How the focus on patient outcomes has allowed FMCG to enter into healthcare market
by Mette Drabæk

Payers are negotiating reimbursement contracts based on patient outcomes
An increase in ability to measure real-world patient outcomes based on data from patient registries, strengthens the position of the payer when negotiating reimbursement contracts with pharma companies.

If the patient outcome of treatment with a particular prescription drug does not prove to be significantly better than cheaper competing drugs, then the utility of the drug is no better than the alternative cheaper drug. The pharma company is therefore unlikely to receive higher reimbursements on their drug, even though the efficacy data came out superior in clinical trials.

Pharma companies are entering risk-sharing agreements in order to achieve higher reimbursement
If the pharma company is confident that the patient outcomes in clinical trials can be achieved in real-world, the company can negotiate a higher reimbursement price by engaging in a risk-sharing agreement with the payer.

Pharma companies enter risk-sharing agreements in order to get a higher reimbursement on new (and more expensive) drugs. It is the case where the Pharma company takes on part of the responsibility for patients' compliance to treatment – this is in order to achieve a certain patient outcome in real-world.

Risk-sharing agreements are based on a "guaranteed" outcome resulting from the treatment, be that based on financial or outcome/performance criteria. If the outcome is achieved the payer will pay; if not, the pharmaceutical company refunds the payer for the cost of the drug.
Integrated care program offering services and support ‘beyond the pill’ to increase compliance

In order to secure the agreed patient outcome, pharma companies’ offer integrated care programs to increase patients’ compliance to treatment. The integrated care program offers services and support ‘beyond the pill’. It can be anything from a wearable reminding you to take your daily dose and information about side effects to home-delivery of your drugs and direct access to your physician and nurses at a call centre.

Strict regulations inhibit pharma companies in communicating directly with patients. Nor do pharma companies have any experience in including nurses at a call centre in their business model.

The need to provide this service and the lack of capability or permission do so has allowed fast-moving-consumer-goods companies (FMCG) in entering the market. FMCG have entered the market offering nurse call-services reaching out to patients to increase compliance to treatment and at the same time helping pharma companies achieve the agreed patient outcome.

Capturing and responding to patient data will continue to drive change

FMCG companies have valuable experience in developing products and communicating to the end-consumer. This is likely to influence the FMCG companies’ agility to respond to consumer-needs.

The example of nurse call-services further results in a new touch point between the patient and a healthcare professional. This enables the opportunity for better patient education as well as the opportunity for capturing more patient insights.

So far UCB is the only pharma company who has engaged in a risk-sharing agreement with payer. Of FMCG companies, Procter & Gamble, Walmart and Nestle have entered the pharmaceutical industry providing healthcare services.

Despite the fact that FMCG companies will have to comply to the same regulations as any other healthcare provider when dealing with patients, data security is a challenge.

For risk-sharing agreements to be made, real-world patient data must be available through patient registries. These patient registries are far from a reality in most countries. When this happens, the concept of risk-sharing agreements is likely to become a more common form of contract between pharma companies and health insurance providers. This will in turn result in a higher need for health services and thus increase the opportunity for new entrants like FMCG companies on the market.

In the future, integrated care platforms will become a significant source of data for the HCP, health insurance providers, the pharma company and the FMCG companies, and how to deal with all this data is still left unanswered.

Mette Drabæk is an Associate Consultant at Blue Latitude. She believes that digital marketing is the solution for pharmaceutical firms in becoming more patient-centric and is very excited about the change happening in the industry at the moment.

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