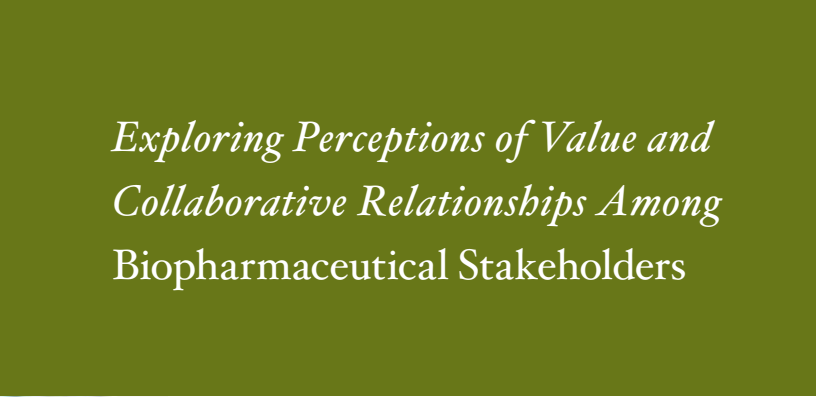




The
New Health
2011 R E P O R T



*Exploring Perceptions of Value and
Collaborative Relationships Among
Biopharmaceutical Stakeholders*

Exploring Perceptions of Value and Collaborative Relationships Among Biopharmaceutical Stakeholders

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Closing perception gaps and multi-stakeholder collaboration define biopharma's future

The New Health Report 2011 was commissioned by Quintiles to further explore sentiment in today's rapidly changing drug development universe. Within that universe lies a complex constellation of stakeholders—physicians, payers, patients and policy-makers—each exercising individual influence within the healthcare ecosystem that is not necessarily growing, but is certainly shifting. When taken collectively, however, the unique needs and interconnected responsibilities of these stakeholders wield an incredible influence on the practice of drug development. From which therapies are brought to market to the manner in which clinical research is conducted, this influence presents both a challenge and an opportunity for the biopharmaceutical industry to involve these stakeholders throughout the entire development process. To truly foster collaborative relationships, a solid understanding of the needs and perceptions of all stakeholders provides a starting point for all groups—particularly biopharma—to ultimately improve patient outcomes.

The New Health Report 2011 provides further understanding of stakeholder perceptions toward healthcare and medicine. It is meant to be granular: *What do stakeholders value? What drives these relationships? How and where do they interact?* Last year's report looked primarily at the relationship between biopharma and payers, and revealed that a majority of biopharma executives believed that demonstrating value is their firm's top priority as the industry changes. This report further examines the concept of value. It finds that there are vast differences in how key stakeholders define value in healthcare, as well as additional gaps in how they perceive other members of the system.

These perception gaps suggest that key stakeholders need to be aligned and working together to truly improve healthcare—although they have a long way to go. Closing these gaps is everyone's job, and the majority of all those surveyed for this report are optimistic about the future of drug development and healthcare in general. And so it is this combination of optimism and influence that makes the *New Health* a rare opportunity for the biopharmaceutical industry. Under these conditions innovation can thrive.

INTRODUCTION

These four icons and four colors are used throughout to identify the groups polled in the survey



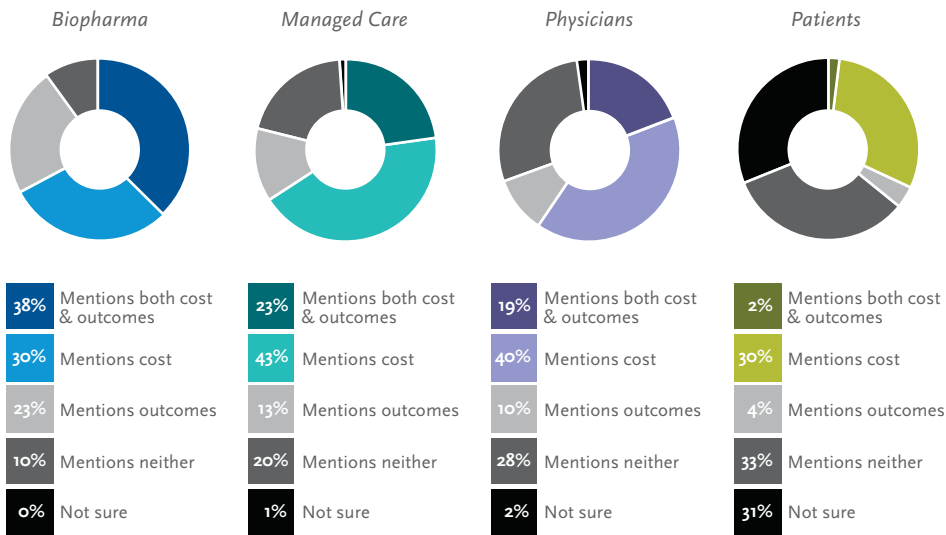


Value in Healthcare

In today's *New Health* environment, market authorization for a new therapeutic is merely the first gate in a long journey in a biopharmaceutical product's lifecycle. Amid the various risk factors contributing to the rapidly changing landscape of drug development, the growing demands of an increasingly powerful set of market stakeholders will have long-lasting effects on the future success of the industry. With physicians demanding further evidence of a new product's effectiveness, patients demanding more assurance regarding a drug's safety, payers demanding demonstrable proof of a therapy's value, and policy-makers demanding confirmation of a product's real-world risk/benefit profile in large populations, understanding what information to communicate to each group is a significant challenge for drug developers. Each stakeholder group has a different evidence requirement, and appraising these needs and designing trials to address them will go a long way toward properly aligning development portfolios with marketplace realities.

What is Value? There is no consensus on a definition of value in healthcare. Stakeholders have internalized the concept of value in very different ways, with biopharma executives as the only group in which a majority includes outcomes as part of their definition. For patients and physicians, the process (quality of care) appears to matter as much as the outcome when it comes to value, although nearly one-third of patients do not feel they can define value.

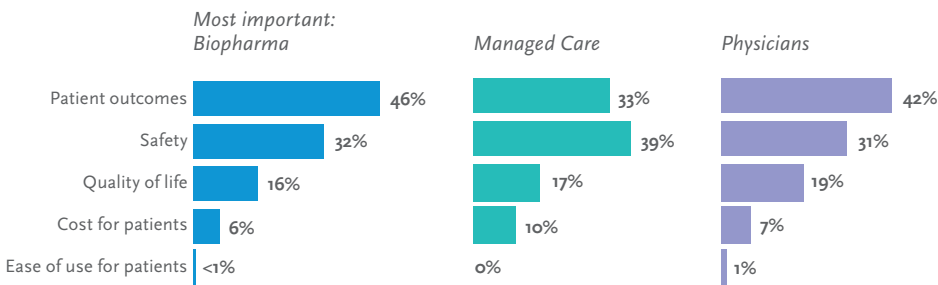
In your own words, how would you define “value” in healthcare? Please be specific. (Unaided responses)



Nearly a third of patients cannot define value in healthcare.

What constitutes value in prescription medications? When given specific choices, patient outcomes and safety were consistently ranked by executives and physicians as the most important elements in determining the value of prescription medicines.

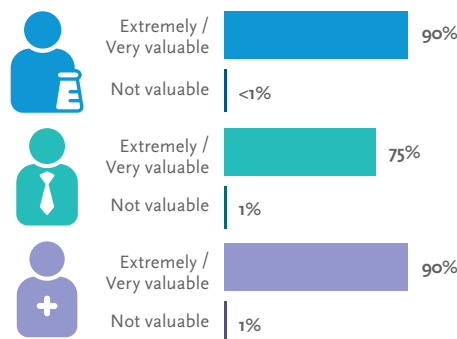
When thinking about the value of prescription medications for patients, how important is each of the following? Please rank each using consecutive numbers between 1 and 5, where 1 is the most important.



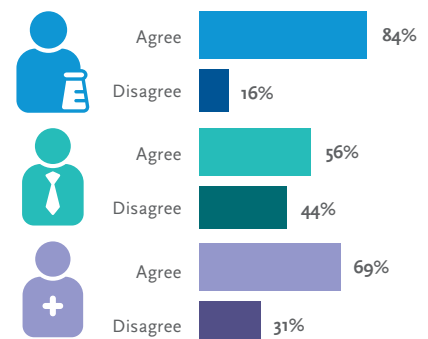
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Consensus on Value of Pharmacotherapy. There is near universal agreement that prescription medications improve the health and well-being of patients. Biopharma and patients, especially, see eye-to-eye when it comes to prescription medication. Four out of five biopharma executives and patients agree that the money patients spend on prescription medications is worth it. Physicians mostly agree. Managed care executives are the least convinced; two out of five disagree that the money patients spend on prescription medications is worth it.

How valuable are prescription medications to patients' health and well-being?



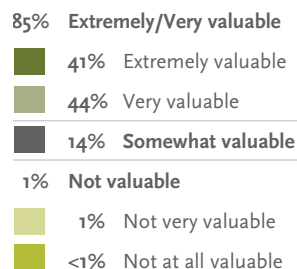
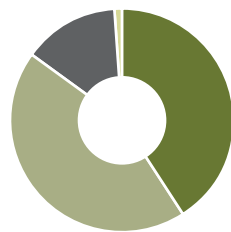
How much do you agree or disagree with the following statement: All in all, the money patients spend on prescription medications is worth it.



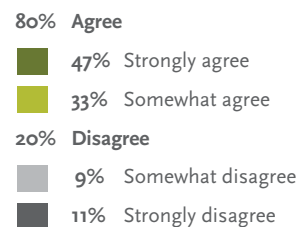
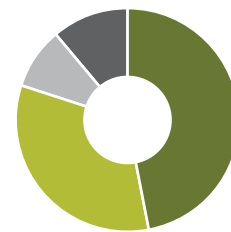
85% of patients say prescription medications are valuable to the health and well-being of patients.

Patients also place a premium on prescription medications. 85% of patients say prescription medications are extremely or very valuable to the health and well-being of patients, and 80% feel as though the money they spend on medications is worth it.

How valuable are prescription medications to the health and well-being of patients? Are they:



Do you agree or disagree that all in all, the money you spend on prescription medications is worth it?



When presented with a definition of value that includes outcomes per dollar spent, most executives and physicians tend to agree with it. About three-quarters of biopharma, managed care executives and physicians say they mostly agree with this definition.

Some experts have defined value in healthcare as the outcomes per dollar spent in providing services. In their definition, outcomes include not only survival but the extent of recovery or disability, errors, complications, recovery time, recurrences and other aspects of the patient’s health experience. Do you mostly agree or mostly disagree with this definition?

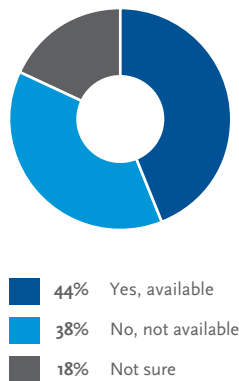
	Biopharma	Managed Care	Physicians
Mostly agree	76%	78%	75%
Mostly disagree	18%	16%	13%
Not sure	6%	6%	12%

Appraising value. Somewhat surprisingly, biopharma executives do not report readily available outcomes data to demonstrate the value of prescription medicines. For managed care executives, 85% of those who reported outcomes data readily available said they used measures developed and tracked by their own organizations.

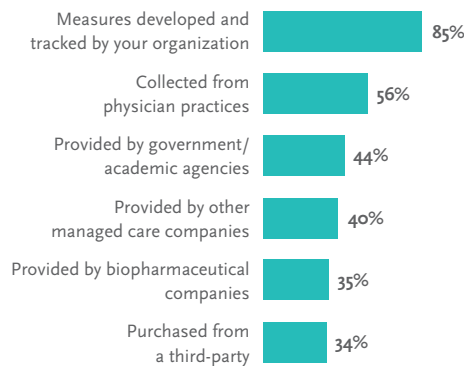
Are outcomes data readily available for your organization to demonstrate the value of prescription medications?

What are the sources of the outcomes data that you use? (Of those who reported outcomes readily available)

According to Biopharma



According to Managed Care



Less than half of biopharma executives say outcomes data are readily available to demonstrate the value of new medications.

Sums may not add to 100% or be equal to components due to rounding



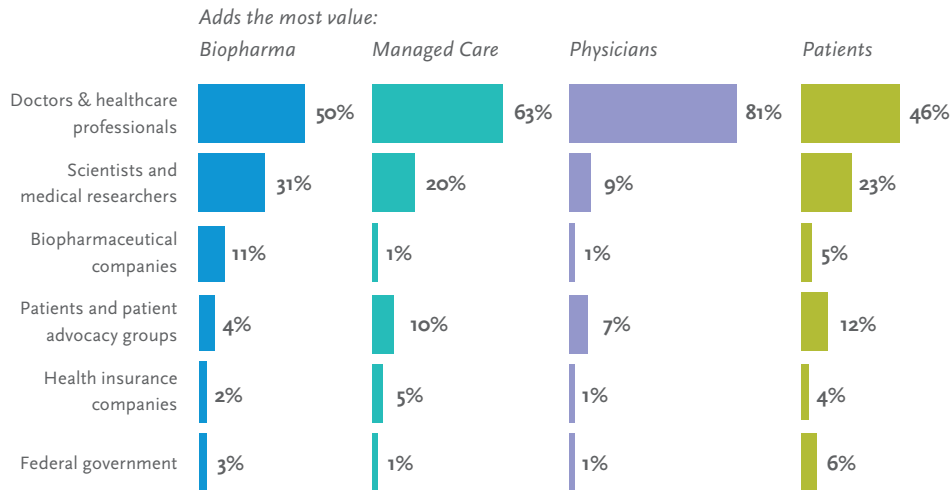
Stakeholder Roles and Performance

The constellation of stakeholders within the healthcare universe is intricately linked yet often misaligned. Biopharma's challenge is to demonstrate value to the other groups within the system. Therefore, understanding the perceptions of each, with regard to how well the others are performing in specific areas, offers a favorable vantage point for all groups to reassess the healthcare landscape and their respective roles in it.

For biopharma, it may warrant an honest rethinking of its role as a developer and commercializer of medicines—adjacent to, but not truly part of the system—to a role further emphasizing patient education and health outcomes. Among all stakeholder groups, ongoing collaboration and increased communication are paramount to aligning the perception gaps that stymie innovation and thwart progress.

Who adds value? Who does not? Physicians are perceived as adding the most value to healthcare, with scientists and medical researchers also showing favorable perceptions. Not surprisingly, health insurance companies and the federal government were widely seen as adding the least value to healthcare.

In your opinion, how would you rank the following groups in how much value they add to healthcare? Please rank each using consecutive numbers between 1 and 6, where 1 adds the most value.

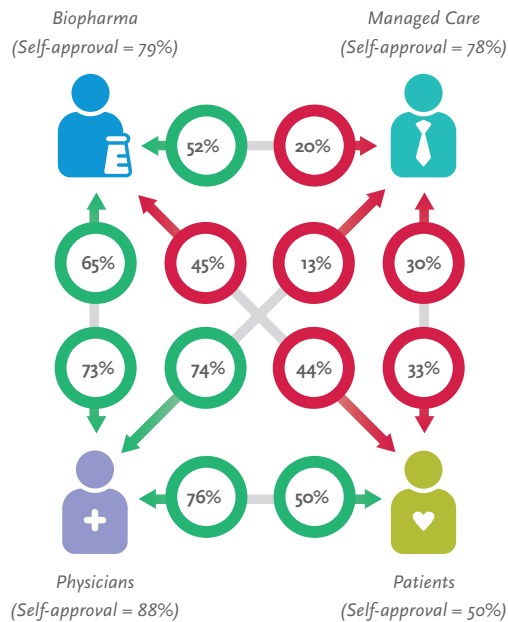


Physicians are widely seen as adding the most value to healthcare.

Stakeholder perceptions. The illustration below demonstrates approval ratings among stakeholder groups as to how they perceive the performance of others in improving health outcomes. Consistent with the data above regarding who adds value to healthcare, this chart illustrates the perception among all other groups that patients themselves are not doing enough to improve their own health outcomes.

Overall, do you approve of the job each of the following are doing to improve health outcomes in the United States?

○ High Approval
○ Low Approval
 % who approve



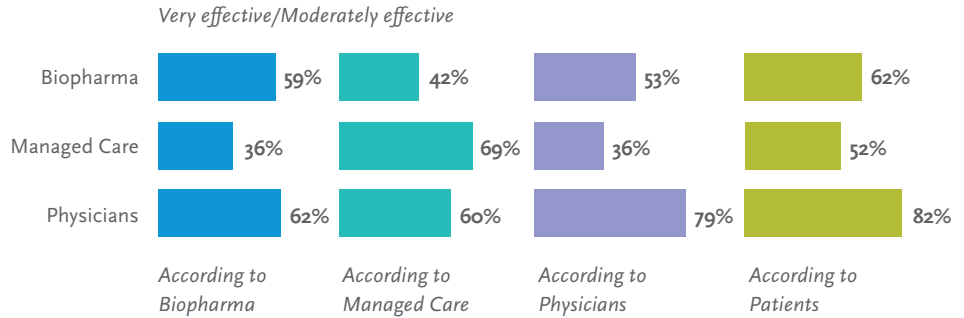
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The only group rating their own efforts to educate patients higher than that of physicians is managed care executives.

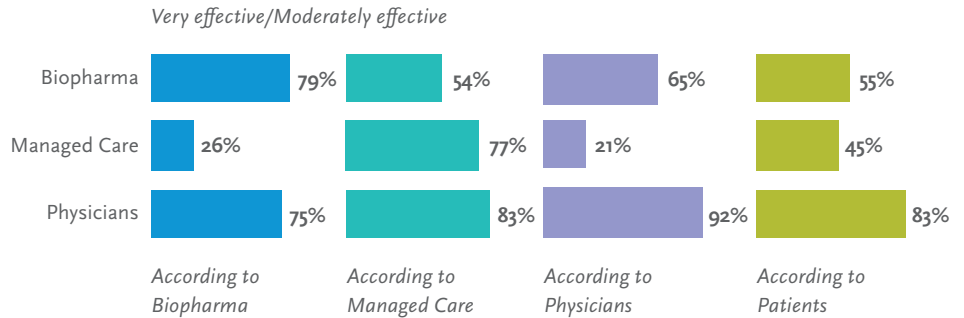
Patient education. Physicians receive high marks for their efforts in educating patients, particularly among patients themselves, 82% of whom said physicians were very or moderately effective in educating patients.

How effective is each of the following in educating patients:



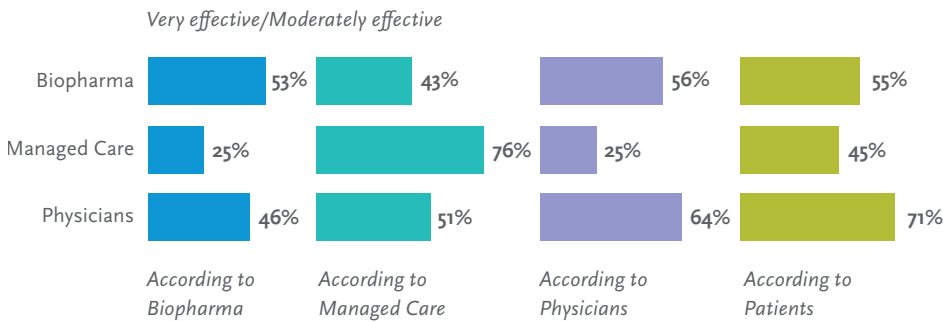
Understanding patient needs. Similar sentiment was seen in understanding the needs of patients, with physicians rated as very or moderately effective by a wide majority in all groups. Physicians and biopharma both believe managed care falls short in understanding patient needs, which underscores the disconnect between managed care and the rest of the system.

How effective is each of the following in understanding the needs of patients:



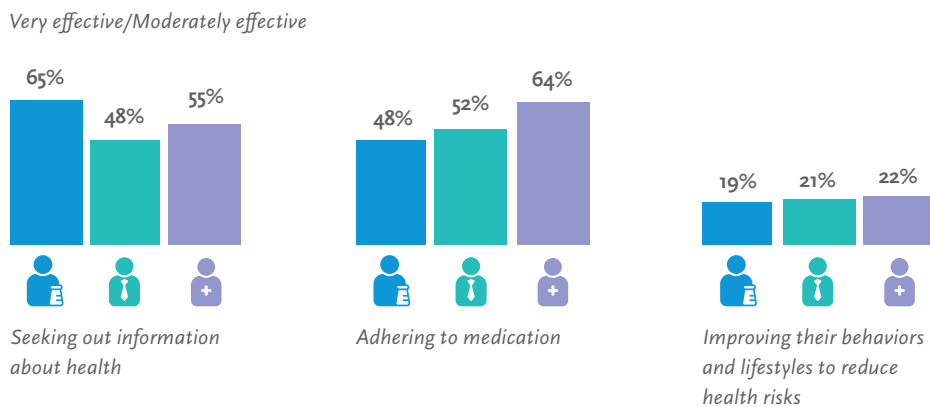
Collaboration. All groups seem relatively unimpressed with their counterparts' efforts to work together to improve patient outcomes. While sentiment toward physicians in this regard is mostly positive, the pedestrian results toward biopharma and managed care indicate that there is an opportunity for more collaboration and communication among all stakeholders.

How effective is each of the following in working together with other groups in healthcare to improve patient outcomes:



Patients need to do more. There is strong sentiment that patients need to do more to improve their behaviors and lifestyles to reduce health risk. While patients are acknowledged for effectively seeking out health information—and given surprisingly high rates of compliance effectiveness by physicians—patients are nonetheless perceived as not taking a holistic view of their own care. Physicians, specifically, indicated that patients are not effective in improving their behaviors and lifestyles to reduce health risks.

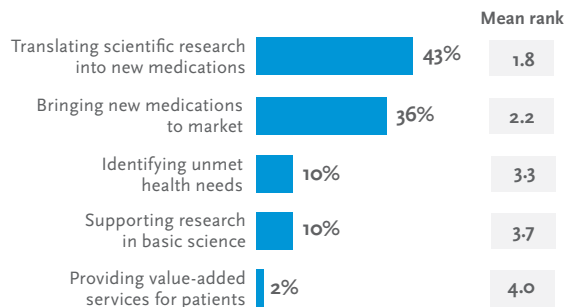
How effective do you feel patients are in:



Biopharma is focused on discovery and development. Biopharmaceutical executives cite translating scientific research into new medications as their most important role in improving health outcomes.

What is the most important role that biopharmaceutical companies play today in improving health outcomes?

Please rank each using consecutive numbers between 1 and 5, where 1 is the most important.



43% of biopharma executives say translating scientific research into new medications is the industry's most important role in improving health outcomes.

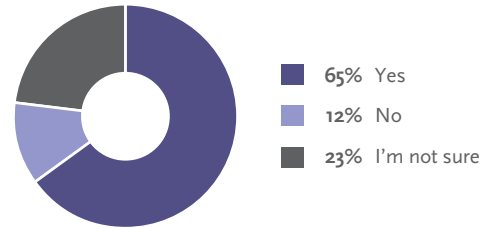
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Nearly three-quarters of physicians say patient misunderstanding of available medical information contributes to misinformation about medical conditions.

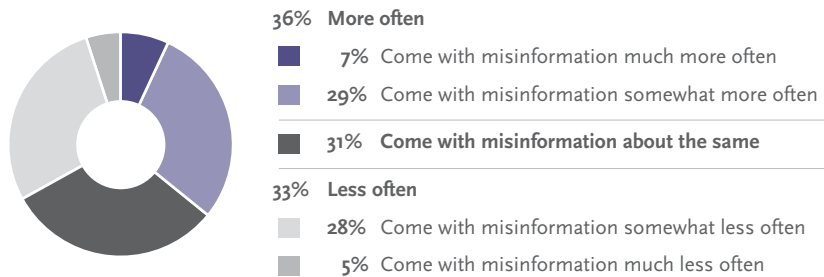


Informed patients, better outcomes. Nearly two-thirds of physicians indicate that patients who actively seek information achieve better health outcomes, yet a third report an increase in the number of patients who come in with *misinformation* about their medical condition.

In your experience, do patients who more actively seek information about their medical conditions achieve better health outcomes than those who are less active?

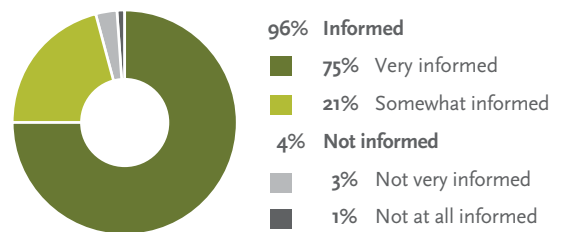


Compared to five years ago, do you feel patients come in with misinformation about their medical conditions more or less often?

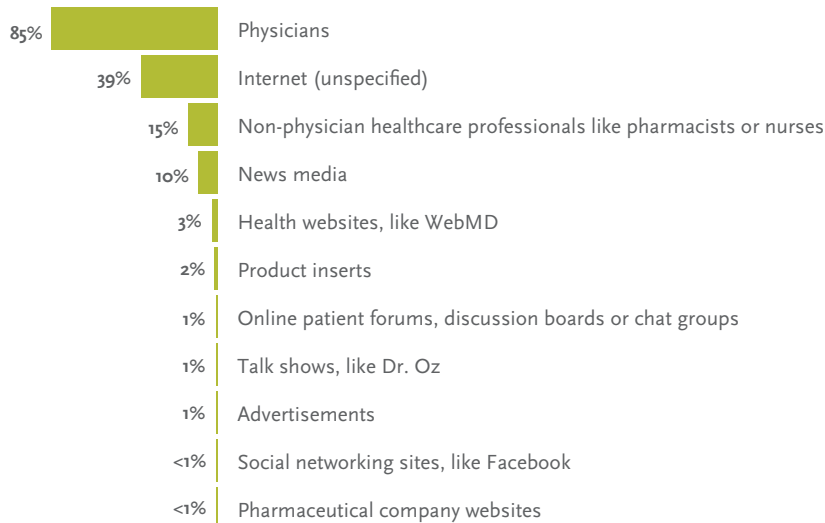


Patient sources of information. Patients believe they are well educated about their condition, with 96% saying that they are very or somewhat informed about the medical conditions they've been diagnosed with. Physicians and websites were cited as significant sources of information, although surprisingly, both pharma company websites and social networking sites were rarely mentioned by patients as sources of information.

Thinking about the medical conditions you have been diagnosed with, would you say you feel:

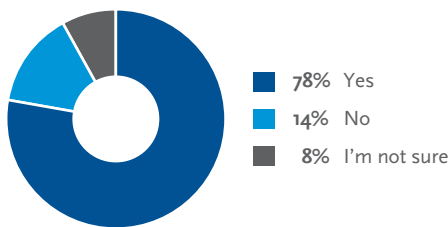


Where do you get information about your medical conditions? Unaided responses, select answers shown (multiple categories allowed).



Biopharma’s changing role. As biopharma adapts to the changing influence of other stakeholders, and reacts to pressure to more clearly demonstrate the value of its products, the industry finds itself torn between establishing long-term relationships at the expense of short-term gains. More than three-quarters of biopharma execs think the industry should focus on outcomes data, yet overwhelmingly feel as though a lack of investor support would hinder this fundamental shift.

Do you think biopharmaceutical companies should invest more in long-term relationships and long-term outcomes data at the expense of short-term gains?



What barriers do you think biopharmaceutical companies would encounter to more investment in long-term relationships and long-term outcomes data at the expense of short-term gains? (Select all that apply) (n=194)



Half of biopharma executives say improving health outcomes should be the primary focus of the biopharmaceutical industry. Only 13% say maximizing shareholder value.

Sums may not add to 100% or be equal to components due to rounding



Future of Healthcare and Medicine

Today's healthcare universe has many players—each with its own definition of value—and demonstrating value to each of them is one of the most important charges for the biopharmaceutical industry. Only by engaging the entire constellation of stakeholders toward a common purpose, and incorporating the needs of the value chain into clinical development, can the biopharmaceutical industry shepherd the right products to market.

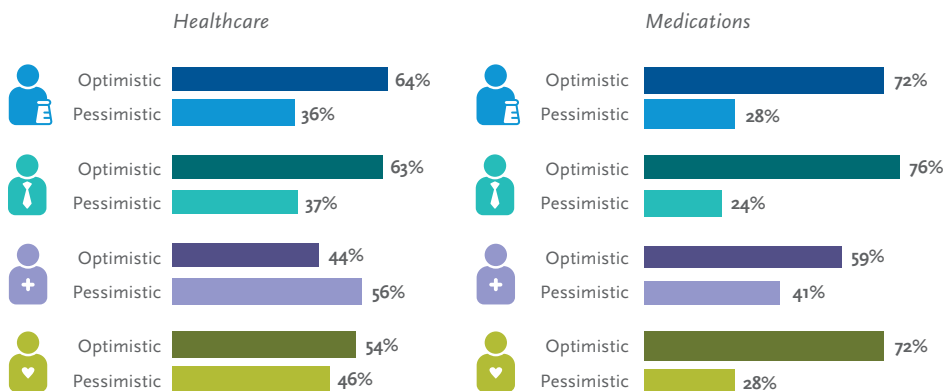
Despite divergent perceptions of value and widely disparate views of other stakeholder groups, there seems to be a sustained level of optimism for both the future of healthcare and prescription medications. Most point to advances in medications and medical technology for their hope and expect personalized medicine to have a positive effect on patients.

National sentiment toward healthcare and medicines. Most physicians, biopharma and managed care executives think the country could do more on key healthcare issues, from affordability of medications to patient education. Broad agreement exists that the country could do more to make medication affordable. Additionally, three out of five biopharma executives feel we could do more as a nation to produce innovative new treatments for chronic conditions and discover effective medications. With regard to ensuring the safety of medications, most biopharma executives (73%) and physicians (61%) feel the country does a good job.

% Saying "Could Do More"	Biopharma	Managed Care	Physicians
Making medication affordable	82%	88%	92%
Patient education	73%	86%	70%
Helping patients take medication as prescribed	73%	82%	71%
Producing innovative new pharmaceutical treatments for chronic conditions	60%	52%	47%
Discovering effective medications	60%	52%	42%
Making sure medications are safe	26%	53%	36%

Optimism about the future quality of healthcare is stronger among biopharma and managed care executives than among patients and physicians. Curiously, the majority of physicians are pessimistic about healthcare quality 10 years from now.

Are you pessimistic or optimistic that the quality of the following will be significantly improved 10 years from now?



Of the 56% of physicians who are pessimistic about the future of healthcare, 61% cited reduced access to healthcare as a reason for their outlook.

Sums may not add to 100% or be equal to components due to rounding

Hope in research. Four out of five biopharma executives optimistic about the future quality of healthcare cite advancements in medication and treatments as a reason for their positive outlook. A substantial majority of optimistic patients, physicians and managed care executives concur, although a larger number of managed care executives cited greater patient involvement as a reason for their optimism.

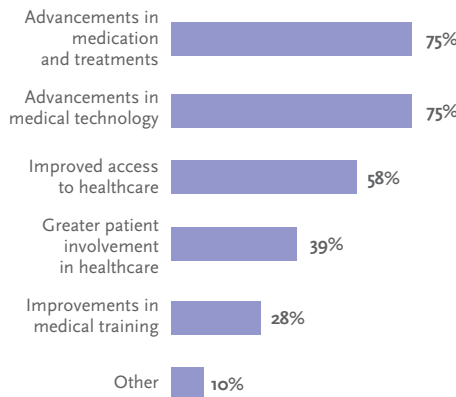


Advances in medications, treatments and medical technology are cited by all groups as driving their optimism that the quality of healthcare will be improved in 10 years.

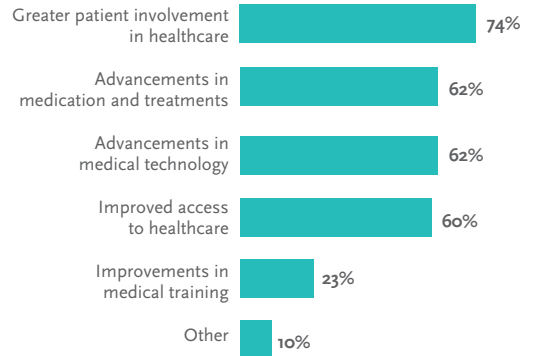
Why would you say you are optimistic? (Select all that apply)

Those optimistic that the quality of healthcare will be significantly improved 10 years from now

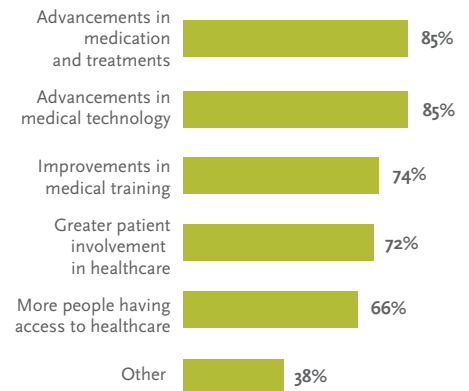
Physicians



Managed Care



Patients



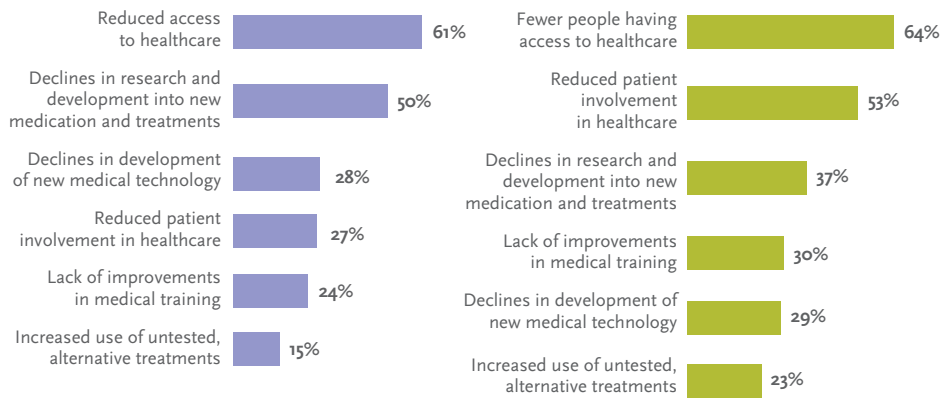
Reasons for pessimism vary. Reduced access to care was the most common reason for pessimism among both physicians and patients.

Why would you say you are pessimistic? (Select all that apply)

Physicians pessimistic that the quality of healthcare will be significantly improved 10 years from now (Select responses)

Would you say you are pessimistic because of:

Patients pessimistic that the quality of healthcare will be significantly improved 10 years from now (Select responses)



Patients are much more likely to see a better tomorrow for Americans born today. 58% of patients believe it is likely that in lifetimes of Americans born today, the average life expectancy for Americans will reach 90 years; 29% say this is very likely. Only two in five biopharma, managed care executives and physicians concur. Yet despite their optimism regarding improvements in specific health outcomes, slightly fewer than half of patients feel the nation will become healthier overall in this time.

How likely do you think it is that in the lifetimes of Americans born today: (those selecting “very or somewhat likely”)

	Biopharma	Managed Care	Physicians	Patients
Life expectancy for the average American will be 90 years	44%	44%	43%	58%
Most cancers will become curable	38%	39%	29%	55%
A cure for Alzheimer’s will be found	32%	34%	28%	51%
The nation will become healthier overall	28%	27%	23%	49%



55% of patients feel that most cancers will become curable in the lifetimes of Americans born today.

Sums may not add to 100% or be equal to components due to rounding

Personalized medicine. Biopharma and managed care executives are optimistic that personalized medicine will improve efficacy, safety and public health. More than four-fifths of biopharma (88%) and managed care (84%) executives believe personalized medicine will have a positive effect on drug efficacy, and solid majorities of both groups believe that personalized medicine will have a positive effect on patient safety.

A new technology is developing in healthcare called “personalized medicine,” in which prescription medications are chosen based on each person’s genetic profile.

Thinking about this trend, do you feel that personalized medicine will have a positive or negative effect on:

According to Biopharma

	Positive	Negative	No effect	I'm not sure
How effective medications are at getting results	88%	3%	4%	5%
How safe medications are for the patients taking them	78%	4%	13%	5%
Public health in general	76%	3%	14%	7%
How fast new medications are discovered	33%	28%	30%	9%
Cost of prescription medications	22%	55%	15%	8%
Job and healthcare discrimination	8%	38%	40%	14%
Patient privacy	5%	43%	38%	14%

According to Managed Care

	Positive	Negative	No effect	I'm not sure
How effective medications are at getting results	84%	1%	7%	8%
How safe medications are for the patients taking them	73%	4%	10%	13%
Public health in general	71%	4%	15%	10%
How fast new medications are discovered	32%	17%	37%	14%
Patient privacy	15%	39%	35%	12%
Cost of prescription medications	14%	56%	16%	13%
Job and healthcare discrimination	12%	33%	35%	19%

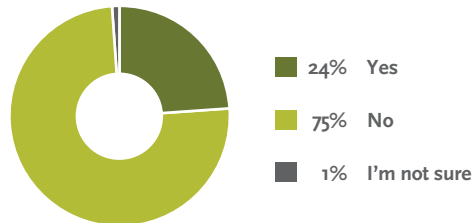


56% of managed care executives feel that personalized medicine will have a negative effect on the cost of prescription medications.

Patients are not familiar with personalized medicine. Three out of four patients have not heard of personalized medicine. Given the perceptions of biopharma and managed care that personalized medicine will increase the safety and effectiveness of medications, this presents an opportunity to educate patients on the concept.

A new technology is developing in healthcare called “personalized medicine,” in which prescription medications are chosen based on each person’s genetic profile.

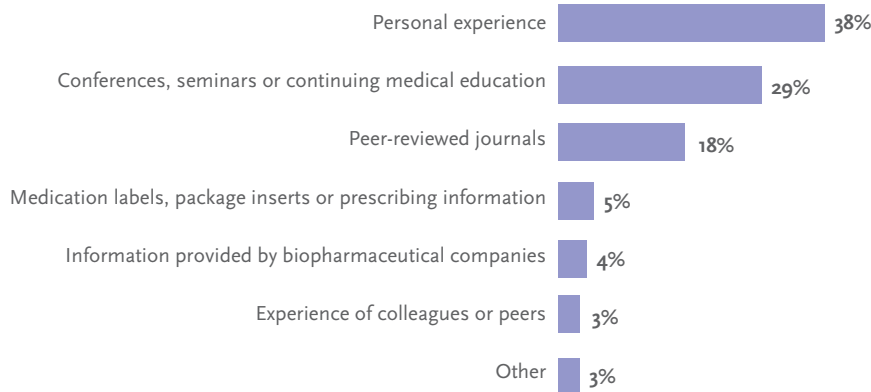
Have you heard of “personalized medicine” before today?



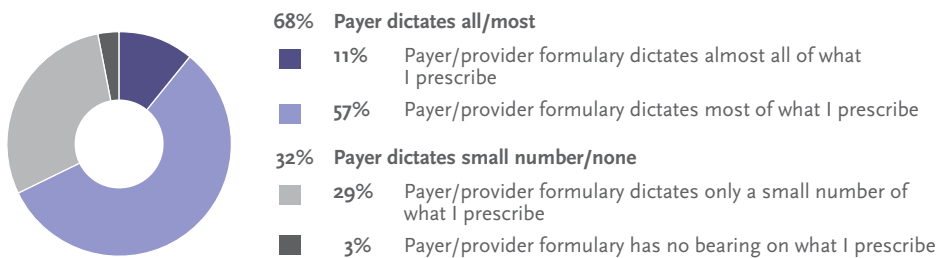
Three quarters of patients are not familiar with the concept of personalized medicine.

Physicians favor personal experience when developing treatment plans for patients. Physicians rely most on their own experiences when treating their patients, although they recognize the role of conferences, seminars and peer-reviewed journal articles in tailoring treatment plans. Physicians do feel constrained by payers, however, with more than two-thirds of physicians saying that payer formularies dictate all or most of what they prescribe.

When developing a treatment plan, what do you rely on most?



How much flexibility do you feel you have in prescribing agents to your patients?



Sums may not add to 100% or be equal to components due to rounding



Patient Empowerment

By Alexandra Carmichael

Director at *The Quantified Self*, and co-founder of *CureTogether.com*

When patients are diagnosed with a chronic illness, they face a maze of decisions, questions and options that can be overwhelming. Doctors, insurance providers, pharmaceutical companies and online communities all offer important resources to help patients make these decisions and answer their questions. But patients do not always realize their own power. Patient voices can be elevated to not only direct their own health and healthcare, but also to influence the development of new treatments, decide how value is defined in healthcare and improve the perception of patients as knowledgeable participants in the conversation about their own health.

As patients are the experts at understanding their own bodies, especially for chronic conditions (living with a chronic illness every day, trying every possible treatment, knowing what works and what doesn't, connecting with other patients), there is a wealth of knowledge and expertise in these bodies and minds that is untapped. Patients can influence which treatments are developed for which conditions, by speaking up loudly enough for themselves, and which ones are discontinued because of, say, too many adverse effects. By the same token, pharmaceutical companies, insurance companies and doctors will increasingly need to realize the decision-making power of patients, and take the time to understand patient needs, demonstrate the value of new treatments to them and involve patients in the healthcare conversation. Patients are willing to do more, but need to be trusted and enabled to do so.

How can patients impact drug development? There is a definite trend towards patients increasingly taking active control of their health, sharing information about treatments with each other and seeing the healthcare system as a partner in making decisions. Patient-reported comparative effectiveness studies and the power of patient activism will play increasingly significant roles in the success or failure of new therapies.

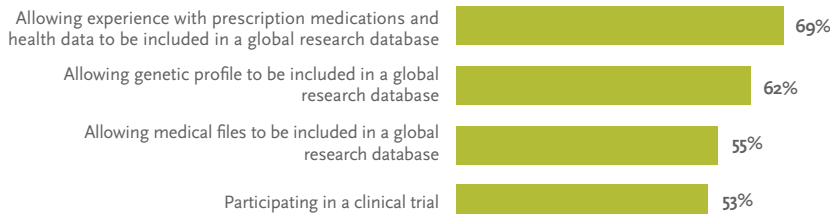
What can players in the rest of the healthcare space do to intersect with and make the most of this increasing trend? Some ideas to consider are to start by going where empowered patients gather—in online patient communities, social media and patient advocacy groups. Tap into how patients experience their conditions and how they feel about the treatments they try—what are their emotional, social, financial, lifestyle and health needs? A focus on understanding and empowering patients will help all health stakeholders to better meet the needs of their customers, maintain a positive reputation going forward, and improve quality of care. Everybody wins when patients are empowered instead of overwhelmed.



When prescribed a new medication, 76% of patients usually ask their doctor or pharmacist if a generic version is available.

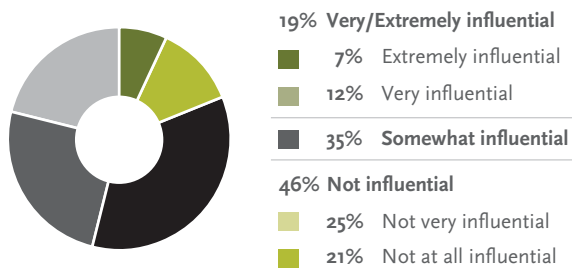
Patients are more willing to share private health information than to participate in clinical trials for the development of new medications. 53% of patients are willing to consider clinical trial participation, compared with 62% who would consider sharing their genetic profiles for the discovery of new medications.

To help discover new medications, would you consider:



Patients feel they don't have influence in developing prescription medications. Despite recognition by other stakeholders that patients' influence is growing, most patients don't feel as though they're very influential in the drug development process.

Thinking of how much people like you influence what new prescription medications are available, would you say people like you are:



53% of patients feel that health insurance companies don't understand their needs.

Patients overwhelmingly suggested that they are successful in complying with prescribed treatment regimens, and controlling other factors that contribute to positive health outcomes. Physicians give their patients credit for medication adherence, but suggested their patients could do more to follow their recommendations for improving lifestyle behaviors.

How successful do you feel you are at:

	Extremely successful/ Very successful	Somewhat successful	Not at all successful/ Not very successful
Taking your medication as prescribed	87%	11%	2%
Eating a healthy diet	40%	48%	13%
Exercising regularly	28%	43%	29%

Sums may not add to 100% or be equal to components due to rounding



Conclusion

This report suggests considerable misalignment among healthcare stakeholders on various aspects of the healthcare universe. Physicians seem well respected, but indicate frustration in working with managed care companies and feel that patients must improve their own lifestyle choices. Indeed, patients are viewed by all groups as not doing enough to improve their own healthcare. Payers seem to be caught in the middle. With new regulations and increasing enforcement of existing regulations, coupled with the need to control costs while providing more services to their members, payers appear to be squeezed by policy-makers, patients and physicians to better understand their individual needs. They also appear to be more cost-focused than other groups, yet possess significant leverage with biopharma in demanding evidence of a product's value before placement on formulary. And despite their desire to focus more on patient outcomes, biopharma perceives significant pressure from investors to maximize shareholder value.

Amid all of this, clinical research must continue. And in the *New Health*, the pressure to conduct this research quickly, at less cost and with less risk to patients has never been greater. To do so, biopharmaceutical companies work with innovators to develop a better understanding of disease biology; work with payers to incorporate market access considerations into clinical development; work with specialty providers and partners to create and optimize predictive tools; and work with physicians on educating their patients on their medical conditions. But this interconnectedness must be embraced as an opportunity, as open dialog and ongoing collaboration will foster an environment from which innovative therapies will be developed.

About *The New Health Report*

The New Health Report is a report based on a national survey of biopharmaceutical executives, managed care executives, physicians and patients living with chronic disease conducted by Richard Day Research of Evanston, Ill., on behalf of Quintiles Transnational Corp. Richard Day Research was responsible for all survey design, data analysis and data reporting.

Data for this survey were collected between January 5 and February 27, 2011. Included in the sample were 200 biopharmaceutical executives at the director level or above, 153 managed care executives at the director level or above, 400 primary care physicians, 103 board-certified specialists, and 1,000 U.S. adults ages 18+ diagnosed with a chronic health condition who are receiving treatment.

Professionals were recruited via postal mail, telephone, fax and e-mail and completed the survey in a self-administered online questionnaire. Patient interviews were conducted via landline and cellular telephone.

With pure probability samples of these sizes, one could say with 95 percent probability that the results have a sampling error of +/- 7 percentage points for biopharmaceutical executives, +/- 8 percentage points for managed care executives, +/- 4 percentage points for physicians and +/- 3 percentage points for patients.

About Quintiles

Quintiles is the only fully integrated biopharmaceutical services company offering clinical, commercial, consulting and capital solutions worldwide. The Quintiles network of 20,000 engaged professionals in more than 60 countries around the globe works with an unwavering commitment to patients, safety and ethics. Quintiles helps biopharmaceutical companies navigate risk and seize opportunities in an environment where change is constant. For more information, please visit www.quintiles.com.

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