As its focus moves from manufacturing to service, pharma needs to partner with healthcare neophytes as well as established players. **James Chase** asks six experts to assess the risks and opportunities

HOW DO WE GET BEYOND THE PILL?

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ALL PHOTOS: DAN D'ERRICO

James Chase (editor-at-large, MM&M): What does "going beyond the pill" actually mean to each of you in the jobs that you do and in your day-to-day dealings with healthcare?

Stan Woodland (CEO, CMI/Compas): When you consider the whole quantified-self movement, we're all involved in our health very actively, we're using technologies to monitor everything. We're willing to accept data about our health and have that data interpreted for us to make better, more informed decisions. We're willing to pay for those technologies and pay for services that do that.

Imagine if a pharma company decided to jump into that market. It takes 15 years to bring a pill to the market and $900 million to do so, and that's for a product that's going to generate about $500 to $800 million dollars in annual revenue. What if you took that $900 million and created a wellness company? It's a big market to go beyond the pill. It's a real opportunity for pharma to participate in health.

David Weingard (founder and CEO, Fit4D): The pain point that most pharma companies feel is around people not filling their first script, or filling their first script and then not keeping on filling it. So services beyond the pill are really important—not only for pharma companies and their bottom lines, but for physicians who don't have the time to do all of the emotional work to keep people on pill and for payers who are now measured on quality.

Sara Holoubek (CEO, Luminary Labs): Technology is accelerating and it's pervasive with consumers—and at the same time there's a patent cliff and nobody has a blockbuster drug. I would say that other than Google search ads, there's never been a business as profitable as making a pill. And I'd say, pun intended, it's a hard pill for these companies to swallow to accept that there might be something else that would be sold at a cost of margin. So now we enter into this world of what accompanies a pill or even replaces the pill. What are the services that can improve the experience or the outcome? With an emphasis on outcome it's no longer about how many pills can they sell. Regardless of the ultimate outcome, I believe that the industry will no longer reward the company that simply sells the most pills.

James Chase (MM&M): That's going to change everything, isn't it?

Raj Amin (CEO, OysterLabs; exec chairman & co-founder, Mana Health): Yeah. Pharma needs to think about the whole patient. Patients themselves, they're thinking about all of the different services they need to get themselves well. It's not about the pill to them; the pill is a part of the whole solution. I think pharma has an opportunity to help fund that innovation by partnering both with technology players and service providers to put together a full package. It may take several steps to get there, because no one's going to walk into the senior management at a pharma company and say, "Let's go straight to wellness." Meanwhile, when I look at things like mobile, it's amazing to see how many pharma sites are not even responsive…

James Chase (MM&M): Sixty-five percent, the last time Google measured it.

Jim Curtis
Chief revenue officer,
Remedy Health Media

Stan Woodland
CEO, CMI/Compas

Damon Basch
Team leader, pharma
partnerships, Practice Fusion

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Raj Amin (OysterLabs): It's crazy. You have that moment to start servicing your most important client, which is the patient trying to stay on your product. The patient has his mobile phone and he's trying to get side effect information, and he can't see that information.

Damon Basch (team Leader, pharma partnerships, Practice Fusion): It's not unreasonable to think that in the future patients are going to get reimbursed for their drugs based upon adherence and based upon other things they're doing to ensure that they're managing the disease state properly.

"If you emotionally inspire a patient and connect with him, he will go to the doctor more often"

— Jim Curtis, Remedy Health Media

James Chase (MM&M): Like auto insurance now.

Damon Basch (Practice Fusion): Right. I think that pharma needs to engage at that level because there's a sea change in the way everyone's getting paid and the way information is being received.

Jim Curtis (chief revenue officer, Remedy Health Media): Pharma is the last one to understand that the pill is secondary if you don't emotionally connect. From the dawn of marketing, everybody from Oreos to cars has been connecting with you emotionally and then providing the cookie, providing the car. Now pharma's trying to catch on. If you emotionally inspire a patient, he's more apt to take your medication longer and ask for a brand name. If you emotionally inspire a patient and connect with him, he will go to the doctor more often. It starts with the emotional connection.

James Chase (MM&M): You're kind of implying that the industry and pharma companies aren't cut out to make this transition. Why are they not positioned to understand what you're talking about, about the emotional value of the patient?

Jim Curtis (Remedy Health Media): That's a great question. Perhaps scientists see something different and perhaps there are too many laws and regulations. Why haven't they gone to the emotional level first?

Sara Holoubek (Luminary Labs): They didn't have to. Their coffers were so deep. They did not need to think about the end customer. We didn't even really think about the physician until the dawn of digital. Two days ago, I had lunch with a former pharmaceutical executive. She worked her entire career in pharma and recently moved over to the service side. She said, "I never realized how thick those blinders were that I had."

James Chase (MM&M): Right. Because it was transactional. It was set up to sell, not to serve.

Jim Curtis (Remedy Health Media): To your point, we run the largest HIV site in the world and we found people coming to this site are often not taking the meds that can prevent HIV or keep them alive. This is not gout and this is not high blood pressure. This is HIV. You have to emotionally connect with them and say, "Get on your drugs, because you're affecting your family, your life, your everything."

David Weingard (founder & CEO, Fit4D): I would add that pharma is not set up to accommodate champions within a company. It's really hard to find the person that is going to be congratulated for stepping out of the box and moving the dial. People are making their $150,000 to $200,000 and are safe with great benefits and have families. Why should they step out of the box? There has to be a cultural change where there is an economic driver or incentive where executive management rewards these people for taking on challenges.

Sara Holoubek (Luminary Labs): I've made this same argument—it was actually to the founder of PatientsLikeMe, Jamie Heywood. He said, "Sara, you are absolutely wrong. Pharmaceutical companies are highly innovative, but just on the R&D side." So the commercial ops side does not have the same culture that the R&D side has. What commercial ops needs is that same spirit of inventiveness.

James Chase (MM&M): Are pharma companies aware that they need partnerships to innovate and provide this value beyond the pill? What are the biggest roadblocks?

Sara Holoubek (Luminary Labs): If we're going to do something new, we have to embrace regulatory and consider them our partners. We also have to do the same with communications. These are the two teams whose role is to mitigate risk. It's not that they don't want



innovation; they need to mitigate risks. Then you have pilot fatigue. Pharma companies are known for having the deepest coffers; every startup knocks on their doors. If somebody knocks on multiple doors, he can find a company that's actually working with three different parts of the same company and nobody knows it. We need to tighten up the business basics of what does it mean to create an investment thesis and an investment unit the way that Google would.

James Chase (MM&M): And there's no cohesive plan across organizations now.

Sara Holoubek (Luminary Labs): It's all over the board. In some companies there's the innovation maverick, who is the person that is respected enough to get away with a lot. He's allowed to fail and he's made the $20 million mistake before, but he's out there. He's connected to the way the world works today.

Raj Amin (OysterLabs): Are those people still employed at pharma? That's a serious question. When I started in pharma 10 years ago, there were a lot of these innovation teams. They're gone now; they shut down those teams and then pushed those people back into brands.

Stan Woodland (Compas/CMI): We work with about every major media partner. With so many brands and so many companies, the one thing that we found that works is having the conversation with each of them relevant to their issue—their guidelines, their regulation, what you can get done and how you get it done. But what happens is that our supplier partners come in with an idea that's not fit for their environment, so we try to coach them to shift their offering so that we can go through the path of least resistance.

David Weingard (Fit4D): Those innovation mavericks need a commitment by the company for a long-term role, not only for them but for all the people on their team, all these pockets of innovation that we've referenced. People do their shift in innovation and then they roll somewhere else. The best successes happen when they're allowed a seat at the table with power and they aren't worried about being kicked out in six months.

James Chase (MM&M): So the best partnership experiences are when you have a seat at the table and you have transparency. But one of the functions in charge of this process is procurement. How do we balance that out, this pricing pressure on partners and agencies versus what we've been saying about the experiences available when innovation mavericks have a seat at the table? What's the answer?

Stan Woodland (CMI/Compas): I agree with being viewed as a partner to be successful. And there are a number of companies that are embracing that kind of approach to partnerships. We've been in business for 25 years and we still have the very first client we started with. And we have engagements now, with a number of companies, where our partnership is defined as a common success metric. We are responsible, completely, for growing the brand revenue for a certain group of physicians. We make all of the decisions and we use our own money to invest in media and promotion—obviously within a partner's guidelines. It took a long time to get our clients to think about partnerships in that way, sharing revenue versus a fee. But it was the ultimate way of saying, "Put your money where your mouth is."

"If we're going to do something new, we have to embrace regulatory and consider them our partners"

— Sara Holoubek, Luminary Labs

James Chase (MM&M): How does it all tie together? Because what we're really talking about here are opportunities for collaborations with industries to move beyond the pill. And a barrier is an opportunity. It's the other side of the coin, isn't it? So where are some of these opportunities?

Jim Curtis (Remedy Health Media): The question is what partnerships does pharma need, right?

James Chase (MM&M): Yeah. And where can they fit?

Sara Holoubek (Luminary Labs): We've talked a lot about startup partnerships and then the startups that are no longer really startups, and then we talked about the service companies and agencies. But we haven't talked about those gigantic partnerships—Google Glass and Novartis. We haven't really talked about the outside industries approaching pharma, or vice versa, coming together to shift the sands in a neat way that is maybe not faster but maybe more meaningful.



James Chase (MM&M): The transformative ones.

Sara Holoubek (Luminary Labs): Right. I am very inspired by the willingness to make those types of arrangements and partnerships. I'd like to see more.

Jim Curtis (Remedy Health Media): Well, Google has said that they don't want to be in healthcare because it's too messy, but Apple seems interested. The next opportunity is wearables. So you're taking your biometric data and you're getting cued when you need to take your pill. Combine that with content, and you have the doctor on your shoulder telling you all day long, "Be healthy, take your pills, exercise."

James Chase (MM&M): Is it fair to say that it's not going to be pharma that's going to transform the healthcare industry? That it's going to be the clients and the health tech companies and startups?

"Startups are ready to play a big role, but that also means that investors need to play a role"

— Stan Woodland, CMI/Compas

Stan Woodland (CMI/Compas): It's going to be a number of different parties that come together. I think it'll be one part government. I do think the startups are ready to play a big role, but that also means that investors need to play a role. There's a funding cliff, like there's a patent cliff. There are a lot of early-stage companies that are not able to secure Series A funding because they run out of money. An early-stage healthcare company gets some money from a pharma or a payer, maybe gets a couple hundred thousand from friends and family or angel investors. But the next step is that you need a study. You need results to make sure that you aren't going to kill anybody, regardless of how benign the service is. And to do that you need money.

Raj Amin (OysterLabs): I'm seeing this in other areas outside of pharma, too, where you've got these huge corporations that were built on a certain service that they know is going to get disrupted. They're trying to figure out how to get into the technology community before they get disrupted by that community. One good example is ADT, which you probably know is a home security company. A good friend of mine runs innovation there and I ran into him recently at this place called the Runway, which is an incubator in the center of San Francisco. I asked, "What are you doing here?," and he's like, "Look at the wall." And on the wall is a big ADT logo; they're one of the sponsors of this incubator. And I'm like, 'Well, you guys are in home security. Why are you out here?," and he says, "We've got to be part of this."

Stan Woodland (CMI/Compas): But why aren't there more pharma logos on the walls at healthcare incubators here?

Jim Curtis (Remedy Health Media): I think we're missing one major game-changer. People do more stuff when it's paid for. No one went to chiropractors until insurance covered them. So what about the payers? I mean, once they start to say, "Your $125 Jawbone is covered…"

Sara Holoubek (Luminary Labs): They have the best data. They actually know if you die. They know what happens to you.

Jim Curtis (Remedy Health Media): They know if you've gotten your prescription filled. So I think one of the major game-changers is the payers and what they're covering. There are 26 million diabetics and there's only 1,100 practicing endocrinologists. Where are those diabetics going? As more and more come on to insurance, who's paying for the stuff and then where are they going for their information?

James Chase (MM&M): If you were to draw up a blueprint for the best possible partnership, what would it look like?

Jim Curtis (Remedy Health Media): We partnered with Robert Bosch—that's Bosch Healthcare. Bosch Healthcare, in the United States, is mostly known for great washers and dryers and dishwashers. But they've gone into home health with Health Buddy Web, which allows people to start tracking and managing their health through monitoring and telemedicine. We built the technology, we designed the technology and we're promoting the technology. That's a real partnership where we can use our prowess with adherence and bring it to a major healthcare company that can then go and use technology to positively influence the health of millions of people across the world. ■