



The 2014 DHC Mid-Year Review

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Digital Health Coalition

The first half of 2014, in the world of digital health marketing, saw significant focus on the regulatory environment. We have seen the release of not just one but three draft guidances related to our space. So the key question as we look back on the first six months and forward to the next is “are we better poised for innovation”? We at the Digital Health Coalition took this moment to uncover the industry mood through a “DHC Mid-Year Review” survey, which was sent to the DHC Advisory Board and Health Scholars.

The following summary features in-depth commentary from some of the DHC Advisory Board Members as well as take-aways from the survey. While much of the external industry news has and continues to focus on the regulatory climate, DHC members think that to cite the regulatory climate as the main barrier to innovation is incorrect. Rather, as this report details, the industry believes that the more fundamental roadblocks to innovation are the corporate climate and related incentives/internal culture. Respondents also identified several areas where it is believed that innovation is most attainable first. We at the DHC look forward to helping our members be on the frontlines of combating the challenges, and to pave the way for innovation for the rest of 2014 & beyond.

EXPERT OPINION



**David Davidovic, DHC Advisory Board Member
Founder, pathForward.
Former VP and Global Head, Commercial Services at
Roche and Genentech**

Bio-Pharma 2014: *The industry seems healthy in many ways (pun not intended). The aggregate pipeline is as rich as ever; a lot of cost-cutting (or efficiency-seeking) moves are behind or well underway; pricing and reimbursement, although always a challenge, seem to be in a stable and somewhat predictable place; healthcare*

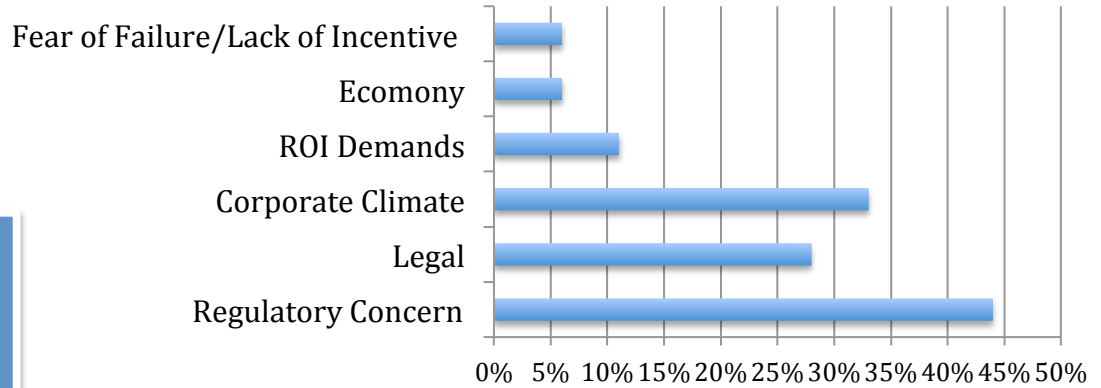
reform in the US is moving into a stable reality; and there is a lot of activity in business development, IPO's, mergers and acquisitions.

From a digital health standpoint there is the "big" Digital Health, where new computer-based technologies are getting integrated into just about every aspect of healthcare. These include several categories such as: Mobile health, fitness monitors, health trackers; integrated/smart devices like glucose monitors and insulin pumps; and comprehensive healthcare management environments provided by EHR/EMR systems. The question is what role will bio-pharma companies play in all of this. Devices and diagnostics divisions are all in; however, the therapeutic side has not yet found its place.

Turning to the "small" digital health, where companies are using digital technologies as added communications channels to reach its customer base, good progress is happening. Even with a restrictive or unclear regulatory environment companies continue to broaden their foray from apps, enhanced websites, integrated communications, YouTube channels, and yes even Facebook and Twitter, albeit restrictive.

DHC Mid-Year Review Survey Says:

What's the biggest perceived barrier holding back innovation in 2014 in pharma companies?

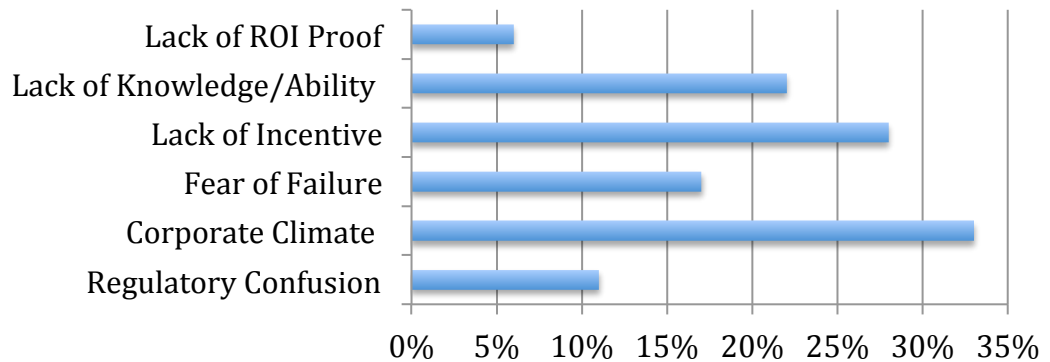


The biggest real barrier to innovation...?

"The time it takes to move "new" things through the approval process"

- A DHC Health Scholar

... And what, in your opinion, is the biggest "real" barrier to innovation?



(charts shows percentage of total respondents who identified each area of concern)

DHC Health Scholars and Advisory Board Members agree that while regulatory concerns are a perceived threat to innovation, the true barriers are located *within* the pharma companies themselves. Citing corporate climate and a lack of incentive most dominantly, it is apparent that for innovation to occur, we need to be focusing on tearing down the barriers that have been erected internally first. One respondent from inside a major pharma company explained: *"The time it takes to move "new" things through the approval process -if it was not such a hassle to get new things approved, the ROI modeling would loose its fuel and real-world/in-market tests would take place"*. Another marketer echoed, *"Senior leadership fear of allocating resources to new and unproven technologies over previously 'proven' marketing tactics [is the biggest real barrier to innovation]"*.

DHC Mid-Year Review Survey Says:

Perhaps surprisingly, when asked **“What specific piece of guidance or clarification would you most like to see from the FDA in 2014?”** the majority of respondents included “Social” as the key area they would like additional guidance/clarification on. Which means, despite the 3 pieces of draft guidance released so far this year, marketers still see significant gray areas in what’s “allowed” where social is concerned. Specific comments such as *“A true understanding of the nature of real-time communications and the platforms on which they rely. The recent guidance cites a Twitter example and microblog, with a /risk extension on the URL. What about platforms that automatically shorten links? The example doesn't apply. Also, a fundamental lack of understanding on how Enhanced Sitelinks work. FDA needs to hire marketers and technologists to understand marketing and technology.”* explain that while FDA may have technically addressed “character-limited” situations, it’s not yet been covered to the satisfaction of many industry members.

Other areas mentioned include mobile, responsive design, and how reminder advertising and black-box brands fit in character-limited settings.

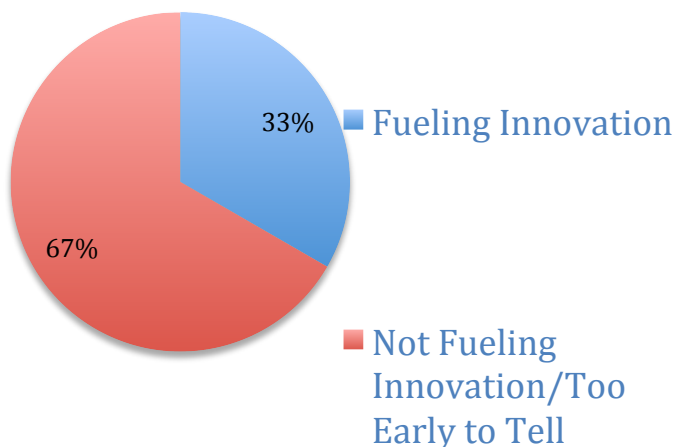
What would you most like to see from FDA in 2014?

“A true understanding of the nature of real-time communications and the platforms on which they rely.”

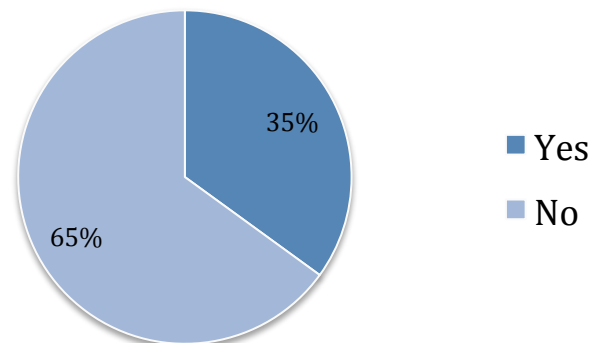
- A DHC Health Scholar

DHC Mid-Year Review Survey Says:

The Affordable Care Act Is...

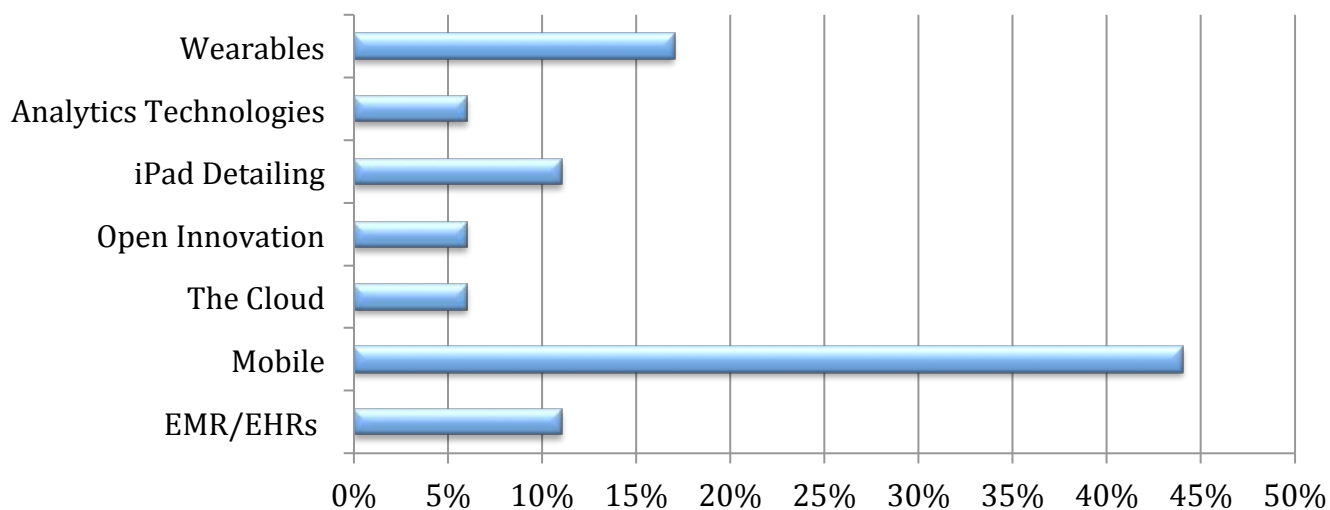


When 90% of Docs are using EMRs to write an Rx, will pharma be ready?



DHC Mid-Year Review Survey Says:

What technology has had the most impact on pharma marketing in the past year?

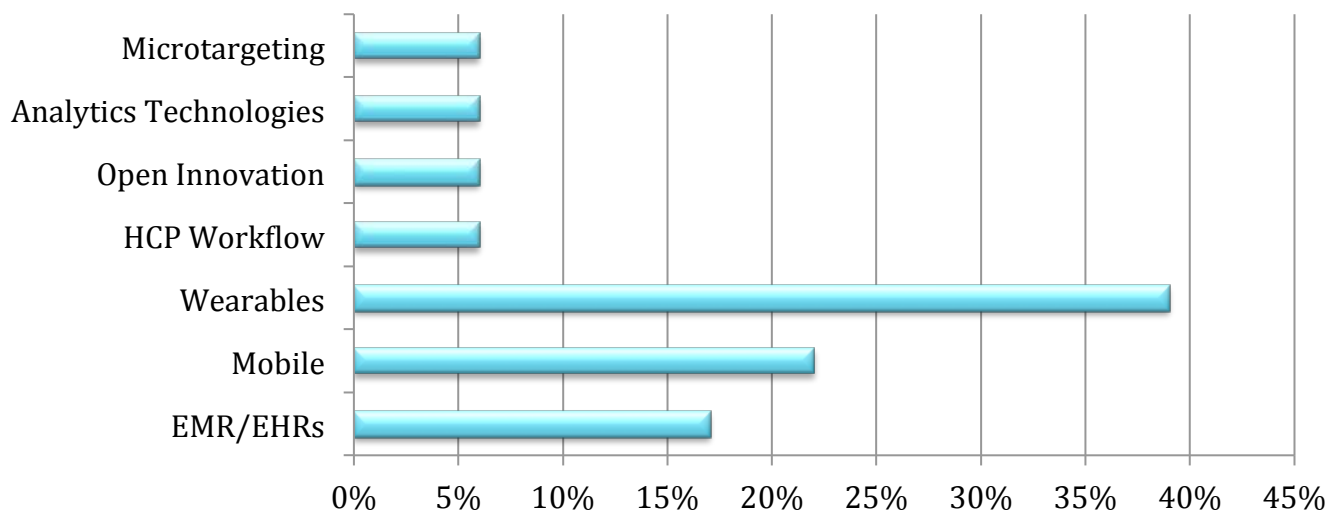


Technology with the greatest impact in 2015?

"Better healthwear, more seamlessly integrated with mobile platforms."

- A DHC Health Scholar

... And what technology do you see as having the greatest impact in 2015?



In summary, there is not a strong sense of confidence yet in either a climate or future of innovation for a majority of respondents. However, some industry experts are confident that innovation will be accelerating, and point to examples of such progress. In the survey, this included references to efforts by Sanofi, Gilenya, Ironwood, Janssen, and Merck. Specifically, two DHC Advisory Board members shared the following POVs:

EXPERT OPINION



**Marc Monseau, DHC Board of Directors
Former Director, Corporate Communication, Social
Media, Johnson & Johnson**

We continue to see great strides in the use of digital communications tools to reach and engage key audiences to achieve business objectives. In the past year, an increasing number of companies have begun to routinely create integrated communications and marketing plans that leverage multiple channels to reach their customers as and when they turn to use

different channels and platforms to seek information to help with decision-making. For consumer-facing initiatives, companies like Novartis through its Gilenya brand team have shown that social media can be part of this mix and can be used to raise the profile of the brand among a key demographic. Similarly, Johnson & Johnson's Stelera brand showed that through the creation and distribution of useful and informative content that resonates with different audiences, brand objectives can be achieved. With more and more companies taking chances and creating more comprehensive and integrated campaigns that deliver results, we can anticipate more companies and brands to create increasingly sophisticated campaigns in the future.



**Bob Palmer, DHC Advisory Board Member
EVP Managing Director, JUICE Pharma
Pharma and Wellness: Forming**

Partnerships Beyond the Pill: *There are encouraging signs that pharma has recognized the important benefits of emphasizing wellness and prevention to their customers. While a number of pharmaceutical companies have offered fairly robust wellness initiatives to their employees over the past decade, stand-alone wellness programs and resources for*

their customers are a relatively new trend. Many branded and unbranded properties offer tools and tips on prevention, wellness and adherence, but stand-alone assets that aren't related to specific medications are only now coming into their own.

Efforts to “productize” prevention and wellness for patients, caregivers and healthcare professionals are now gaining traction with major pharmaceutical companies. For example, Merck is one of several pharmaceutical companies that have provided leadership when it comes to healthcare innovation based on products outside of the medicines they manufacture. The Merck Global Innovation Fund connects innovative companies with complementary digital technologies to develop integrated healthcare solutions. Merck’s Vree Health subsidiary has developed technologies that help a patient transition from the hospital to home; the goal is to greatly reduce hospital readmissions by promoting and monitoring adherence and prevention practices. Everybody wins: the patient has a better outcome; the caregiver receives much-needed assistance and guidance; the physician achieves a better clinical outcome; and the hospital receives higher reimbursement from Medicare and Medicaid.

Merck has also invested heavily in MerckEngage, a robust online portal for patients, caregivers and healthcare professionals. For patients and caregivers the content includes sections on Health Planning; a Condition Library; Healthy Conversations (discussion guides); a Caregiving section; as well as newsletters, healthy recipes, and patient stories. The HCP section of the site provides adherence support tools, interactive planners and trackers, videos, and a mobile app to access all of the materials on the site.

These and similar programs offer patients, caregivers and healthcare providers opportunities to improve clinical outcomes while enhancing the reputation and marketing efforts of the pharmaceutical companies that provide them.

About the Digital Health Coalition

The Digital Health Coalition, a nonprofit organization with 501(c)(3) status, was created to serve as the collective public voice and national public forum for the discussion of the current and future issues relevant to digital and electronic marketing of healthcare products and services.

By engaging multiple and diverse stakeholders—including the pharmaceutical and biotech manufacturers, physician and patient groups, advertising agencies, health information providers, internet search companies, medical technology companies, employers, health plans, public health agencies, academic and research institutions, and public sector stakeholders, the Digital Health Coalition’s vision is to identify and then recommend specific actions that will inform digital healthcare communication and engagement for the benefit of the public at large. Further, the Coalition’s projects and position statements aim to educate the public through the distribution of informational materials that will be widely reported in the media and referred to in setting of state and national digital health communication standards.



Digital Health Coalition

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