



He says to thrive, manufacturers must revamp their marketing and sales strategies to incorporate the value propositions essential to major stakeholders.

IT and Disease Management Can IMPROVE QUALITY OF HEALTHCARE

Top executives in the healthcare industry believe greater use of information technology (IT), practice guidelines, and patient-safety measures, as well as implementation of disease-management programs, are keys to improving quality and containing costs of healthcare, according to a survey conducted by Harris Interactive among registrants at the 2nd annual World Health Care Congress.

"Unless there is much greater collaboration among healthcare providers, payers, and policymakers — and that is somewhat unlikely — it will be tough to deliver higher quality of care and contain costs," says Humphrey Taylor, chairman of The Harris Poll at Harris Interactive. "Although we are making progress, it's at a slow pace."

BIOTECH DRUGS WILL BE HARD HIT By Benefit Management

Biologicals, which have received minimal pharmacoeconomic scrutiny from payers, increasingly will face the same strict value-based review and administration processes of pharmaceuticals, according to a 2005 study from The Bruckner Group Inc. (BGI).



Michael Russo

Successful outcomes-based access strategies will increase brand revenue significantly beyond the high-end of expectations, says Michael Russo, Partner, The Bruckner Group Inc.

Managed-care organizations (MCOs) and pharmacy benefit managers (PBMs) are actively moving the administration of biological therapeutics away from the medical benefit to the pharmacy benefit where outcomes-based analyses and cost-reduction processes are in place.

Biologicals administered under the pharmacy benefit will likely be aggressively scrutinized for pharmacoeconomic value and subjected to case-management and disease-management programs.

Leading these efforts are PBMs and MCOs with in-house capabilities. Their initial efforts include programs for small population, high-cost diseases, such as hemophilia, Gaucher's disease, and diseases using immunoglobulins (IVIg) and growth hormone.

New programs will more formally address the cost and use of specialty pharmaceuticals for wider patient populations, such as rheumatoid arthritis and diabetes.

"Most biotechnology manufacturers are unprepared to argue comparative price as related to value, both in resources and mindset," says Michael J. Russo, partner at The Bruckner Group.

Backing the wrong products with valuable commercialization dollars and marketing staff can throw kinks into a company's drug pipeline and set it back hundreds of millions of dollars and years in development time.

Resource Allocation is TOP PORTFOLIO MANAGEMENT CHALLENGE

Resource allocation and portfolio decisions, although time consuming and stressful, are of vital importance to a drug's — and even a company's — success. According to Cutting Edge Information's report, Pharmaceutical Product Commercialization: Pre-Clinical to Phase III Resource Allocation, 75% of surveyed executives identified long-term resource allocation as their chief challenge in portfolio management.

Backing the wrong products with valuable com-

Follow up

THE BRUCKNER GROUP INC., Wakefield, Mass., is a strategy and research firm addressing the competitive revenue opportunities and challenges of pharma and biotechnology manufacturers. For more information, visit brucknergroupp.com.

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IDENTIFIED OPPORTUNITIES FOR IMPROVEMENT IN HEALTHCARE

- ▶ 48% NAME GREATER EMPHASIS on data-driven clinical care, including evidence-based medicine and advanced care-management programs.
- ▶ 31% CITE THE DEVELOPMENT OF PORTABLE, shared electronic health records.
- ▶ 29% IDENTIFY INCREASING PREVALENCE of pay-for-performance initiatives.
- ▶ 40% OF RESPONDENTS BELIEVE a combination of IT, practice guidelines, and patient-safety measures is an effective and desirable way to contain healthcare costs.
- ▶ 27% NAMED DISEASE-MANAGEMENT programs as the second most effective way to better manage costs.
- ▶ 38% SAY SLOW ADOPTION OF IT poses the most serious threat to the healthcare industry closely followed by rising medical costs (37%) and the increasing number of uninsured/or underinsured (34%).
- ▶ 49% OF RESPONDENTS ARE IN FAVOR of universal health insurance, and 37% are opposed. But 94% say such coverage is either highly unlikely or somewhat unlikely to happen during the next five years.

Source: Harris Interactive, Rochester, N.Y.
For more information, visit harrisinteractive.com.

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pharmaceutical industry and the financial services industry. For more information, visit cuttingedgeinfo.com.

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