

# Health Economics, Outcomes Research and Brand Strategy

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An IMS  
Viewpoint

In this era of pricing pressures, access barriers and strong demand from all stakeholders for more detailed outcomes information, pharmaceutical companies have come to appreciate the importance of demonstrating and articulating the value of their products.

In the past, demonstrating added value on the basis of efficacy and effectiveness was the benchmark. Now, stakeholders in healthcare are increasingly relying on Health Economics and Outcomes Research (HEOR) information to fully understand product value in healthcare and its potential in real-world clinical practice.

HEOR information helps healthcare authorities understand the impact of therapies and treatment options. Achieving a favourable endorsement from healthcare authorities is critical to ensure that new innovations are incorporated into guidelines of care and reach the market and patients more quickly (Figure 1).

## *HEOR answers health authority questions*

HEOR can provide valuable answers to questions, such as:

- What is the economic burden of a disease within the healthcare system?
- Does the new intervention merit public funding?
- What are the economic implications of its use?
- How do the incremental costs compare with the anticipated benefits for specific patient groups?
- Is the target drug used appropriately vs. available alternatives as per its approved label?
- What happens to patients who discontinue treatment with the target drug?

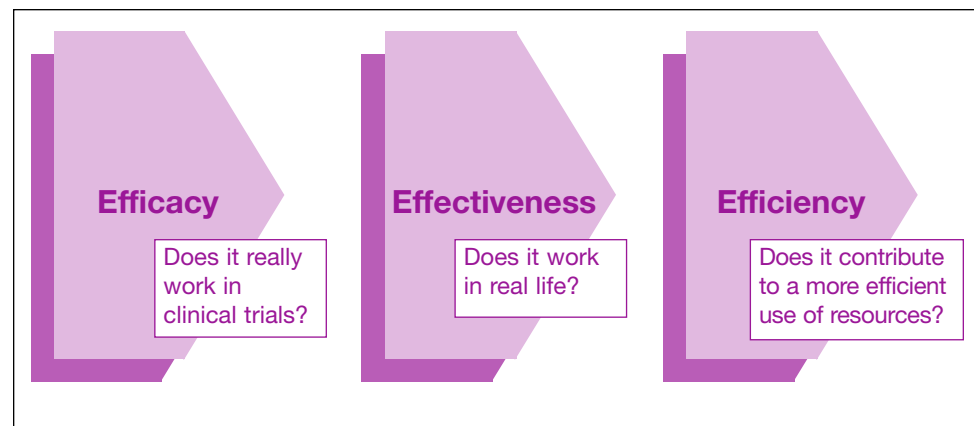


Figure 1. Demonstrating value.

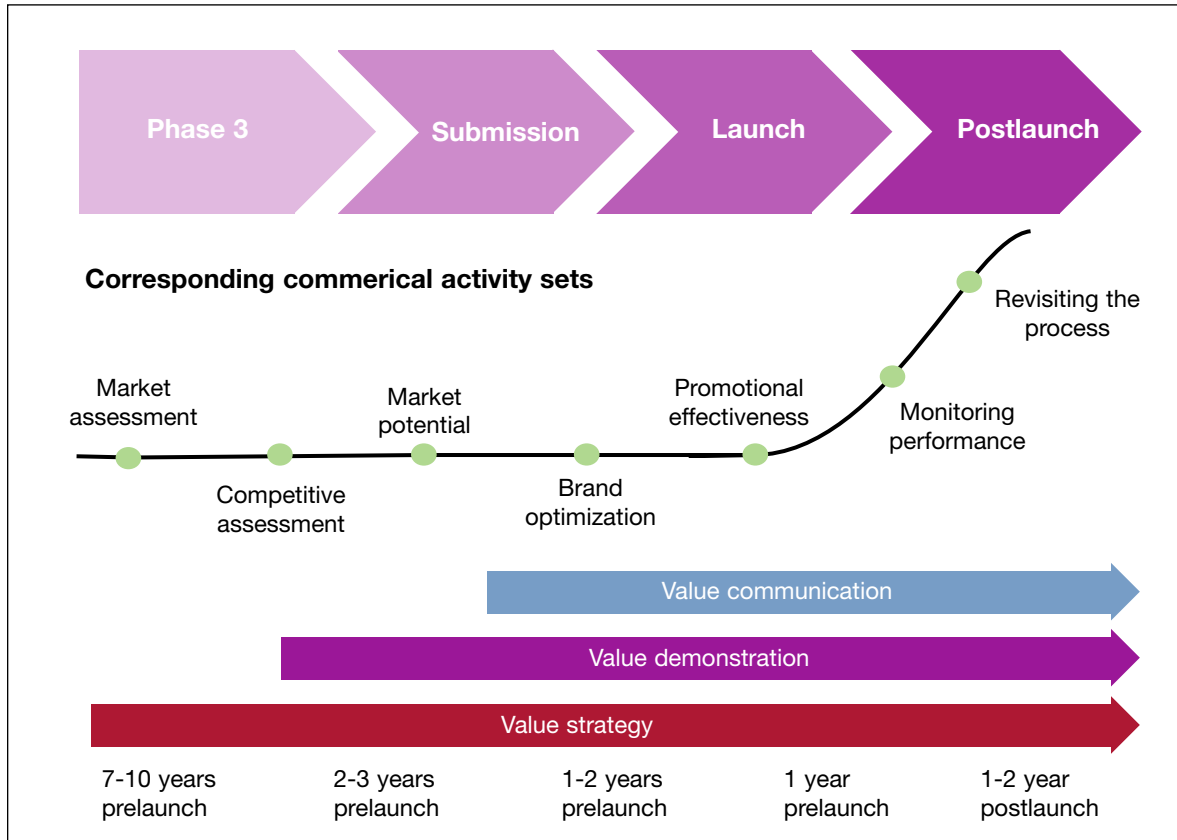


Figure 2. A systematic value-development plan.

*HEOR information helps healthcare authorities understand the impact of therapies and treatment options.*

*HEOR can benefit brand strategy from pre-clinical through to postlaunch*

HEOR has the potential to greatly affect brand management by maximizing reimbursement, funding, market access and product uptake at launch and beyond. However, companies need to understand how to transform HEOR studies from traditional academic exercises into key components of the commercialization strategy.

In order to evolve from academics to business, health economists must become more closely involved in commercial development planning, beginning with the proof of concept. Further, health economist findings must be communicated in concrete, business-oriented terms to be able to deliver messages to multiple audiences. With the right approaches, companies will fully realize

the value of HEOR investments, which, for the industry as a whole, is at approximately \$500 million a year.

*A systematic value-development plan is needed*

To help in the evolution from academics to business, companies must systematically develop and implement a value-demonstration process—a strategic exercise of first deciding what the value is, proving it through appropriate research and communicating the documented value in a way that resonates with internal and external audience (Figure 2).

Essentially, the value-development plan is a strategy document that includes a clear set of evidence-based recommendations on how the product’s value will be determined, demonstrated, communicated and realized in the market. It should be created when a product is in the proof-of-concept phase and it should then become a living document reflecting new information over the product lifecycle.

The plan is developed by:


- Conducting an environmental assessment; this entails reviewing the marketing plan, latest market research on the product, market

projections, competitor profiles, *etc.*

- Gathering input from key internal staff on their expectations for the product and its perceived value, the challenges they foresee and their expectations of HEOR
- Interviewing key external stakeholders (*e.g.*, payers, patients, provider, employers) on their needs, expectations and perceptions of treatment in the therapy area
- Based on this research, benchmarking the product against the alternatives, identifying elements in the clinical profile that may be perceived to add value and articulating the target value proposition
- Crafting a value strategy and accompanying tactics—the strategy should specify all the ways that value demonstration could support the marketing strategy to articulate the product’s value proposition and messages. It should identify the HEOR studies needed in order to develop supporting documentation for each of those messages, by audience. The

result is a working document endorsed by the full brand/product team specifying exactly what the HEOR is to deliver

This methodology offers several benefits to the pharmaceutical brand marketing team. First, the HEOR department’s work will support the brand strategy and goals. Second, the process will have started early enough for the outcomes research to be ready when it is actually needed. Third, as the product develops, the plan offers a way to gauge the product’s position on the value continuum. Lastly, the HEOR contribution becomes directly measurable and recognized. **CPM**



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