

VISION & REALITY

of

Patient Programs

Results of the survey
March-April 2014

Study on the state of patient programs

- Aims and challenges
- Elements and success factors
- Future of patient programs

Vision & Reality of Patient Programs Results of the survey March/April 2014

A Healthcare Shapers publication

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ACKNOWLEDGEMENTS

When the German Pharmaceutical Market Reorganization Act (AMNOG) went into effect at the beginning of 2011, the pharmaceutical industry had the opportunity for the first time to become direct contractual partner in “integrated healthcare”. In a white paper dated May 2011, the VFA (Association of Research-Based Pharmaceutical Companies) explicitly stated that manufacturers’ patient programs make an important contribution to the care management of chronically ill patients.

Particularly in the past few years, in addition, the increasing proliferation of smartphones and tablet computers has opened up new technological possibilities for consumers and users to measure and record health data themselves.

For this reason the Healthcare Shapers wanted to know what the reality of patient programs these days looks like and how the vision of a holistic improvement in the care process with focus on the patient has developed further.

We would like to thank all our clients for the trust they have placed in us and for their collaboration, in some cases over many years: this report would not have come about without the experience jointly acquired in many projects.

At the same time, we would like to express our thanks to the 114 decision makers and experts in healthcare management who took part in the online survey and gave us their assessment of the overall situation.

On behalf of the Healthcare Shapers network, we wish you stimulating reading and look forward to your comments and feedback.

Günther Illert

Peter Teich

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OVERVIEW OF THE KEY RESULTS OF THE STUDY

Because on the one hand patient programs can make an important contribution to the care management of chronically ill patients and on the other mobile information and communication technologies are on the rise, the Healthcare Shapers wanted to know what the reality of patient programs looks like these days and how the vision of a holistic improvement in the care process with focus on the patient has developed further.

114 experts participated in the study by taking part in an online survey; half of them come from pharmaceuticals companies. Two thirds of the participants answered with regard to the health market in Germany.

Of the more than 40 patient programs mentioned for Germany in 20 indications, two out of three were assessed as successful, while almost one out of three programs was seen as not successful.

Individualization and the inherent quality of the programs and the focus on health outcomes are mentioned as essential reasons behind success. What is important is structured, closely monitored and longer-term care to inform and motivate patients. But the acceptance of health care providers and payor organizations and the appropriate priority within the pharmaceuticals company are also important.

Understanding the therapy and increasing adherence are the most important aims of patient programs. Helping the patient help himself and improving the quality of treatment are other important aims of patient programs. These are achieved by addressing the patient in a personal and individual manner.

Attracting doctors' support is mentioned as the greatest challenge. But there are also significant doubts about the return on investment of such programs and how to measure success is regarded as problematic.

9 out of 10 of those surveyed expect that future programs will be characterized by the development of digital technologies, Internet, social media and apps. In addition, it is expected that patient programs will play an important role not only for expensive diseases, but also for widespread ones.

The participants wish for support in developing patient programs especially in selecting the right elements and actions for a patient program and in identifying patients' requirements. Almost two-thirds of those surveyed desire support in collaborating with health insurers or in creative ways of designing new business models.

BACKGROUND AND OBJECTIVES OF THE STUDY

POINT OF VIEW

The health industry is currently going through fundamental changes. While a holistic improvement in the care process with focus on the patient is called for, the priority for pharmaceuticals companies in Germany is benefit analysis and price negotiations. Even if the benefits of patient programs are commonly accepted, there is often a lack of viable business models for this purpose. And the financing of prevention is at best paid lip service in our western social systems targeted towards “repair”. If the industry earns its money with illness rather than preserving health – is that sustainable?

On the other hand, as a consequence of the rapid proliferation of smartphones and tablet computers in the past two and a half years, the number of mobile health apps on the two leading platforms, iOS and Android, has more than doubled in the meantime to more than 100,000.¹ Although many of the providers of these health apps are still a long way from profitable business models, medical data gathered by consumers is increasingly being exchanged with doctors and healthcare centers. Even if many questions about data protection still need to be resolved, the integration is progressing. Already the share of apps aimed at chronically ill patients, namely 31%, exceeds the share addressing health- and fitness-oriented consumers (28%).²

Even if Google and Microsoft have so far not been successful on the health market with their attempts, the announcement of the launch of the HealthKit in October 2014 leads us to assume that the market will increasingly be influenced by competitors located outside the traditional health industry.

To find out what state the vision and reality of patient programs are in, the Healthcare Shapers and PTC Consulting in Healthcare surveyed decision makers and experts in healthcare management on the level of knowledge and need for information around the topic in March and April 2014.

¹ Source: research2guidance, mHealth App Developer Economics 2014. The State of the Art of mHealth App Publishing

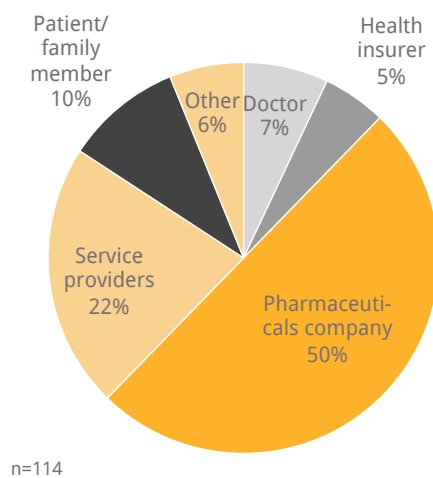
² ibid.

PARTICIPANTS IN THE STUDY

114 participants took part in the scope of a standardized online survey, a response rate of just under 20%.

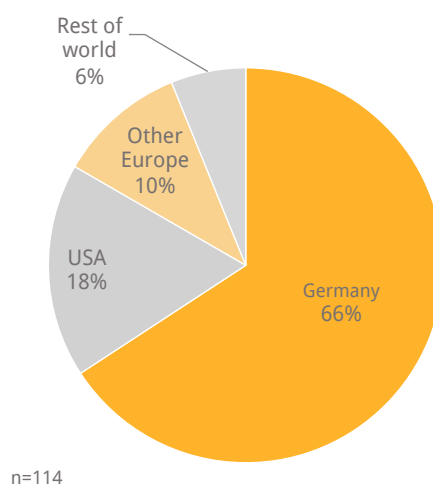
Half of the participants are from the pharmaceuticals industry, which is not surprising since patient programs are currently initiated almost exclusively by pharmaceuticals companies. As a consequence the survey was oriented primarily towards this target group.

Fig. 1: Role in the health system



The online survey was offered in both German and English. 75 participants (66%) answered in German, and 39 (34%) in English. Correlated to the language, the answers referred in some cases to different countries and underlying health systems. Unless otherwise indicated, this report is focused on the answers for Germany.

Fig. 2: Country to which the answers refer

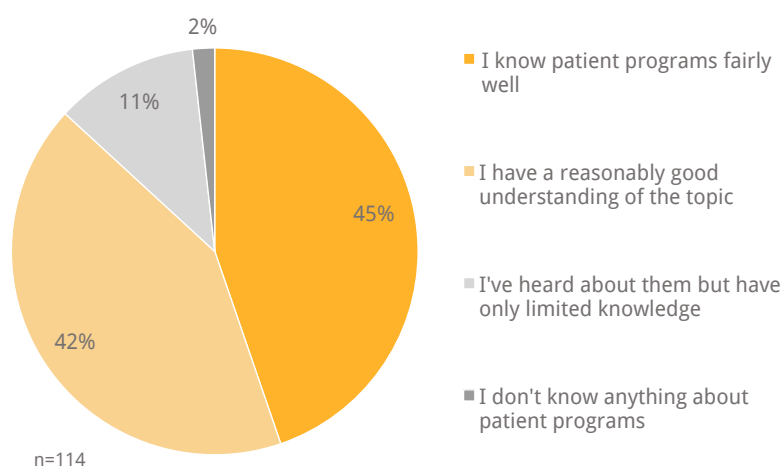


RESULTS OF THE SURVEY

Knowledge about patient programs

45% of all those surveyed stated they had good knowledge about the topic of patient programs. Only 13% of all surveyed stated they had little or no knowledge. The percentage distribution of the knowledge was comparable for the participants answering for Germany and for other countries.

Fig. 3: Knowledge about patient programs



Here, 57% of the survey participants referring to Germany were able to name specific patient programs.

For the German health market, more than 40 patient programs in 20 different indications were named. In some cases, disease management programs were named, but we do not intend to include them among patient programs here.

Because of the low number of cases and country-specific circumstances of differing health systems, a separate evaluation of patient programs outside of Germany was dispensed with.

PLEASE NOTE:

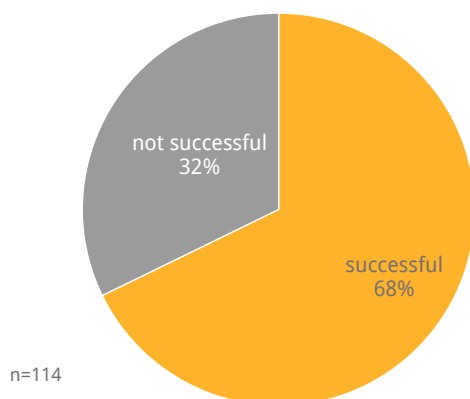
This study does not purport to be representative. We are interested in informed opinions, which is why we primarily invited experts to participate in the study.

For that very reason we are not publishing an evaluation of individual patient programs here. Should you have specific questions on them, the authors would be pleased to be at your disposal for further discussions.

Assessment of existing patient programs

Of the more than 40 patient programs mentioned for Germany, two out of three were assessed as successful, while almost one out of three programs was seen as not successful.

Fig. 4: Success of patient programs



The following reasons were given as **success factors**:

Inherent quality of the patient program

- High acceptance, high numbers of users
- Integrated approach to patients and improvement of patients' quality of life
- Good information about the illness, comprehensive service, good support
- Interdisciplinary care of patients

Outcome-based reasons

- Research-based evaluation of the success
- Better adjustment of the therapy
- Better adherence

Acceptance from health care providers and payor organizations

- Interest on the part of participating doctors and nurses
- Regular communication and closely monitored contact with patients
- Cost savings

Priority in the pharmaceuticals company

- Good RoI for the pharmaceuticals company and increasing product revenue
- Adequate financing



The following **reasons** were given **for failure**:

Poorly designed programs

- Lack of orientation towards patients' requirements
- Selection of inappropriate communication media

Poorly implemented programs

- Lack of transparency
- Lack of involvement of doctors and nurses and thus no enrolment of patients
- Lack of involvement of care-givers

Numbers of users too low

- Programs not scalable
- Requires too much effort
- Lack of incentives



What is the difference?

If you add the assessment of almost 50 patient programs outside Germany to the reasons named above, one can say in summary that the quality of the concept has the greatest influence on whether patient programs succeed or fail.

it is quite essential that a patient program addresses individual patients' varied requirements. With good programs the acceptance among all parties involved increases, as a program's commercial success does in turn for the pharmaceuticals company.

Quality and individualization: the most important success factors for patient programs



OPINION

Even if in this study a detailed evaluation of individual programs has not been undertaken, it seems that patient programs are evaluated as successful primarily for therapies with high-priced biologicals, e.g. multiple sclerosis, rheumatoid arthritis. On the other hand it seems that programs in the area of diabetes or COPD are evaluated as less successful.

The authors assume that financial possibilities are an important determinant for success and failure. The individualization of individual measures, e.g., in the form of personal contact persons for patients, is labor-intensive and expensive.

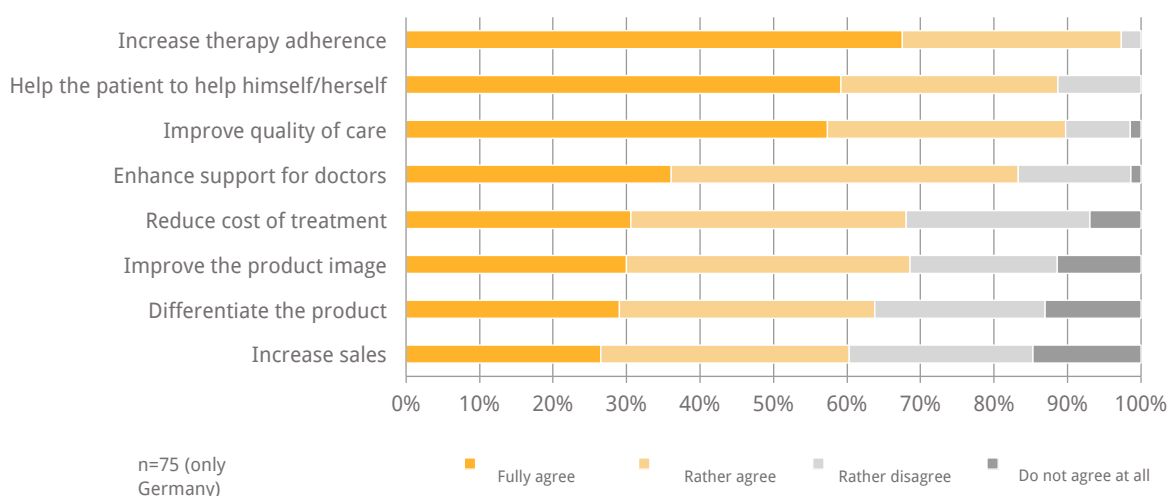
Looking ahead, we expect a considerable individualization of individual programs by making use of digital technologies.

Aims of existing patient programs

Improving therapy adherence is the most important aim of patient programs (97% agreement) from the perspective of those study participants who answered with a focus on Germany. Ranked second and third are “helping the patient to help himself/herself” and “improving the quality of care”. In contrast, directly commercial objectives such as “increasing sales” (39% disagreement) and “differentiating the product” (36% disagreement) are evaluated significantly more contentiously. The pharmaceutical industry’s code in Germany no doubt also plays an important role here.

The main priority is adherence

Fig. 5: Aims of patient programs



Outside of Germany the aims are evaluated slightly differently. While the top 3 aims given are the same as those answering who refer to the German market, commercial reasons are weighted significantly more highly. The objective “increasing sales” ranks fourth for 86% of those surveyed. Coming in last are the objectives “enhancing support for doctors” (28% disagreement) and “reducing costs of treatment” (41% disagreement).

There was more than 90% agreement on the question of whether by making use of patient programs a better understanding of the therapy and an improved adherence can be achieved.

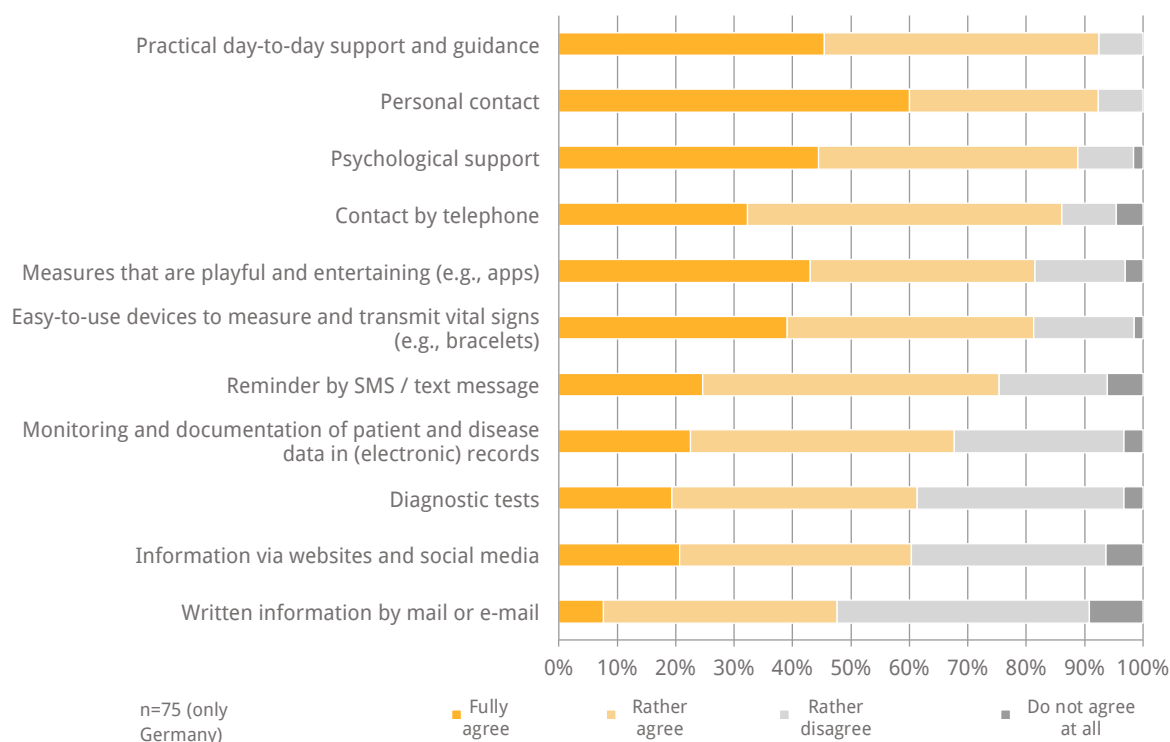
The primary reasons given for improving the understanding of the therapy and adherence were

- customizability of the programs,
- structured, closely monitored and longer-term care, and
- informing and motivating patients.

The reactions to the question what **measures and elements of a patient program** should be used to motivate patients **to adhere to their therapy** were clear. Those elements that support addressing the patient in a personal and individual manner were most supported.

Information by mail or e-mail or via the Internet and social media, on the other hand, is less in demand.

Fig. 6: Which elements of a patient program are best suited to motivate patients to adhere to their therapy?

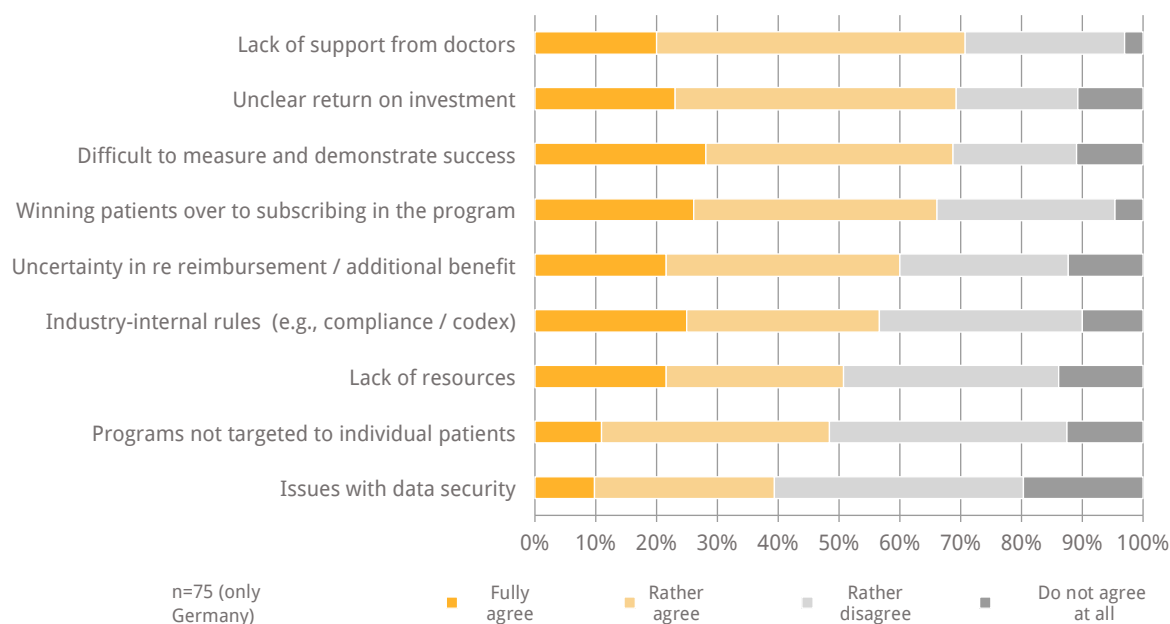


Programs need to provide individual help to work

Challenges of existing patient programs

Among the challenges of the current patient programs gaining doctors' support is seen as the greatest difficulty in Germany. But there are also significant doubts about the return on investment of such programs, and measuring success is seen as problematic. A lack of resources, a lack of individual targeting of the programs or problems that arise because of data protection issues, on the other hand, pose smaller challenges.

Fig. 7: Challenges and issues with patient programs



It can only be done together

OPINION

For programs that provide real added value for patients, responsibility needs to be shared by all parties involved in the care process. That can only be achieved if these programs are jointly conceived and implemented — with genuine collaboration and without overemphasizing particular interests.

And the financing of such programs cannot be provided solely through the additional sale of pharmaceuticals. Health comes at a price. But genuine added value will be paid for – by those who profit from it.

The pharmaceuticals industry has a long and difficult path ahead, but also a major opportunity to position itself as a credible partner promoting the collaboration of all parties involved.

Future of existing patient programs

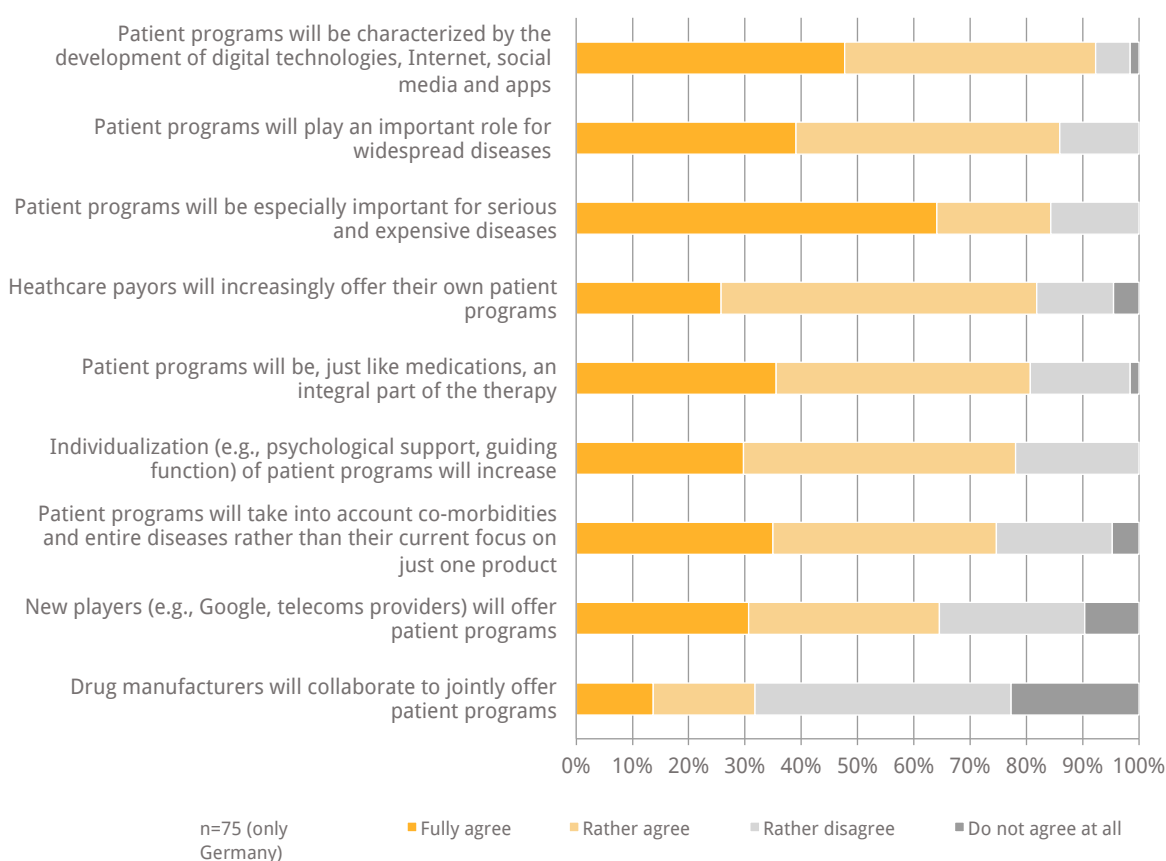
As far as the future of patient programs, 9 out of 10 surveyed expect that future programs will be characterized by the development of digital technologies, Internet, social media and apps.

In addition, it is expected that patient programs will play a role not only for expensive diseases but also in widespread ones.

Only about 2 out of 3 surveyed expect that new providers like Google or telecoms providers will offer patient programs. The lowest support was given to the hypothesis that drug manufacturers will collaborate to jointly offer patient programs.

**Digitalization
cannot be stopped**

Fig. 8: In your view, how will patient programs look ten years from now?



OPINION

The rapid advance of digital technologies originating in the consumer sector into the healthcare environment cannot be stopped. New markets quickly develop where there is a thin line between risks and opportunities. But are drug manufacturers prepared for the challenges and opportunities of digitalization?

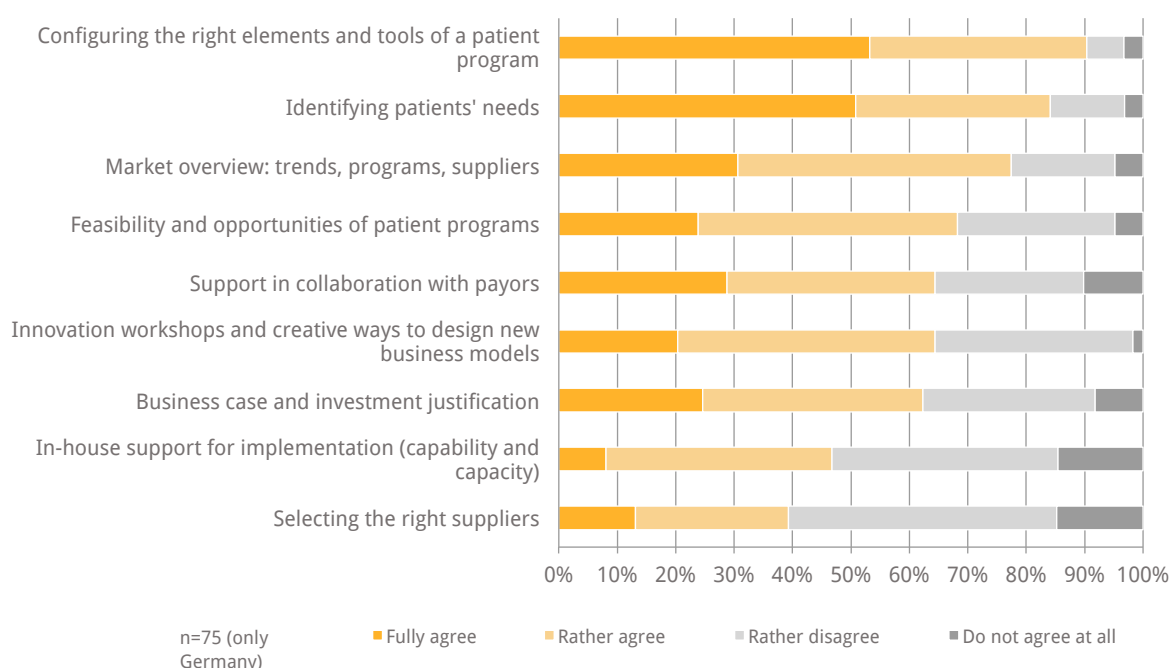
The path from vision to reality

Responding to the question what support is currently desired when developing patient programs, the most important components are selecting the right elements and tools for a patient program and identifying patients' needs.

Almost two-thirds of those surveyed wish for support in collaboration with payors, as well as in creative ways to design new business models.

Support in implementing such programs or in selecting the right provider, on the other hand, is desired by only fewer than half of those surveyed.

Fig. 9: Desire for support in developing patient programs



Collaboration is important

OPINION

Complex challenges like developing programs that deliver genuine added value for patients and that pay for themselves using business models that make sense for all involved parties can arise only through collaboration. To do this requires creative problem-solving and close cooperation among experts.

IMPLICATIONS

Patient focus is aspired to in many pharmaceutical companies' mission statements. But is it also lived? In this respect, patient programs can be an important lever. But how do they become a successful business model for the manufacturer?

In addition, successful patient programs are not product-oriented but rather patient-oriented, and highly individually customized. Digitalization can provide important tools for this purpose. The benefit for the patient is measured not along traditional sector boundaries, but rather requires an integrated improvement of the care process.

Inevitably, questions thus arise about new business models that are difficult to reconcile with the compensation that hitherto exists for medications.

Setting up patient programs successfully need not be about the battle between various lobby forces to garner limited resources. Besides informing about a range of content-related questions, the pharmaceuticals industry could contribute here to creating a new basis of trust among the players in healthcare.

Questions that a pharmaceuticals company should ask include, for example:

- Which products in my portfolio are suitable for patient programs?
- What knock-on effects are inherent in getting involved or not getting involved?
- How can I become a real partner in healthcare?
- What reputation do we have among the players involved? How can we create a basis of trust?
- How shall I position myself in competition?
- How can I improve my market access with patient programs?
- How can I develop and implement new business models in my traditional organizational structures?
- How do we measure success?
- What return on investment can I expect?
- How do I start? What does a successful project look like and what milestones are useful?

WHAT'S NEXT



ABOUT US

Healthcare Shapers – a network of experts

The Healthcare Shapers are an international network of independent consultants, service providers, experts and decision makers with wide-ranging and profound experience in the healthcare industry. Together we want to work on the further development of health systems.

The network was founded in October 2013 at the European Business School in Rheingau, Germany, and currently comprises about 30 active and 120 associated members. What unites us is our conviction that in the long run health systems will work only when the focus shifts to the patient with his needs. With our concentrated expertise and energy, we want to play a part in the change necessary across the industry. To this end we bring together the relevant experts in order to jointly look for new approaches and pragmatic paths to change.

Healthcare Shapers are not only extremely competent in their areas of expertise (all have many years of professional expertise and enjoy an excellent reputation in their work), but also characterized by shared values: independence, honesty, an open mind for new ideas, as well as respect, team spirit and reliability. We think entrepreneurially and act in a pragmatic and results-oriented manner. We are enthusiastic about our work. Professionalism and quality in what we do distinguish us.

Our overriding aim is to create added value: for projects we support, for the partners and clients with whom we jointly deliver projects, and for every individual who gets involved in jointly developing themes. Of course we also want to generate additional business through our work.

In the long term — besides entrepreneurial activity, the exchange of ideas and the related further development of each of our members — we would also like to initiate non-profit projects that would not be possible without our commitment.



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Peter Teich has been working independently as a consultant developing patient programs and as an interim manager in the pharmaceuticals industry for the past 7 years.

After holding various positions in marketing at Roche, Pfizer and Novo-Nordisk, Peter Teich became the managing director of a homecare company. He has developed support and service concepts especially for chronically ill patients in different indications across the country.

Peter Teich covers the range from successful marketing of pharmaceuticals products to integrated care programs for patients.

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In the course of his career of more than 25 years, the strategy consultant Günther Illert has supported more than 100 transformation projects. Shaped by his start in professional life in consumer goods marketing, Günther Illert already had his eye on patients when the pharmaceuticals industry was still focusing their marketing efforts solely on doctors.

Günther Illert initiated the Healthcare Shapers in October 2013. He knows what really matters in successful change projects. That seeing the big picture matters just as much as detailed implementation. And that it revolves around people.

With his warm and inspiring leadership style, he unleashes a great deal of energy in teams, enabling them to master even unfamiliar challenges.