

# Pharmaceutical and Device Industry Outlook –

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# Biggest Overall Impact of Current Environment

- Uncertainty – short- and long-term business and healthcare environment
- Sequential budget crises in U.S., disproportionate cuts
- Restructuring and consolidation of healthcare system
- Larger entitlement reform may follow – but with significant savings taken out first
- Concern about U.S. corporate tax system
- ACA important – but uncertainty and short-term focus is a bigger problem

# Biopharmaceuticals

- Unmet medical need – Alzheimers, diabetes, cancer, multi-drug resistant TB, Hep C – balancing developed and developing country needs
- Difficult regulatory environment
  - Biosimilars pathway
  - Personalized medicine
  - e.g., type 2 diabetes drugs, additional reqs for CV effects, in absence of safety signals
- ACOs
  - Engaged in discussions, not clear role
  - Part B drugs count, Part D drugs don't
  - Concern if tech/Tx not in baseline (Alzheimers treatments)
  - Continued demand for better evidence of outcomes
- Reimbursement challenges
  - Continued target for cuts – most concern about Part D rebates
  - Coverage limits

# Medical Devices

- Regulatory environment difficult, esp for combination products
- ACOs
  - Engaging, not clear role
  - Greater commoditization of products by providers, including ACOs, demand for better evidence of value
  - Opportunities to develop broader solutions, e.g., geriatric fracture program

# Partnerships, New Opportunities

- Challenge as providers and insurers develop new partnerships
  - role we can plan in management of care
  - connectivity of patients & physicians
  - “with the grain” solutions that will improve quality, reduce costs (HAIs, post-operative recovery, prevention & wellness)
- Convergence of business around conditions and patient need – continuum from prevention to consumer ed, management around treatment, medication adherence, feedback to physicians, data capture