



## **What Kind of Values Make the Pharmaceutical Industry Go Around?**

*How Sweden & Israel Set an Aspirational Benchmark in Moving to a Value-Based Healthcare System.*

**Dr. Simone Wyss Fedele**

Lifescience Forum, The New Age of Healthcare

Wednesday 14<sup>th</sup> June 2017, Basel

# What kind of value made Pharma go around in the past?



**Governments**

**Insurers**

**Pharma**

**Pharmacies**

Minimize  
money for  
pill

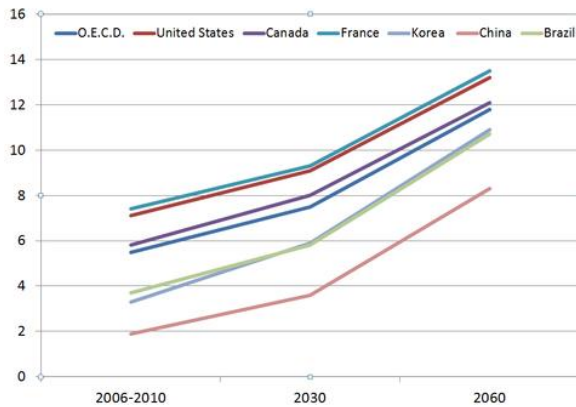


Maximize  
money for  
pill

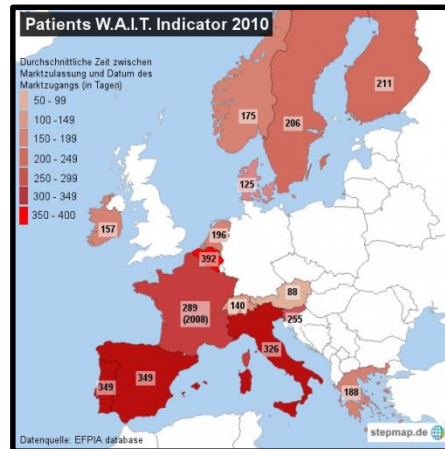
# Any problem? 3 Trends indicate yes



## Rising healthcare costs (% GDP)



## Patients W.A.I.T. Indicator



## Reputation & Ethics



Source: OECD, EFPIA 2016



Focus on shared interest, put incentives right & establish necessary conditions

# What kind of value makes us go around today?

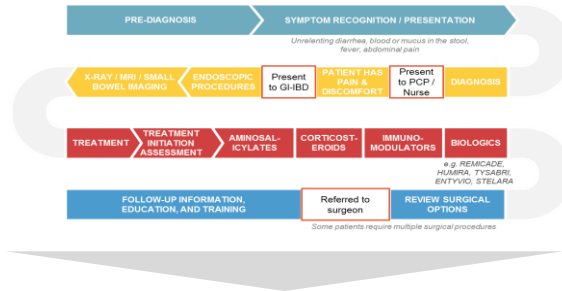
## Foster in partnership patient access & healthcare sustainability



### FOCUS ON PATIENTS ENABLES MOVE TO VALUE-BASED HEALTHCARE



#### PATIENT PATHWAY



### Focus Today

#### NEEDS

REDUCE DISEASE BURDEN

PATIENT EDUCATION

PHYSICIAN AND PAYER EDUCATION

EARLY DIAGNOSIS AND HOLISTIC CARE

VALUE FOR MONEY

AFFORDABILITY

#### SOLUTIONS

SHAPE ENVIRONMENT

PATIENT EMPOWERMENT

STAKEHOLDER ENGAGEMENT

PATIENT CENTRIC DISEASE MANAGEMENT

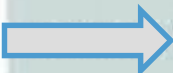
EVIDENCE GENERATION

INNOVATIVE PRICING

# What does this mean for Pharma in the real world?



## «Value-Based Healthcare for Pharma: Move from selling pills to outcomes»


$$\text{Value} = \frac{\text{Health Outcomes}}{\text{Cost}}$$

Pharma will be paid by the way we generate socially accepted value in the real world

Agile companies...



How do we generate value with proper return for company?

# How can Pharma generate value with proper return?



## A selection of pharma business models with (real world) outcome focus

Outcome-based pricing



Personalized Medicine



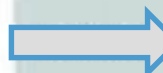
Integrated HC Solutions



«No egg without hen» - Fundamentals to move to value-based healthcare? ...

# Critical fundament for move to value-based healthcare




$$\text{Value} = \frac{\text{Health Outcomes}}{\text{Cost}}$$



Outcomes: Standardized definition across diseases & pathways (society/patients)



Outcomes: Systematic & integrated measurement (safe & trusted informatics)



Cost: Incentive outcome-based payment, break-down silos & establish mid-term view

# Benchmark ICHOM: Outcome measurement



Partnership OECD/ICHOM  
To make person-centered care the normal health system

PaRIS

**ICHOM**

OVERALL AND CAUSE SPECIFIC SURVIVAL

CHANGE IN BOWEL SYMPTOMS

SYMPTOMS, FUNCTION, AND QUALITY OF LIFE

PAIN AND DISCOMFORT

MOVING ACTIVITIES

ENERGY AND FATIGUE

WEIGHT

COMPLICATIONS OF INTERVENTION

DISABILITY OF CARE

STERIOD USE

HOSPITALISATIONS AND EMERGENCY VISITS

ANALGESIA

DISEASE ACTIVITY AND RELISSION

COLORRECTAL CANCER

SURVIVAL AND QUALITY OF LIFE

RELATIONSHIP OF OUTCOMES

**OECD**  
BETTER POLICIES FOR BETTER LIVES

**HARVARD BUSINESS SCHOOL**

**Cardiff Institute**

**BCG**  
The Boston Consulting Group

<http://www.ichom.org/>  
<http://www.ichom.org/medical-conditions>

PaRIS: Patient Reported Indicated Survey



# Benchmark Israel: Outcome measurement & analytics



# Benchmark Sweden: Outcome measurement & payment



# Switzerland – A future benchmark for value-based healthcare to the world?



Some personal thoughts....



$$\text{Patient Value} = \frac{\text{Health Outcomes}}{\text{Cost}}$$



Do we want VBHC?

## Challenges & Opportunities

- Fragmentation
- Outcomes
- Data protection
- Reforms
- - Federalism
- Big Pharma



- What makes us go around is value-based healthcare
- Great opportunity for patients, society & healthcare companies
- Political will & commitment as key decision factor
- Best practice examples show it is possible
- OECD will increase transformation speed
- Switzerland could be a future benchmark for VBHC
- Partnerships with strong local HC players as advantage
- Condition: Political will, learn from the world & innovate best-fit