharma companies have acknowledged the shift to value-based and value-managed healthcare and have already started to initiate and nurture new types of partnership with hospitals and physicians, sowing the seeds for a more collaborative, embedded and value-based role.

Preparing for a Marathon, Not a Sprint

While these early steps are encouraging, they also suggest that some pharma organisations may be looking for shortcuts in a journey which is going to take time and require a lot more high-level planning.

Certainly, a shift away from each 'function' or set of stakeholders in the healthcare ecosystem operating from its own agenda is an important step forward. Yet for pharma to really assume a role as a trusted partner, it must first identify and hone what it is bringing to the table, beyond access to products and therapies.

The same teams cannot simply approach healthcare providers with a different PowerPoint presentation and expect to re-set the terms of the engagement. Rather there must be long-term engagement at different levels in the healthcare system, from physician up to national authorities, to reposition the pharma role and shape the readiness of healthcare ecosystems for upcoming innovation.

Identifying Pharma's Added Value

Compared to physicians who are delivering care in the here and now, pharma companies

are ahead of the curve in their scientific knowledge and have deep research and valuable clinical development-based insights they can share. And because they understand how more targeted therapies work optimally, pharma companies have an opportunity to help shape the evolution of the healthcare system and the way that it contracts and budgets for treatments.

As proficient collators and analysers of data, meanwhile, pharma could help to transform the monitoring and reporting of outcomes, by providing advice on shared access to appropriate IT infrastructure and making it easier for clinicians to capture data more routinely and consistently, towards greater transparency and more continuous measurement of value. In most cases this will also require shaping of data standardisation, data disclosure and privacy laws at a national level.

Sustainable Partnerships Go Right to the Top

While it might be tempting to send 'advisors' into individual hospitals to establish individual projects linked to a particular treatment, a tactical approach risks driving up costs without achieving a critical mass and, more crucially, without driving an overarching strategy. Although it can yield new insights and client access in the short term, ultimately it leads to projects that do not add up to a bigger strategy or a redefined role for pharma.

Meaningful transformation will require conscious top team/CxO-level reflection on the kind of role pharma companies want to play in the future, which in turn will be informed by their primary areas of long-term therapeutic focus. It is only by aligning any next decisions and steps accordingly, and building therapeutic leadership and a differentiated company brand, that pharma companies will be able to justify the status of 'trusted partners' to physicians and reduce their exposure to patent expiry/revenue loss.

Looking Beyond Sales for Success

Inevitably there will be consequences from pharma's repositioning. As well as adopting a different mind-set, the shift from selling

Innovation in Action – What Does Good Look Like?

Last year a large pharma company entered into a world-first agreement with the NHS to enable broad and rapid access to first-in-class cholesterol-lowering medicine across England. Rather than negotiate with individual hospitals, it gained a nationwide agreement through its ability to demonstrate the impact of treating adults with a history of certain cardiovascular events such as heart attack or stroke who record persistently high cholesterol (despite diet and treatment with maximally tolerated statins).

By helping healthcare providers to segment and profile patients, through enriched data and advanced analytics, pharma has an opportunity to influence the way care is delivered.

Knowing when to continue with treatment at the end of life has always been a delicate area for physicians who are guided largely by protocol. Drawing on value-based healthcare principles, one pharma company was able to extend the decision process to incorporate the patient perspective by developing a questionnaire based on patient preferences that clinician could use collaboratively.

Although this approach could potentially undermine pharma sales, the company took the long-term view, thinking beyond product performance to its social/ethical responsibility to patients, building trust and brand equity.

So intent was one medtech company on maximising the impact of its treatment for diabetes that it made the strategic decision to acquire an associated care provider network, allowing it to influence and monitor the use of its product for the ultimate impact and benefit for patients.

Although this approach allowed the company to leapfrog the process of negotiating and building trust with healthcare providers as separate entities, considerations when taking this path would usually need to include legal boundaries between product sales and care provision operations, to avoid ethical grey areas.

products to becoming more intrinsically involved in patient care pathways and outcomes requires that pharma companies develop new ways of measuring their own strategic progress – rather than continuing to rely on new and repeat product sales and short-term gains in market share.

Greater involvement in the care pathway, for example, will afford pharma teams a chance to capture new insights into the impact of their therapies, helping to justify their higher cost. Working more closely with care providers will also help to create fertile ground for the given therapeutic area (say, CAR T-cell therapy) and the way that associated and innovative care is delivered.

If care at home would improve the experience for patients, and reduce the burden on hospitals, there will need to be dialogue and negotiation between care providers and payers. These are the kinds of conversations drug sales reps are not equipped to have at the present time. So, companies must factor in adjustments to their core capabilities.

Horses for Courses: Segmenting Product Portfolios

The reinvention of pharma will be gradual. It makes sense then to segment portfolios so that, while traditional sales models prevail for established products, companies can concentrate on shaping the environment and forging sustainable and strategic healthcare partnerships ahead of the launch of more advanced, targeted and personalised therapies.

Here, progress is likely to cascade down through three stages. First, via a 'Traditional +' model, the company can prepare market access, introducing the new therapy and its value story. Then they can pave the way for associated care to be delivered in partnership with healthcare providers, facilitating the adoption of innovation. Finally, to maximise long-term sustainability and the potential for future portfolios, companies should be looking to shape the healthcare system itself, taking an integrated view of how care is delivered and budgeted for, and measuring the broader impact of new therapies (e.g. on the healthcare burden, as well as patient outcomes – including quality of life).

Emerging long-term strategies must start with the current product pipeline and any therapeutic areas of importance. These will help define the new role each company



could play in a more integrated healthcare ecosystem, and the implications for its business metrics and people/capabilities going forward. However, daunting the required transformation might seem now, there is much to play for in terms of a trusted partner role in bringing therapeutic expertise to the market; new company brand equity; an enduring role with reduced dependence on patents for revenues; a more strategically targeted and optimised R&D engine; and an enriched reputation (and with that a different seat at the table).

As pharma becomes more embedded in care pathways, the scope grows too to close the loop and feed patient data and requests back to R&D, further boosting a therapy's value and innovation over time and making treatments more sustainable.



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