Apodi
White Paper

New Promotional Models for Changing Healthcare Economies

The Paper in Summary:

Healthcare economies are changing

Pharma's promotional strategies need to evolve

The pace of change is such that companies need to mix traditional promotional activities with more innovative value based solutions

Companies need to arm their sales forces with a mix of product and value based solution resources to engage with Healthcare Providers (HCPs)

'Noise' remains relevant when used in conjunction with value based solutions

These solutions need to be customised to meet the requirements of individual customers

Placing the provision of value, e.g. patient outcomes, at the heart of the company's promotional activities aligns companies with the healthcare provider, thus meeting the needs of the current turbulent market conditions

This paper considers the challenges faced by pharmaceutical companies in addressing the changing competitive landscape within the National Health Service (NHS) in the UK. The principles outlined in the paper are applicable to most other Health Care Economies, as are the challenges that they address.

The changing NHS

In 2010 the UK Government issued a White Paper called 'Equity and Excellence: Liberating the NHS' in which it set out the Government's long-term vision for the future of the NHS.

"The vision builds on the core values and principles of the NHS – a comprehensive service, available to all, free at the point of use, based on need, not ability to pay.

It sets out how we will:

- **Put patients at the heart of everything the NHS does;**
- **Focus on continuously improving those things that really matter to patients – the outcome of their healthcare; and**
- **Empower and liberate clinicians to innovate, with the freedom to focus on improving healthcare services"**

These key principles underpin the content of the Health and Social Care Act 2012 which was passed on 27 March 2012.

How effectively the Government implements the proposed changes within the Act is still very much open to question. But it is clear that the landscape is changing and possibly dramatically. The increasing influence of NICE and Commissioning Boards is attempting to drive the changes within the NHS to bring these three key principles alive.

Given the above, it would be naïve to assume that the traditional promotional models used by pharmaceutical companies to sell and market their products are now fit for purpose. This paper explores this issue in more detail and provides indicative solutions for pharmaceutical companies in addressing the needs of the new NHS.

Current Promotional Strategies

Whilst pharmaceutical companies engage with the NHS in a variety of ways there are a number of factors that are common to most strategies in place today. These are as follows:

- A focus on 'noise' to create the maximum use of product. This is normally in the form of large traditional sales forces focused on a reach and frequency model. A number of companies have attempted to increase the value of this promotional resource through a Key Account Management (KAM) structure. In reality however, in many cases this structure has not changed the nature of engagement with the NHS. Much of the work undertaken by KAMs remains product focused rather than value added focus
- Many of the 'new' drugs being launched are 'me too' products with minimal differences from existing drugs in improving patient outcomes. Companies launching such products are experiencing significant problems in getting market traction due to a lack of real differentiation. The general view is that the majority of new launches in the UK over the last few years have failed to meet the expectations of pharmaceutical company shareholders
- Some companies focus very narrowly on the drug that they sell rather than the role the product plays in the overall cycle of care. As a result, companies are very selective about the benefits they promote and often ignore the overall Care Pathway

Damned if you do, damned if you don't

Traditional promotional strategies are now not working as effectively as they have in the past. General Practitioners (GPs) often don't want to engage with sales representatives

and Clinic Commissioning Groups (CCGs) are closing the doors on KAMs who are attempting to promote their company's products in the local health economy.

Traditional promotional strategies can however be a natural reaction to the competitive landscape that companies face in the marketplace. Ineffective measurement systems mean that those companies focused on the provision of value across a whole care pathway often don't get rewarded for the value that is created in that pathway. Furthermore, the compliance and regulatory environment can make it difficult for companies to;

- engage effectively with the NHS and
- help drive improved patient outcomes and at the same time
- drive product uplift

As a result, it is often easier and less risky for companies to revert to type when making investment decisions about the promotional strategy to be deployed.

It's coming

There doesn't appear to be any doubt in the minds of most experts that the current structural environment of the NHS has not resulted in the optimisation of health care delivery. Costs continue to spiral, patients continue to be dissatisfied with the levels of care they receive and improvement in patient outcomes across the whole cycle of care is patchy.

A number of new initiatives are now in place as a result of the passing of the Health and Social Care Act 2012 to drive changes in behaviour and in time, the nature of the competitive landscape for suppliers in the health care economy. For example, the increasing power of NICE and new measurement criteria, such as CCGs being assessed and rewarded on 44 key indicators in a commissioning outcomes framework across a range of therapy areas, will start to drive performance and changes in behaviour.

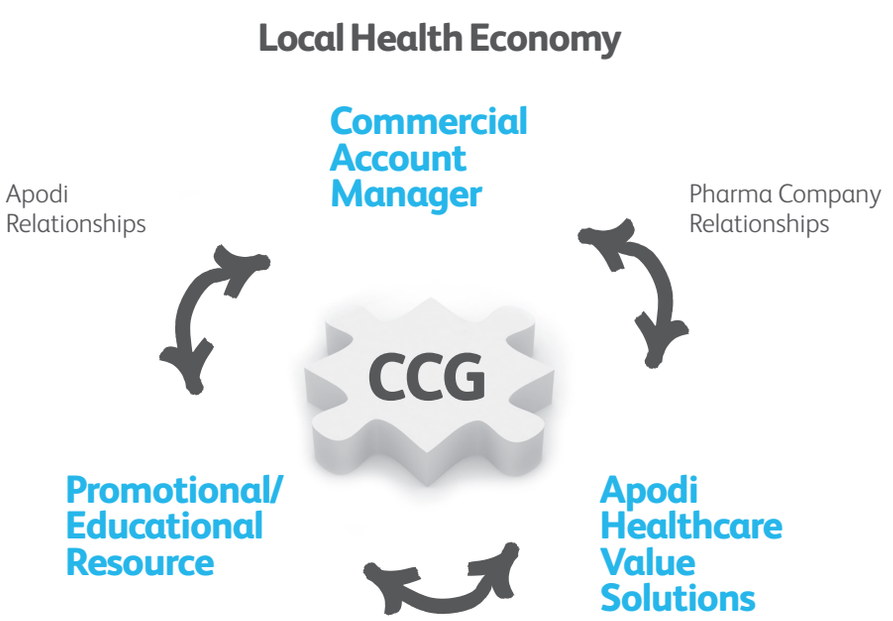
Among the key indicators are;

- mortality rates in people aged under 75 years
- emergency admission rates
- emergency readmissions within 30 days of hospital discharge
- health related quality of life with long-term conditions.

With such a clear list of aspects of care, pharmaceutical companies can now see how their prescribing customers will be judged and will be able to help them achieve their targets in specific clinical areas. For example, in COPD there are an **estimated two million people who are undiagnosed**. In a companion document to its outcome strategy for COPD and Asthma, the Department of Health asserts that the NHS should identify people whose treatment history and symptoms suggest that COPD may have been missed. Targeted case-finding can be delivered by auditing GP registers to identify people whose treatment, history and symptoms suggest that COPD may have been missed or that COPD has been incorrectly diagnosed. This demonstrates an example of where pharma companies can work with local health services, perhaps supporting COPD clinics with nurses and specialists to assess at risk patients and make any treatment recommendations. The outcome of such activity could indeed be a 'win-win' situation for everyone involved.

There is no doubt that a number of pharma companies are beginning to adapt to this new environment. These companies will develop an 'early mover' advantage improving their sales structures, marketing campaigns and their ability to collaborate more effectively with their customers. This change in the competitive landscape will be accelerated once consistently accurate measurement of patient outcomes across care pathways are available and supported by appropriate reward mechanisms to ensure that those involved benefit.

Figure 1. The Apodi Integrated Partnership and Promotional Model



Commercial Account Manager

Secures and manages win:win agreements with CCGs which incorporate value solutions in the care pathway

Apodi Healthcare Value Solutions

Managed Care Programmes helping CCGs and HCPs identify, educate, triage, treat and manage patients

Promotional / Educational Resource

Pull through favourable guidelines from the CCG in Primary Care to capitalise on specific opportunities for Company Brands – not 'detailing' the brands

The promotional model of the future – moving towards a value-based model

With what we have discussed above, there is no doubt that pharmaceutical companies can make a huge contribution to the improvement of patient outcomes and the delivery of value. Indeed, a number of pharmaceutical companies are starting the process of change. However, at the moment, change is slow and is often of a tactical nature, but this is understandable given the competitive environment companies currently face.

Apodi currently recommends a promotional model that mixes the traditional promotional model of the past with the value-added model of the future – we call it the *Integrated Partnership and Promotional Model*. In reality, the competitive landscape has not changed sufficiently to justify a more dramatic shift. However, the Integrated Partnership and Promotional model provides the flexibility to encourage pharmaceutical companies to adapt in parallel with the changing environment within the NHS (see figure 1).

Many pharma companies will state that they are delivering their promotional messages through a similar type of model. The problem is that on closer inspection, the focus remains product centric. For example, Key Account Managers are starved of real value solutions to take to the NHS and marketing departments continue to arm them with materials that, in essence, are a 'glorified product detail'.

Developing a value-based model

Pharmaceutical companies that start to engage with the NHS by delivering real value to the NHS will be rewarded with;

- improved knowledge of the care pathway
- a better reputation
- the ability to deliver more differentiated services
- the opportunity to develop better value products

Apodi provides support to pharmaceutical companies in the first three of the above in a number of innovative ways.

Delivering value – Apodi Managed Care Service

Apodi delivers national, regional and local Managed Care Programmes across a range of therapy areas treating many thousands of patients on an annual basis. It encourages pharmaceutical companies to sponsor such programmes which can provide them with substantial benefits. These will be explained later in the paper.

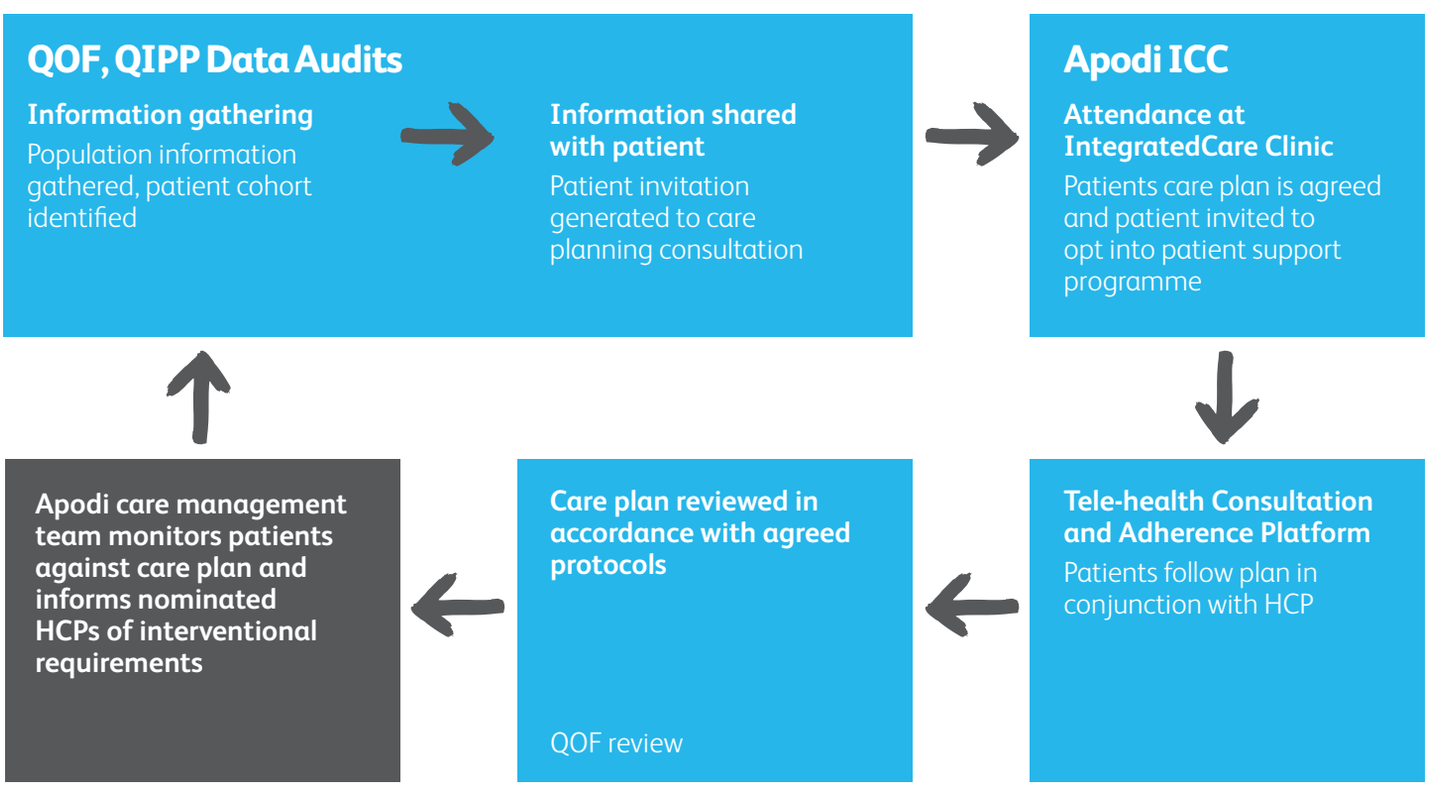
Each Managed Care Programme is different and customised depending on the therapy area and the patient cohort it is addressing. However, the vast majority of the programmes are based on a similar proven process which is described below.

Case study 1

The IntegratedCare programme in Chronic Lower Back Pain was initially delivered in Quarter 2 2012. A pilot project was funded directly by Apodi to demonstrate how a robust primary care pathway, fully integrated with secondary care providers can improve patient outcomes and quality of life.

There is compelling evidence outlining the importance of ensuring adequate pain management in primary care[1] and it is accepted that delivery of pain services across the UK can be somewhat disparate[2] – leading to patients being sub-optimally managed.[3] Given that conservative estimates suggest that direct healthcare costs associated with back pain are at least £1632 million in the UK,[4] it is necessary to ensure that this considerable level of investment realises effective pain management for patients. It should also potentially reduce the wider associated socio-economic burden in terms of days away from work, inability to function normally and so forth.

The ethos of the Apodi IntegratedCare Clinic Programme is to provide patients with a clinical review and education session. These are undertaken post triage by the most suitable healthcare professional. In most instances, a local specialist consultant



QOF = Quality Outcome Framework
QIPP = Quality, Innovation, Productivity and Prevention

provides the clinical review and education sessions are led by a local specialist nurse. The partnering primary care sites select and screen the patient lists themselves. In this way the practice can identify those patients who would benefit most from the service. Where deemed necessary, care management changes are recommended by the consultant which are then implemented at the perogative and responsibility of the participating GP practice.

Work Programme:

Initial partnership ICC pain programme design

Practice determine patient list

Patients invited and choose to attend or not

Patients arrive at the clinic and are triaged using SF36

Patients received consultation and education

Patient Reported Outcome Measure taken

Appropriate patients followed up by GP practice

Specialist nurse led SF36 Tele-health follow up

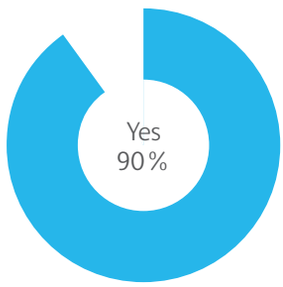
Time and Progress

Improved patient outcomes

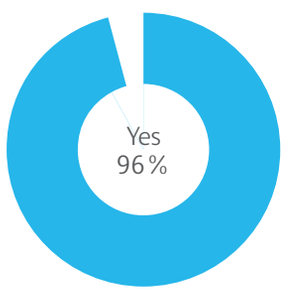
In the opinion of the senior consultant a significant proportion of these patients required either up titration of their existing therapy or modification of their prescribed analgesia. There were a small number of patients with previously undetermined aetiology which were diagnosed and justifiably referred into secondary care as a direct result of the IntegratedCare Clinic Programme. The consultant involved praised the GP practice for seeking help with this patient group thereby ensuring their patients received timely consultant level assessment without the need for patients to increase pressure on already stretched secondary care resources. The Patient Reported Outcome Measures for the pilot project were overwhelmingly positive.

PROM outcomes

Would you attend a further Chronic Pain ICC in the future?



Would you recommend the Chronic Pain ICC to others?



The future

Apodi is in discussions with a Pharmaceutical Company for broader roll out of the project.

References

[1] Low back Pain; Early Management of Persistent Non-Specific Low Back Pain, full guideline May 2009, NCCPC. http://www.nice.org.uk/nicemedia/pdf/CG88fullguideline.pdf

[2,3] Getting to GRIPS with Chronic Pain in Scotland. Benchmarking Chronic Pain Services in Partnership with NHS Boards, Patients and Service Providers. Second edition July 2008. http://nationalpainaudit.org/media/files/GRIPS_booklet.pdf

[4] Maniadakis N. Gray A. 'The economic burden of back pain in the UK' International Association for the study of pain. Published by Elservier Science B.V. PII S0304-3959 (99) 00187-6.

Case study 2

This IntegratedCare programme addressed a disease area where patient presentation is always very low and was initially delivered in 2012. This programme was sponsored by a Pharmaceutical Company and this sponsorship continued in 2013. (Specific details and disease area are not disclosed due to confidentiality).

The aim of the programme was to identify diagnosed and undiagnosed patients in this disease area in Primary Care and attract their attendance to a specialised Primary Care based clinic. The programme offered an integrated package of specialist care and education to each patient within a Primary care setting, measured patient experiences and gathered data on patient types and care pathways

Initially the programme consisted of a series of joint primary and secondary care clinics combining all elements of care (including diagnostics and education) needed for a cohort of patients within the selected disease area. In this instance, essentially a "one stop shop" for patients.

Patients were invited to the clinic with the following characteristics:

- Previously diagnosed and treated patients and patients with symptoms of the disease and/or
- Patients aged 50-70 years (a diagnostic questionnaire was sent with the invite in order for patients to ascertain clinic suitability)

The key data supporting the Programme were as follows:

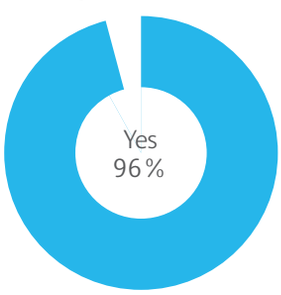
- 11% of patients mailed, attended the clinic
- 83% of clinic attendees were previously undiagnosed. (The IntegratedCare Clinic programme is often a powerful tool for attracting previously undiagnosed patients for clinical review)
- 16% of patients attending the clinics were already taking medication(some of these patients were prescribed alternative medication following the clinic)
- 48% of patients leaving the clinics were recommended medication
- 16% of patients were referred to Secondary Care
- 31% of patients were offered education and advice only
- PROMS (Patient Reported Outcomes) data was highly favourable

At the end of 2012 the programme was reviewed and it was decided to support future Clinics with a Nurse Tele-Health support programme for ALL patients at 4 weeks post clinic to:

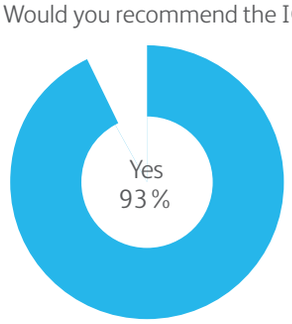
- Support all patients in their management of the disease
- Specifically review those patients who in the clinic were referred for other treatment and encourage them to return to their GP if symptoms were still bothersome
- Ascertain effectiveness and tolerability of medication to date and discuss benefits of staying on a product longer term thereby improving adherence etc.

PROM outcomes

How do you value the ICC experience?



Would you recommend the ICC to others?



The future

Apodi is in discussions with the pharmaceutical company for broader roll out of the project.

Value created by Managed Care Services

As illustrated in these case studies, pharmaceutical companies sponsoring such projects can highlight to their NHS customers both at national, regional and local levels how they are delivering unique value to patients across whole care pathways. These case studies highlighted:

- There were many patients attending clinics with a condition which had not been diagnosed
- A significant number of patients needed up titration of medication to reduce pain
- Patients needed support and education to drive appropriate adherence
- A proportion of patients needed further help in secondary care (although one of the key benefits of the Apodi Managed Care Service is to reduce inappropriate referrals)

A further benefit to pharmaceutical companies being involved in such programmes is that they can give them a unique insight into what a 'real world' care pathway looks like supported by 'real world' data. Companies are consequently more able to identify the correct positioning in the care pathway of the product they are promoting, more appropriately sell their drug to their customers, and ensure that their drug is being used by the right patients. For example, companies promoting strong opioid based analgesia products, need to understand that the poor treatment of chronic pain leads to a large number of patients that are sub optimally managed on their current medication, due to under dosing. The first intervention of an HCP would often be to increase the dose of their current therapy, not prescribe new medication. Helping the NHS treat Chronic Pain more effectively will promote wider and more appropriate use of their product.

Other value creating initiatives

Of course, Apodi Managed Care Programmes are just one example of providing real value. There are many other opportunities including:

- Online patient communities
- Patient adherence programmes
- Provision of information and materials
- Specialist web sites
- Support call centres
- Studies providing real measurement across whole cycles of care
- Promoting IntegratedCare delivery – bringing secondary care into primary care and so on

Driving value into the NHS now

The first step in developing a value-based promotional model is to decide on the appropriate value-based solutions the pharmaceutical company wishes to deploy for its customers. Once these are identified the company can then set about transitioning its sales force structure and how it markets its products and services.

Fundamental to the process of transition, is an understanding of the competitive landscape. The move towards a value-based environment is taking time within the NHS. Therefore it is important that companies 'pace' their rate of change in parallel with the rate of change within the NHS. A mix of traditional and more value-based promotional strategies are likely to be most effective at the current time.

The Apodi Integrated Partnership and Promotional Model is designed to address these issues, and this is essentially how it works:

a) Improving the value of 'noise'

Many commentators suggest that the 'noise' model is dead and that companies need to look elsewhere to drive sales performance. This is misleading because creating noise is hugely important in any sales environment – the key is the content and whether or not it is effective. The traditional representative is finding access increasingly difficult as GPs face growing patient demands and administrative burdens. GPs often see many interactions with representatives as providing little, if any, value and are simply not willing to spare the time to listen to a detail. Where GPs do perceive value, they are more likely to open their doors and consequently there is more likelihood of changes in prescribing behaviour and resultant market share.

Simply put, many pharmaceutical companies should be looking at a sales structure model that encompasses the following characteristics:

NOISE + VALUE = EFFECTIVENESS

We envisage this structure being driven by an 'engine room' consisting of KAMs focused on strategic key accounts and Customer Account Managers (CAMs) driving key messages and value to the larger targeted population of HCPs. A KAM structure without CAMs in the new world of CCGs would need to rely on an effective platform of communication from the strategic levels through to individual HCPs – this often does not exist in an effective form and much decision making will still be made at the individual HCP level.

Some observers believe that the pharmaceutical sales representative is one of the world's most underutilised resources. For most companies, their representatives are still the people who interact with customers far more than anybody else. These customers (ie the GP and CCGs) appear now to be even more important in the buying process and therefore, common sense would seem to indicate that the role of the representative is more important than ever – not less so.

Yet the only way that this can be the case is if the role of the representative changes from delivering a detail to delivering value to customers – otherwise customers will continue to refuse access and react negatively to any interaction. Therefore, we believe that in many cases sales representatives will in the future be better termed as 'Customer Account Managers'. This is not just changing the title of the person but involves a real change in the role which will include:

- Intelligent conversations with customers about the care pathway with, of course, the role of product within that pathway
- Consulting to, and with, the customer about therapies and disease areas
- Advocating improved patient outcomes and assisting GPs in delivering them
- Providing additional value based on the individual preference of the customer

In existing structures this will require a transition phase as representatives increase knowledge particularly around care pathways, therapies, diseases and improve interaction skills.

b) Why customised value wins

A key role of the engine room is to provide value to customers, that is, value over and above that provided by competitors and so enabling the company to grow market share. Historically, much promotional activity to GPs has been based on a key fact – that all the customers are the same. This is obviously not the case.

However, marketing departments wishing to provide customised value to customers are often unable to do so for a number of reasons:

- Representatives and others are not skilled in, or indeed tasked with, identifying individual value requirements of customers
- Technological solutions have so far been found to be ineffective or companies have failed when attempting to execute them
- The role of creating value propositions that can be tailored to individual needs often gets lost in the complex structures existing within pharma

For a pharmaceutical company to do this effectively, it needs to visualise its offering in the broadest sense not simply as a product but as an object that provides a service, solves a problem or meets a need. Therefore the total value offering includes:

- The core product (ie the drug). Clearly this is a hugely important part of the overall value proposition, including the drug's capabilities, safety record, treatment characteristics etc.
- To the GP there will be other enhanced value solutions – these can include additional services, promotional and marketing communications based on clinical and cost evidence (real world data) to help providers make better choices and improve healthcare delivery, patient and clinical help lines, product support, access to Key Opinion Leaders, staff training, services that improve the patient experience and so on

To provide this value in a customised way, the company needs to find out from the customer what value means to them, collate the information effectively and deliver the value. Companies are starting to pilot 'closed loop' marketing solutions aimed at doing just this.

Conclusion

These are tough times for pharmaceutical companies. A shifting, complex and uncertain marketplace makes it extremely difficult for even the best managed companies to deploy effective sales and marketing strategies.

Simplified sales structures including the reinvention of the traditional sales representative role could be of real value to all stakeholders, including the representative, the GP, the patient and the pharmaceutical company.

By placing the provision of value to each and every customer at the very heart of the company's promotional activities, companies can be truly aligned to the NHS agenda and perfectly positioned to meet the needs of the turbulent market conditions that exist today.