

▶ **Insights from the C-Suite:**
Pharmaceutical Companies

The pharmaceutical industry is facing a number of well-publicized challenges: increasing generic competition, pricing pressures, innovation hurdles, Wall Street scrutiny, etc. C-suite pharmaceutical executives who were also featured in the PharmaVOICE 100 provide their insights on what they believe are the biggest challenges they as well as the industry face.

According to **IMS Health**, overall per capita use of medicines declined in 2011 as patient office visits and non-emergency room hospital admissions dropped, and older Americans reduced their retail drug use. Not only were rates of use for chronic medicines declining, there were important variations across the country and by patients' age, which suggests a concerning trend in the nation's use of healthcare services. Young people, age 19 to 25, increased their use of prescription drugs as many were able, for the first time, to remain on their parents' health insurance, while seniors, age 65 and over, reduced their volume of prescriptions.

Total healthcare system spending on medicines reached \$320 billion in 2011, increasing on a real per capita basis by 0.5%, according to IMS. Declining use of branded drugs and greater availability of lower-cost generic products offset price increases and higher spending on new innovative medicines. Branded products that lost exclusivity due to patent expiries contributed \$15 billion in reduced spending. Spending on new branded medicines, which declined in prior years, as rebounded since 2009, and this reflects the extensive number of transformative treatments that are now available. With generics currently representing 80% of dispensed prescriptions, spending in this segment grew by \$5.6 billion in 2011. Overall spending on medicines continued to be concentrated on traditional small molecule oral pills dispensed through retail pharmacies. Spending growth in these segments was outpaced by biologics, injectables, specialty and institutional channels, which accounted for as much as 30% of total spending.

innovative medicines designed to help patients with serious, chronic conditions better manage their disease.

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Balancing new science with clinical empiricism remains a key challenge in discovering new medicines that bring value to society.

Empiricism was the inspiration for all early medicines. Many "new" medicines of the 1980s and 1990s were largely refinements of empirically based medicines.

Our challenge today is to balance the attractiveness of a novel target derived for advance screening techniques with pathways that are known to influence human physiology based on empiric experience.

KAREN FERRANTE, M.D.

Chief Medical Officer

Millennium: The Takeda Oncology Company has the mission to advance global oncology leadership by delivering extraordinary progress against cancer through its science and passion for innovation.

▼ For more information, visit millennium.com.



Dr. Karen Ferrante

I believe that oncology drug development is faced with the major challenge of delivering the "right drug to the right patient."

We understand in concept that personalized medicine is where the field is moving and there are a few examples of success, but we must more effectively translate the learning from the bench to the bedside to really transform the

LISA COSTANTINO
Chief Financial Officer



Lisa Costantino

EMD Serono, the biopharmaceutical division of Merck KGaA, transforms medical science into breakthrough solutions in core therapeutic areas: neurodegenerative diseases, fertility and metabolic endocrinology, as well as oncology and autoimmune/inflammatory diseases as emerging areas of expertise.

▼ For more information, visit emdserono.com.

The complexity and number of unknown variables make it difficult to make investment decisions, which could ultimately impact the longevity of the company and the care of patients.

ELLIOT EHRLICH, M.D.

Senior VP, Research and Development, Chief Medical Officer



Dr. Elliot Ehrlich

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MARIE FOEGH, M.D.

Chief Medical Officer,
VP Clinical Research &
Development



Dr. Marie Foegh

Agile Therapeutics was founded in 1997 on the principle that women want and need more convenient contraceptive options.

For more information, visit agiletherapeutics.com.

The negative public perception that the public has for pharmaceutical companies is one challenge. For biotechnology companies, another challenge is the fact that investors have grown risk adverse.

ADELENE PERKINS

President and
CEO



Adelene Perkins

Infinity Pharmaceuticals Inc. is an innovative drug discovery and development company dedicated to discovering, developing, and delivering to patients best-in-class medicines for diseases with significant unmet need.

For more information, visit infi.com.

The biggest challenge facing the industry today is the ability for biotechnology companies to remain independent.

Acquisitions that are designed to extract short-term returns put scale and efficiency over innovation and these will continue to undermine the industry's ability to advance medicine and generate far more significant and sustainable shareholder value.

TIMOTHY WRIGHT, M.D.

Global Head of
Pharma Development



Dr. Timothy Wright

Novartis AG has a diverse healthcare portfolio, including innovative pharmaceuticals, eye care products, generics, consumer health products, and vaccines and diagnostic tools.

For more information, visit novartis.com.

The biggest challenge today is the runaway costs of clinical development. We need to fundamentally change the way that we approach clinical trials and usher in a paradigm shift in the way drugs are brought to market. It should be a patient-centric approach, one that uses innovative technologies and new ways of patient recruitment. It should focus on the unique needs of patients to encourage them to participate in medical research. **PV**

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The Supreme Court Upheld the ACA. What Do You Do Now?

How Are Doctors, Payers, Patients and Pharma Companies Reacting—and Preparing?

What Can the US Learn from Europe?

How Should You Re-Define Value Messaging?

FEATURING

NEW Research Revealing Payer, Provider and Pharma Responses and Plans—and How They Compare to Consumers

When the Supreme Court upheld the Affordable Care Act (ACA), the pharmaceutical landscape changed forever. The ACA will impact every facet of the market—from pharmaceutical commercialization and marketing approaches to payer cost control and risk-sharing strategies to physician practice dynamics and quality metrics. How can you not only survive but thrive in a radically different environment?

Navigating the New World of Global Cost-Containment, Healthcare Reform and Value-Driven Access

- ▶ Hear the results of new research with physicians, payers and pharmaceutical companies on the impact of the ACA—and how responses compare to patient perceptions.
- ▶ Gain new insights into how the ACA may impact cost-containment pressures, payer accountability and market conditioning.
- ▶ Discover what US marketers can learn from EU experiences to help them adapt successfully to ACA—and consider how the gap is closing between US and EU access markets.

Building Effective Value Stories in a Payer-Dominated Market

- ▶ Examine how marketers must redefine value to meet payer needs.
- ▶ Uncover why determining value drivers as early as possible in the clinical and commercial development process is critical for any brand.
- ▶ Understand how development and communication of clinical and economic value messages are changing, with the shift toward evidence-based medicine and comparative effectiveness research.

Who Should Attend?

This is a “can’t miss” session for everyone who needs to plan for the effects of the ACA. If you are involved with any aspect of market access, health economics, brand/product management, marketing strategy, messaging or market conditioning, this is a “must-attend” program.

Find Out at a **NEW**,
Educational Webseminar:

**Building Winning Strategies in an ACA World:
Your Guide to Success in a Value-Driven Market**

DATE and TIME

**September 20, 2012
11:00am EDT / 4:00pm GMT**

SPEAKERS



Claire Gillis
CEO
WG Consulting



Larry Olson
Senior Vice President,
Market Access
WG Consulting

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