

HB Advantage

THE MAGAZINE OF THE HEALTHCARE BUSINESSWOMEN'S ASSOCIATION



INDUSTRY UPDATE

Biopharma
Providers
Medical Device

Payers
Academia
Associations



Hot
Jobs
2013



CONTENTS

3 Pharma

5 Biotech & Specialty products

8 Medical Device

11 Payers & Providers

13 Academia & Associations

15 Hot Jobs

STAFF

EDITOR-IN-CHIEF Carol Meerschaert

MANAGING EDITOR Danielle Thierry

COPY EDITOR Phil George

ART DIRECTOR Michael Smyjewski

CONTRIBUTING WRITERS Danielle Thierry

CREDITS

PRINTER Queen City Printers

M DOMINIECKI PHOTO Claire Allison Photography

A NOTE FROM THE EDITORS

Thank you to all of the industry leaders who shared their time, insights and advice with us to bring our readers this first annual industry update issue of the *HBAdvantage*.

Please note that this is intended to be a helpful, high-level guide for industry professionals and not to provide complete, in-depth coverage of the state of healthcare today. All opinions expressed are those of the individuals quoted and not of their companies or organizations; and all information, statistics and predictions are accurate to the best of our knowledge at the time of printing.

For further reading, please consult the following references used to inform this issue: *California biomedical industry 2012 report* (California Health Institute, BayBio and PwC) and *Top health industry issues of 2013: picking up the pace on health reform* (PwC Health Research Institute), both available online at www.pwc.com, and *Report to the president on propelling innovation in drug discovery, development, and evaluation* (The President's Council of Advisors on Science and Technology), available online at www.whitehouse.gov/administration/eop/ostp/pcast.



2013 INDUSTRY UPDATE

By **Danielle Thierry**

The patent cliff. The Affordable Care Act. The explosion of science and technology. And the shrinking of budgets. There is no question that the world of healthcare is changing—in fact, has already changed—and the new reality holds great uncertainty.

But, across every sector from pharma and biotech to academia and patient care, experts are marking 2013 as a time when many certainties will begin coming to light—and those who work in the industry will have their chance to sink or swim. According to the PwC Health Research Institute, “2013 offers enormous opportunities...[and] success in 2014 will come to those who use 2013 wisely.”

To help you navigate the uncertainties, identify the opportunities and successfully rise to the challenges, we’ve captured the insights and advice of 15 experts across seven industry sectors. Read on to find out how to position yourself for leadership in the new world of healthcare.

If you work in pharma, it may feel like everything is changing, from the customers you interface with to the way drugs are tested, developed and marketed, to the rules you have to follow. And, you're right.

Redefining the customer and uncovering their needs

The entire customer model is changing—and becoming much more complex. Patients are becoming a stronger, more educated voice and demanding more value as they shoulder more of the cost of medicine. Regulators and payers are demanding more defined populations with differentiated benefits and better patient management. And, healthcare providers are increasingly moving into more complex Accountable Care Organizations (ACOs).

Companies are working to identify the unmet needs of these various stakeholders and what they can bring to the table “beyond the pill” to help meet those needs. One area of opportunity lies in medication adherence and education. “Though companies have offered adherence programs for quite some time, the receptivity among healthcare providers is growing with the increased focus on patient health management,” explains Christina Droukas, senior manager of payer marketing at Daiichi Sankyo.

Pharma companies are also perfectly poised to fill the gap in patient education on diagnostics and early-stage disease. “As personalized medicine increases the importance of getting an early and accurate diagnosis, companies can help to provide much-needed information—such as what tests are required and what the results mean—so patients can advocate for themselves and make sure they’re getting targeted treatments during the critical stages of eligibility,” says Lynn Nye, PhD, owner of Medical Minds, Inc.

Stakeholders are also becoming more willing to partner with pharma companies on mutually beneficial initiatives, as evidenced by the five-year partnership between Pfizer and insurer Humana to improve access, cost and quality.

The key to success in a world of limited resources, says Droukas, is making sure that you’re staying informed of new trends without throwing money at every new idea: “You need to be looking three to five years ahead and be much more strategic in how you allocate funding. You need to do market research to gauge the anticipated impact of each idea and when to implement it.”

Managing the diagnostic-drug-device convergence

“The convergence of diagnostic, drug and device or other related therapies is going to be a huge part of innovation beyond the patent cliff,” says Terri Pascarelli, MBA, managing director, life sciences at YourEncore, Inc., noting the FDA approval of drugs like Pfizer’s Xalkori, Genentech’s Zelboraf and Vertex Pharmaceutical’s Kalydeco along with their companion diagnostic tests. “The dynamics of the industry are driving toward a more specialty focus so that—even when there is not a specific companion diagnostic—we need to think about the interplay between all these different elements of the treatment continuum.”

Pascarelli encourages professionals to bring this multi-dimensional focus not only to their work, but also to their careers. “No matter what your specific function, you’ll need experience to support all sides of the business and you’ll need to react quickly to fast, fluid change in diverse areas,” she says. “The people who have a savvy approach and some good crossover subject matter expertise, or are willing to be students again further into their careers, are going to be the ones who are sought after for leadership positions.”

Building alliances

Pascarelli also advises professionals to tune up their alliance management skills: “You need to be able to live in an alliance-based world that requires you to work with partners from different companies with expertise in companion areas.”

Jane Bainbridge, MBA, VP of regulatory operations, compliance & training at Celgene, agrees, adding that collaboration is key to both business and industry goals. “We all need to be much more flexible and broad-minded,

collaborating across the industry as well as with government, in order to keep pushing medicine forward,” she explains. “In 2012, the President’s Council of Advisors on Science and Technology (PCAST) published an extensive set of recommendations to propel innovation and we need to partner with various sectors to test these recommendations.” For example, Bainbridge highlights the council’s recommendation for a broad-based partnership to accelerate therapeutics by focusing on the underlying science, technology and methodologies of drug discovery and development such as validation of biological targets and biomarkers; establishing clinical trial networks; and accelerating the guidance drafting process to increase clarity of the development pathway.

Finding efficiencies

As each company works to connect with other entities, it must also reexamine the way it works internally. “There’s the process side, the cost side and the decision-making side,” says Bainbridge, who explains that while robust decision-making and sound process are important, they can also make companies sluggish. “To move forward, we need a ‘no more, no less’ philosophy so that we have what we need, make a decision and then act on it.”

Sharon Henry, MD, VP and head of global medical advocacy for Bristol-Myers Squibb, agrees, adding that the complexities of personalized medicine bring a whole new layer to process decisions. “From one perspective, personalized medicine means things like defining biomarkers to better identify what patient subgroups are more likely to respond to a treatment, leading to better efficacy or safety profiles. But from a broader view, it’s more than that—it becomes an integral part of commercialization, affecting decisions about the design of trials and the timing of when decisions need to be made in the development process.”

For people working in the industry, this focus on efficiency—combined with the need for process innovation—means working “faster, harder, smarter,” according to Christy Fleurat, MBA, director in project management for oncology at Pfizer, where teams work to find ways to target different mechanisms and patient segments to provide options for people with advanced cancers.



“Ten years ago, the focus was, ‘do it right.’ Today, it’s ‘still do it right,’ but also ‘do it faster,’” she explains. “Everyone is working on more projects and dealing with huge internal competition for limited resources and the need to get to market in a competitive marketplace. So we have to always prioritize to ensure we’re focused on ideas that are ‘spot-on’ from both a medical need and commercialization perspective, and constantly look for new and better ways to get things done. It takes a broad set of skills to be able to do all of that.”

For Fleurat, the most critical of those skills are flexibility, transparency and team leadership: “The demands of the marketplace are changing so rapidly, you need to be very transparent as to what’s really important, gain agreement and support on the most innovative approach, and then work as a highly efficient team to develop or launch your product as quickly as possible.”

Building regulatory and reimbursement into the process

Success in today’s world means working regulatory approval and—even more challenging—reimbursement into the process. “It’s no longer about simply getting approval,” says Sabine Dandiguian, managing director of “European” emerging markets for Janssen, Johnson & Johnson pharmaceutical sector. “It’s about getting access with the right level of reimbursement and working with authorities on aligning real life and clinical outcomes.”

Dr. Henry agrees: “There is an increasing awareness of and need to understand both the medical and economic value of new innovations—not marginal value, but real, differentiated value and improvement in risk-benefit—and companies must focus on developing innovations that deliver both improved patient outcomes and increased value to gain better access potential.” She explains that part of this means focusing on how clinical data will translate into real life. “It used to be that we used that data to make sure we were correctly tracking patient safety. That evolved into REMS. Now, we are able to better understand how care is really being delivered and to identify where there are opportunities to intervene with other treatments and improve outcomes.”

Dr. Henry notes that as the industry moves forward and continues to take products through approval in this new

environment, there will be more opportunity to define what authorities and payers want to see and when they want to see it. But for now, the PwC Health Research Institute's *Top health industry issues of 2013* report offers these tips companies can follow to improve their chances of commercial success:

- Include a comparative-effectiveness component in clinical trials
- Study companion diagnostics to help target patients who will benefit most from a treatment
- Provide robust, cost-effectiveness data to payers (including mock formulary evidence audits, data-sharing partnerships and outcomes-dependent contracts)
- Monitor costs and outcomes during the clinical trial process (using data from electronic health records, patient registries and other sources)

Taking action

Regardless of where you fit into the pharma puzzle, experts agree that 2013 is a tipping point. “The PCAST report lays out industry goals that can mean getting safer, more efficacious medicines to patient sooner,” concludes Bainbridge. “While they provide a 10-to-15-year timeline for reaching those goals, there’s a lot we can do now to accept the challenges and put the right steps in place. It’s time to take action.”

Dr. Henry agrees, and adds that taking these steps also offers pharma a unique opportunity to change its image. “Unfortunately, there is a public belief that companies are just in it for the money while the real value of the research leading to improved patient care gets lost. There’s so much more that pharma companies do for the people they serve. We have an opportunity now to think about how we talk about ourselves and our work—and to show the world the good we do.”

INDUSTRY UPDATE

CHALLENGES AND OPPORTUNITIES IN THE AGE OF BIOTECHNOLOGY

BIOTECH & SPECIALTY PRODUCTS

While financial and regulatory pressures are impacting every industry sector, companies developing biotech and complex specialty products may be feeling the pinch even more than most.

The combined challenges of increasingly high failure rates, significant clinical trial expenses and regulatory uncertainties impact both small biotech firms—whose entire survival may depend on one or two products—and large biopharma companies with more robust pipelines but high financial expectations from Wall Street and shareholders.

The evidence of the impact is clear as the venture capital that has funded so much innovation becomes increasingly tougher to obtain. A National Venture Capital Association survey of 156 VC companies reported that many plan to decrease their biomedical investments in the coming years. And the *California biomedical industry 2012* report showed that 70% of industry professionals surveyed cited lack of capital

as the greatest threat to the industry’s growth over the next five years.

Realizing the impact of reimbursement

Further complicating matters is the method of dissemination. While most pills are dispensed to patients through retail or mail-order pharmacies, many biotech and specialty products are administered in a doctor’s office through a process known as “buy-and-bill”. This approach—where a doctor buys the drug, administers it to a patient, and then bills the patient’s insurance company for reimbursement of the drug and healthcare services—makes reimbursement a key issue.

“Not only does a manufacturer have to consider the clinical aspects and pricing strategy of a new product, but now more than ever, with ‘buy-and-bill’ product, they also have to consider how it will be reimbursed once approved,” explains Abigail Jenkins, VP of business development for Intellogics Specialty Distribution. Among the many pressures on today’s

Vendor perspectives

What it takes to serve today's biopharma companies

Whether you work for or run your own vendor-side company, your clients' needs are rapidly evolving—and the competition to meet them is fierce. Here are some tips to help you stay relevant.

From Lynn Nye, PhD, owner of Medical Minds, Inc.:

Always focus on filling your pipeline.

“When we started our business five years ago, business just came to us. But the world is becoming much more competitive and you have to pitch a lot more business now to win a lot less. Be always looking for new business opportunities to fill your pipeline because the hit rate is so much lower.”

Be responsive. “You have to be really responsive to people and be able to turn on a dime. You have to answer people's emails on the weekends and over the holidays—because if you don't, somebody else does.”

Understand the big picture. “With the demands of today's marketplace, companies need support teams that understand the big picture—from the clinical to the regulatory to the commercialization—in order to be truly effective.”

From Mary Dominiecki, PhD, associate group director at National Analysts Worldwide:

Focus on the numbers. “Budgets are being squeezed across every functional area. So our clients need us to help them decide where their dollars make the most sense. Today, every company, large and small, has to measure what's working—and what's not.”

Provide out-of-the-box thinking. “Those of us in supporting roles to biopharma companies need to be more innovative and creative in what we do and how we do it. For example, our company works across industries, so we have regular internal sessions where we share best practices that can spawn ideas for healthcare.”

Be a true partner. “You need to genuinely partner with your clients and make the most of what you have to do more with less—just as they're doing in their own companies. This builds trust and encourages a long-term relationship.”

healthcare providers, one of the more critical will be the pending payment reductions as the Affordable Care Act goes into effect. Reimbursement reductions have the potential to cause huge issues for manufacturers, providers and patients alike.

According to Jenkins, this combination of factors make it more important for manufacturers of biotech and specialty products—both big and small—to consider their channel strategy earlier in the commercialization process. In addition, brand marketers must be more aligned with their trade and distribution and managed markets colleagues than they would be with traditional pharmaceutical products. Small companies that may not even have marketing or trade functions yet should seek the guidance of a channel strategy

consultant once phase III results are available.

Defining the value of innovation

“The question the current financial reality is causing the industry—and overall society—to consider is, ‘We're making all these great advancements, but how do we pay for them while continuing to drive sustainable innovation?’” explains Jenkins. “We all want to do the right thing for patients, and to achieve this goal, the industry needs the ability to commercialize medicine in a profitable way in order to spur innovation. And this, of course, creates a paradox.” Jenkins cites GSK's decision to change their sales force compensation incentive structure to shift the focus off of prescription volume as a step in the right direction, and predicts that other biopharma companies will consider changes to their

sales and/or marketing practices in order to adapt to the new environment over the next five years.

From the investor side, part of the answer is bringing more rigor to the development process, particularly in the early stages. The *California biotechnology industry 2012* report offers hope in its assessment that many VC firms “remain committed to the biomedical industry, albeit with stricter investment criteria.” As in pharma, biotech firms will need to concentrate on early evidence of clinical efficacy, differentiated value (both medical and economic) and efficient development processes.

Finding promise amid the uncertainty

Despite its challenges, biotech still offers great promise. “We are now firmly in the age of biotechnology and specialty products with seven of the top 10 drugs expected to be specialty products by 2018,” says Jenkins. “And this age brings a lot of hope to historically underserved patient populations as areas that never before had commercial viability now have three or four different therapy options coming to market. Last year saw the FDA approval of nine new orphan drugs, and more than 20 specialty products are expected to launch within the next 18 months—many of them oral as opposed to the mainly injectable biologics of the past. And the promise of these novel therapies offers great hope for millions of patients with devastating conditions such as Alzheimer’s disease, cancer, multiple sclerosis and orphan diseases.”

There is growing evidence of positive momentum to ensure continued innovation. From the Federal Government’s creation and funding of the National Center for Advancing Translational Sciences (NCATS) and first funding of the Reagan-Udall Foundation (RUF) to the work of industry organizations like BIO to emerging cross-sector partnerships, it is clear that the industry is dedicated to overcoming challenges and realizing opportunities.

Embracing change and getting involved

Professionals and businesses can add to the momentum by getting involved in advocacy efforts to help influence policy, by committing themselves to the difficult task of change and by working alongside previously unlikely partners.

For example, the President’s Council of Advisors on Science and Technology recommends that FDA work alongside the industry and medical community to form “enduring clinical trials networks able to perform studies suitable for registration of a new drug with efficiency and high quality” and that industry leaders, patient groups and researchers come together to present FDA with guidance on important issues like adaptive clinical trials.

So look for a lot more collaboration in coming years—and seek out ways to get involved. As experts across the industry have noted, going beyond our own immediate needs and profits will be the key to our collective long-term success.



Breaking into biotech



Tips from Abigail Jenkins

Flexibility is key across all sectors of healthcare. But if you're looking to break into biotech—or crossover from another sector—it's all the more important. “There's no great secret,” says Jenkins, who several years ago made a successful transition from pharma to biotech. “But the more flexible you can be, the more likely you will be to break in.”

And what does it mean to be flexible? According to Jenkins, it means being open about your:

Job title. Look at the role, not the title, of a new opportunity. If you were a director in a pharma company, that title may not transfer directly to a similar “level” position in a different function or start-up organization.

Career path. Be flexible and redefine your goals instead of worrying about climbing the ladder. Be willing to make a lateral move—or even take a step back—to gain critical skills and be competitive over the long term. You may need to prove yourself in your new environment or function before moving up again. In smaller organizations you may have the opportunity to wear more hats, giving you more experience, and often have a much faster promotion track if you're adaptive, gaining new skills and performing well.

Responsibilities. Make sure you're comfortable doing more with a lot less. When people say you “wear five hats” in biotech, that doesn't mean you just wear them. You literally do the work of five people—including the menial tasks. You need to be comfortable managing the work *and* doing the work both within and outside of your core role and responsibilities.

Work arrangements. Even if you're not willing to relocate for a job, look for opportunities beyond your immediate area. Society is changing and adapting in terms of flexible work arrangements. So go through the interview process, and once you're the top candidate, ask about the possibility of working remotely in some capacity.

INDUSTRY UPDATE

OVERCOMING CHALLENGES FOR CONTINUED INNOVATION

MEDICAL DEVICE

The most talked about change in the medical device sector today is the 2.3% excise tax that went into effect on January 1.

“It's a tax on sales, not profits, so it's having a significant impact across our industry,” explains Sheryl Conley, MBA, CEO of OrthoWorx, a nonprofit organization that works with various stakeholders on key industry issues. “Several large industry players have indicated that they may reduce their workforce or slow down R&D, but where it really hits is the many small start-ups that drive much of the sector's innovation. For a small start-up that's not yet making a profit, but still paying a tax, that's an engineer; that's a prototype they now can't afford.” Indeed, the PwC Health Research

Institute's *Top health industry issues of 2013* report predicts greater industry consolidation as investors shy away and large companies better able to absorb the tax buy up their smaller competitors.

The industry faces added financial challenges with increased scrutiny in reimbursement and greater pressure from government for post-market surveillance. Compounding the situation further in the US are a sluggish FDA review process and clinical trial challenges. “Review times for first-to-market have gone from about one year to four years,” says Conley. “Medical device is such a diverse area that it's difficult to find and retain reviewers who are experts in and have historical context across the various areas from orthopedics to ophthalmology to imaging.” She adds that these roadblocks to approval in the US are driving more and more device

business—one of the few manufacturing industries in the country that consistently exports more than it imports—out to other countries where trials and reviews are faster and less expensive.

Addressing challenges with fewer resources

Beyond the financial issues is the very real global issue of the incredible, ongoing influx of aging baby boomers. “They are coming fast, and they are coming with complex comorbidities, and yet because of years of reduced funding for residency programs and such, we don’t have the highly skilled surgeons needed to address their needs,” says Conley.

The key to finding solutions with fewer dollars, she says, is to simply dive in, get started and encourage others to follow. “No one group can fix everything, but when we feel all these pressures coming at us, instead of throwing up our hands, we need to say, okay, what *can* we do?”

For the OrthoWorx team, this means addressing both local and global issues. When the orthopedic companies in their hometown of Warsaw, Indiana, identified a need for a pipeline of qualified regulatory and clinical affairs professionals, they

partnered with a local college to develop a master’s degree program to address that need. And, they are now investigating the creation of a broader “orthopedic capital clinic” designed to work with various stakeholders to monitor and manage every dollar spent on every patient in order to identify areas of opportunities for cost reduction and outcomes improvement, demonstrate those innovations rapidly, and begin sharing them with others. They also expect to develop alternative reimbursement models to present to government.

Staying positive about the future

“I’m a pragmatist, but I’m also an optimist,” concludes Conley, who, as an angel investor, has seen several promising early-stage innovations on the horizon. “I think when we look back in 2014, we’ll have suffered through much and seen things that have changed fundamentally and forever. But I also think there are still so many unmet needs that we will find a way to continue to innovate, to keep an ongoing dialogue with government and payers to reduce costs without hamstringing innovation and to bring the patient more and more to the immediate center.”

Turning challenges into opportunities



Tips from Sheryl Conley, MBA

Learn about the bigger issues.

Whatever your function, stay informed about reimbursement and regulatory issues and understand the realities of the marketplace and the challenges of your company. Use this knowledge to identify unmet needs or offer suggestions on how to navigate through issues and make the greatest impact.

Combine business and technical skills.

Consider complementing an advanced engineering degree with an MBA—and be willing to roll up your

sleeves to gain valuable hands-on experience.

Go to where your customers are. If you work in implants, go into the operating room and see for yourself how the instruments are arranged on the tray, how the surgical team works. Ask questions about who pays for what pieces. Unmet needs and cost-savings opportunities are often identified when you see the larger process in action.

Leading in the global age



Advice from Sabine Dandiguian

Amidst the many changes in the US marketplace, healthcare companies are also facing the new reality of a global world. Like European companies that have long had to look beyond their borders to achieve growth, US companies are now seeing a huge shift to global markets. According to Sabine Dandiguian, managing director of “European” emerging markets for Janssen, Johnson & Johnson pharmaceutical sector, more than 50% of J&J’s business is now outside the US. For the people working within those companies, this means facing a host of new challenges.

Dandiguian offers these tips for leading in the global age:

Take the time to understand the nuances of each country and culture. “Never think of ‘emerging markets’ as a whole. If we want to be efficient in those countries, we need to be interested in the cultural differences and gaps, to have an appetite to go outside and learn about them. You need to understand that men in the Middle East may have never before experienced a woman as a boss, or that specific behaviors are very important in Russia, and you need to respect those differences and be flexible to support your team. You need to immerse yourself in each culture—read their newspapers, their literature, their history, and observe their reality.”

Continually work to build trust with your team. “When you’re working with teams from other cultures, you need to work even harder to instill trust. When I took over emerging markets, I had to demonstrate that I will challenge *and* support. I had to be honest and authentic in my expectations and be a good ambassador for my team within the larger

organization. I feel I am in a better situation now, but I’m always questioning myself on how I can improve.”

Connect your team to the global organization. “You need to give your country-specific teams a lot of information to help them understand what other sectors of the company are doing. And, you need to have regular strategic and high-level discussions with your team to show them the *why*, the mission behind their work.”

Surround yourself with diversity. “Although continued growth and expansion will come from outside the US, many leaders are still Americans. We need to work on bringing diversity into leadership. We need people who see the world differently. Whether it’s gender, culture or what have you, we need to gather insights of different customers, to be more aware, to keep doors open. We need to have different perspectives on scenarios.”

Encourage the ‘what ifs’. “My team and I have learned to work together with alternative scenarios, with the ‘what ifs’—‘What if we don’t get the price at that level?’ ‘What if we lose those patients?’ I always ask my team for three scenarios for each issue. Things change so rapidly now, it’s the only way to avoid getting stuck with a bad solution. We must always have the potential to move one step further so we don’t block the system—we can’t have too much rigidity. We need questioning, doubt and agility.”

Keep your finger on the pulse. “My team members are constantly trying to capture weak signals of change in their local markets because having an early understanding of the picture is essential to staying ahead of the competition. And, bringing part of the final picture to your decisions gives you a larger perspective and helps you read your market differently.”

Nurture your external connections. “Companies need to be connected less internally and more externally. I pay a lot of attention when visiting other countries to connect with external stakeholders, to understand their needs and their perceptions of Janssen, and to convey our messages. It is worth the effort. Creating numerous, quality connections—not the number of reps we have in the field—will make our companies smarter and more successful.”

For payers and providers, 2013 is all about preparation. “There’s a lot to be done to get ready for the health exchanges and other major provisions of the Affordable Care Act [ACA] coming in 2014,” says Diane Gage Lofgren, APR, Fellow PRSA, senior vice president and chief communications officer of brand communication at Kaiser Permanente, the nation’s largest nonprofit integrated health system. “While all the details and regulations aren’t perfectly certain yet, we have a lot more clarity than we did last year, so we’re actively preparing.”

First and foremost, health plans and care organizations must ready themselves for a large influx of patients into the system. The PwC Health Research Institute’s *Top health industry issues of 2013* report recommends that companies pay close attention to, and communicate with, states as they make decisions around Medicaid expansion and healthcare exchanges, and prepare for the new challenges—such as language barriers and dual eligibility—of the incoming populations.

Not only will their numbers be greater, but patients will also be more demanding and cost-conscious as employer health plans are increasingly restructured to make individuals shoulder more of the costs. According to the PwC report, patients are beginning to demand service more like that seen in retail, with convenient ways of purchasing insurance and greater transparency around what they’re getting for their money. Companies will need to respond by providing accessible, easy-to-understand information around services. Providers will also need to respond with a more retail-based approach to payment collection, says Joy Haven, PhD, executive officer of the Mallinckrodt Institute of Radiology at Washington University in St. Louis. “As patients take on increased cost burden, affordability becomes a real challenge and this in turn makes payment collection a huge issue,” she explains. “So providers will likely begin to demand more payment at the time of service similar to other businesses.”

Proving quality

At the same time, both groups must be prepared to shift their focus more toward preventive care—and prove their success in measurable results. “As the care model shifts to doctors being measured and reimbursed on health outcomes rather than units of services, providers will need to go

beyond the care they are directly providing now to focus on things like nutrition, screening and adherence to treatment recommendations,” says Dr. Haven. “It’s not that they haven’t always been concerned with these things, but it wasn’t the ‘product’ they were delivering. Now, it’s going to directly impact how much money they’re going to make.”

For payers, the financial pressures will be equally as high. “While health plans have voluntarily shared quality data as a marketing tool for many years, since 2010 managed care organizations with Medicare Advantage [MA] plans have been mandated to provide this information to CMS [Centers for Medicare & Medicaid Services],” Christina Droukas, senior manager of payer marketing at Daiichi Sankyo, Inc., explains. “As of 2012, MA plans that did not receive at least 3 stars (an average rating) under the Medicare Five Star Quality Rating System did not receive bonus payments from CMS.” The PwC report notes that consumers’ opinions inform this and other reimbursement-linked ratings scales—and that consumers are also increasingly turning to online reviews of doctors, hospitals and other providers to make choices on where to go for the highest quality care.

Dealing with the growing pains of technology

Providers will also face the continued, mandated push toward electronic health records (EHRs) under the ACA. Like any new technology, the implementation can be challenging both in terms of learning how to use the system as well as figuring out how to input data without affecting the quality of the patient visit or violating privacy mandates. In 2014, providers will lose incentive payments for failure to encrypt data on end-user devices (including employees’ personal smartphones and tablet devices) and, by 2015, will face penalties for noncompliance.

Further complicating this will be the new ICD-10 codes providers will need to follow by October 1, 2014. “With ICD-10, there is an explosion of significantly more specific codes so providers will need to be much more detailed in their coding of diagnoses and medical notes,” says Dr. Haven. This, she adds, requires more education for providers and staff members and more time, resulting in higher costs. “Because practices are working with limited dollars, they will need to focus on how to shift costs to ensure that resources

are still being used effectively.”

Enhancing service and focusing on wellness

Despite its many challenges, Lofgren sees this convergence of vast numbers of new patients, increasing quality metrics and exploding technology as a moment of great opportunity for individuals and organizations involved in patient care.

“Many of these new patients coming into the system may not have had coverage for a long time, or may have been covered in a much different way, so they may need a lot of direction and education,” she says. “This gives each of us the opportunity to build on our service culture so that every patient has a really great experience they can share with their families, communities and social networks. It’s a time when we can all step up and serve one another better.”

Lofgren notes that it’s also an opportunity for healthcare organizations to finally make the long-talked-about shift from disease-based to wellness-based care. “We are not a healthy country right now,” she continues. “But this is a great time for those of us involved in patient care to relate to people in a way that still focuses on managing chronic diseases and getting people the care they need when they need it, but also focuses on giving people the tools and awareness they need to manage their health.”

Lofgren explains that the growing use of technology—from EHRs to consumer and physician use of tablets and smartphones—is playing a significant role in realizing this

opportunity. “At Kaiser Permanente, we have nine million members in our secure EHR system, and they are interacting with their doctors via email, setting up appointments and getting lab results on their smartphones, and being cared for by healthcare providers who have a full, coordinated view of their medical history,” she explains. “When all this happens seamlessly, it saves money, reduces unnecessary and potentially harmful testing, and increases both patient convenience and quality of care.”

She tells of the successes her organization has witnessed due to this approach: patients getting quick, accurate diagnoses and prescriptions through secure email and telephone appointments without having to leave work; doctors using the connected system to identify adherence issues and successfully counsel patients to stay on their medications; and employees being trained to proactively identify gaps in patients’ preventive testing and intervene to schedule appropriate screenings.

Looking ahead

As this type of integrated, technologically driven approach to care continues to become the norm, industry leaders are hopeful that successes like these will continue to mount. And, that preparations will pay off, allowing payers and providers to maintain financial viability while complying with new regulations and providing quality care to patients. Only time will tell.



HBA | ACE AWARD
Advancement Commitment Engagement
The Healthcare Businesswomen's Association

Do you have an internal leadership program for women?

Your high-performing program deserves to be recognized!

The HBA ACE Award:

Honors leadership programs that perform...so enter your submission now!

The ACE Award goals are to:

- Identify and publicize corporate initiatives that advance women's careers
- Recognize companies that optimize women's contributions and value in their organizations
- Inspire others to develop programs of their own
- Track performance of companies with initiatives relative to those without leadership programs

Send your submission to mfray@hbanet.org.

The deadline is June 1, 2013. Go to the Awards tab at www.hbanet.org for more information.

As businesses scramble to adapt to the myriad changes in healthcare, universities and nonprofit industry organizations are working hard to prepare new healthcare professionals for the reality of practicing medicine today.

“Today, an increasing number of physicians and nurses are entering into positions with hospitals, group practices and other agencies, so we are focused on providing them with the mix of leadership and business skills they will need to succeed in that environment,” says Debbie Moysychyn, MBA, director of health and wellness, extended education at Brandman University.

They're also trying to find creative ways to help fill the projected gap in primary care physicians. “Although part of the shift must take place at the level of compensation, we are asking ourselves as an academic medical center, ‘How do we direct more medical students toward careers in primary care? How do we make it more appealing than a specialty?’” says Joy Haven, PhD, executive officer of the Mallinckrodt Institute of Radiology at Washington University School of Medicine in St. Louis. “For example, chiefs of internal medicine are providing students with experiences to show the rewards of primary care, while universities and hospitals are helping PCPs set up their practices to support and facilitate the start of their careers.”

To meet the changing needs of students, universities are also exploring different types of education. Brandman, for example, is exploring a variety of educational delivery methods recognizing different learning styles, employer requests to be able to verify competencies, and adult learners' unique needs. Other universities, including Harvard and MIT, are experimenting with Massive Open Online Courses (MOOCs). Aimed at up to 100,000 or more students per course, MOOCs have the scalability to broaden access to traditionally underserved populations.

Finding funding in a shrinking resource pool

As in the business sector, however, money is tight and gaining

access to it is harder than ever. “Companies have much smaller grant and charitable contribution budgets to support programs now, so their criteria is becoming much more outcomes-based and focused on their specific therapeutic areas of interest,” says Linda Bueno, MEd, RN, director of corporate and community relations for the American Psychiatric Foundation. “Fellowships, early career and leadership programs, and public education initiatives that have been traditionally well funded are not always a good match for companies' current goals.”

Groups like the APF are working with pharmaceutical and medical device manufacturers to create programs that meet their goals of moving beyond treatment to look at ways treatment fits into the patient's life, care and family. At the same time, they're shifting their focus to help ensure continued funding for important legacy programs that prepare healthcare professionals and push for recognition and quality treatment for conditions. Often times, the answer is multiple sponsors. “Of course, this requires a lot more effort, as each company may pose different information requirements to secure grant funding,” says Bueno.

The story is the same when it comes to research. Federal funding—a key source in academia—is expected to decrease, and there is much uncertainty around how the limited resources will be allocated. Dr. Haven explains that if the current competitive proposal process stands, with top institutions getting the lion's share of funding, there may be some institutions that will be virtually shut out. On the other hand, if funding is spread too thin, no one may get large enough grants to make significant progress in addressing important medical issues.

Like nonprofits, researchers have reacted by diversifying. “In the past, the NIH RO1 Grant was the gold standard,” says Dr. Haven. “Now, researchers are willing to look at a mix of grants, clinical trials and other sources of gifts and support that previously may not have been considered as prestigious as the RO1 but will keep their labs open.”

Collaborating to push forward

For professionals in academia and nonprofit organizations, the changing reality means more work, constant reevaluation of priorities, and a broader view of potential partners. And that requires a new set of skills.

“You need to be a relationship builder and a partnership broker to bring disparate groups together in order to support patients and HCPs,” says Bueno. “And you need to be able to

really match the needs of these groups to the right programs and then be able to communicate what’s important to your supporters and constituents.”

Moysychyn agrees, adding: “We need a consortium of unusual people around the table—from CEOs to nurse advocates to county agencies. And we need bold leaders who understand the changing landscape and are willing to test new transformational ideas.”

It’s all about the soft skills

The HBA’s E.D.G.E. in Leadership study showed that “soft skills”—the mix of personal traits that characterize our relationships with others—advance careers. Industry leaders agree it’s those same skills that will set tomorrow’s leaders apart:

Transferable skills. “You need transferable skills—both soft and technical—that let you move quickly from one challenge to the next. Always be open to new assignments or even lateral moves that stretch you. They may be the key to your next professional goal.” —Christy Fleurat, MBA, 2013 HBA Southern California chapter president-elect

Agility. “It’s all about being able to reinvent your thinking; being very agile in your skillsets and cultivating things that challenge you—and being open to the ambiguity that comes with that. The stars of tomorrow are going to be the people who say, ‘I’m going to reinvent myself’ as the marketplace challenges us to reinvent our industry.”

—Terri Pascarelli, MBA, 2013 HBA president

Communication. “Everyone in healthcare today needs to be able to communicate with a variety of audiences, delivering their messaging so that it resonates with each stakeholder. And, leaders need to not only be visionary, but also be able to communicate their vision. They either need to be good communicators themselves or surround themselves with good communicators.” —Jane Bainbridge, MBA, HBA corporate partner contact

Collaboration. “No matter where you are in an organization, you need to understand how to collaborate interdepartmentally. You can’t be in R&D developing an interesting product without talking to your colleagues in manufacturing and commercialization to understand their issues because you’ve got to get to market faster these days. You have to listen and understand other people.”

—Lynn Nye, PhD, chair of the HBA Southern California chapter’s mentoring program

Prioritization. “Today, everyone is strained. To perform your best—and keep a life balance—you have to keep focused on the things that really make a difference and the reasons behind them. When you’re doing the jobs of five people, there are going to be things you don’t get to, so you need to constantly reprioritize and manage expectations.”

—Mary Dominiecki, PhD, 2013 HBA Greater Philadelphia chapter market research director-at-large

Self-promotion. “What we need to get exquisitely good at is how to talk about ourselves. Women are exceptionally good at building a strong base of capabilities. But how do you frame out who you are, what you do and what you bring? It’s a two-pronged approach to your advancement—and it isn’t really ‘soft’ when you get to the senior levels, or even before. You need to learn how to talk, negotiate and network to progress.”

—Sharon Henry, MD, 2013 HBA board director for strategic growth integration

HOT JOBS FOR 2013 & BEYOND

*Match your fundamental knowledge
and skillsets to these growth areas*

Featuring advice from

Jane Bainbridge, MBA, Linda Bueno, MEd, RN, Deborah Coogan Seltzer, Sharon Henry, MD, Debbie Moysychyn, MBA, and Terri Pascarelli, MBA.

Despite challenges across the healthcare spectrum—and contractions in some sectors and functional areas—there are still opportunities for talented professionals.

Many businesses have hesitated expanding their workforce in these times of great uncertainty. Likewise, many individuals have opted to stay in their current roles rather than risk taking on new jobs that then open the door for others to move into their previous positions (a recent Employment Benefit Research Institute report revealed that 2012 saw the highest median job tenure in 30+ years). But 2013 may mark a turning point toward stability and perhaps even cautious growth.

“I think we can be cautiously optimistic because there are companies and sectors that are doing well,” says Deborah Coogan Seltzer, life sciences practice member at global executive search firm Spencer Stuart and 2011 president of the HBA. “And, while there are still uncertainties, uncertainty has now become the ‘new normal’ and many businesses

and individuals are starting to realize that we can again take reasonable risks and begin moving forward because there comes a point where doing nothing is actually more dangerous than diving in and taking action.”

Seltzer notes that as health reform begins to finally move away from a lurking source of anxiety to actually take root, the resulting changes will lead to new opportunities: “Change creates challenges and it takes some people out, but it also creates new opportunities.”

The key to capitalizing on those opportunities, she says, is to stay flexible and proactive: “Start with doing some research into where there are emerging trends and opportunities, both in terms of sectors and then functional areas. Then, really boil down your experiences to discover your fundamental



skills and knowledge sets, and match up where you can plug those in.”

To help you get started, here’s a list of some hot opportunities according to Seltzer and other industry leaders:

Biopharmaceutical operations professionals:

While some areas of biopharma have seen much contraction, opportunities are emerging as companies bring more focus back to some of the basic operating areas, including development, supply chain and quality. In particular, leaders in quality note a large increase in retiring executives, leaving room for talented up-and-comers.

Innovators with an eye for generics:

As generics become an increasingly larger part of the pharmaceutical business mix, professionals who are willing to put their innovative skills to work to find ways to reduce costs, increase scalability while maintaining product quality,

and successfully market more mature products will be increasingly valuable.

Contract organization positions:

Many pharmaceutical companies are looking to fill needed functional areas again while keeping their workforce lean, leading to more opportunities in contract research organizations (CROs), contract manufacturing organizations (CMOs) and contract sales organizations (CSOs).

Medical device and diagnostics professionals:

Similar to biopharma, there is a resurgence of quality and regulatory roles in these growth sectors. But here, there’s also still a need for innovative R&D professionals who can continue to push the envelope as well as marketing, sales and general management professionals and top executives who know how to grow business.

Regulatory and medical affairs experts:

As regulations increase across all sectors, talented professionals with clinical and industry knowledge are critical—in both government and industry. Those who can navigate through emerging issues and ideate new ways to handle them will be the real standouts.

Clinical specialists:

Specialists with knowledge around biomarkers, diagnostics and other aspects of personalized medicine—particularly those with the clinical and statistical perspectives needed to design adaptive clinical trials—will be in high demand.

Health economics and outcomes experts:

The need for experts who can design studies, analyze data and collaborate across departments to show the value of new innovations is growing as companies respond to demands from both regulators and payers.

Multi-site patient care professionals:

Multi-site care organizations (think ambulatory surgery centers, oncology or renal treatment centers and home health) are a hotbed of opportunity right now. With health reform changes driving more patient-centered care, there is particular need for business executives who can create new business models for efficient, quality care delivery.

Nursing and patient care leaders:

Nurse practitioners with a mix of clinical and business skills are sought after by Accountable Care Organizations (ACOs), hospitals and businesses. And, hospitals and other patient care organizations are looking for chief nursing officers to help

make sure the drive toward patient-centric care is realized through improved care and safety. Other emerging executive positions in this sector include chief experience officers and chief innovation officers.

Advocacy and policy roles:

From government to patient care settings to private companies, individuals with expertise in researching and developing workable solutions to health problems will be sought after as rapid changes demand equally rapid responses. Those with knowledge across the entire healthcare spectrum—and the “soft skills” needed to bring together different stakeholders and ensure each group’s voice is heard while working toward common goals—will be particularly valued.

Program directors and project managers:

Nonprofit industry organizations are increasingly looking for professionals who can go beyond traditional fundraising to more effectively match funding to programs that support evolving industry objectives and build bridges between healthcare professionals, patients, government and industry.

If your career aspirations don’t match with these growth areas, don’t throw in the towel on your dream job. “It’s important to remember that just because something is tough doesn’t mean you shouldn’t do it,” concludes Seltzer. “Be honest with yourself in terms of what you want to do because ultimately, you want to be happy and fulfilled in your career. And then research how that job or area is changing and find a way to bring a new skillset to the position to make yourself more valuable.”

7 steps to using the HBA to break into a new role—or sector

From Terri Pascarelli, MBA, 2013 HBA president, and Sharon Henry, MD, 2013 HBA board director for strategic growth integration

1. Build your network—before you need it.

Remember that, while you can meet people in the industry without volunteering in—or even joining—the HBA, you'll gain much deeper connections if you get involved and work alongside them.

2. Identify your opportunities.

Connect with HBA members across the different segments, functions and sectors who can offer guidance on where the best opportunities for your interests and skillsets may be.

3. Identify necessary capabilities.

Once you've honed in on areas of opportunity, use the HBA's programs to get a flavor of what capabilities you may need and how to get them. Learn what companies are doing in those areas and what skills you could bring to the table. Ask other members to look over your CV to identify strengths as well as any gaps you may need to fill.

4. Polish your skillset.

Look for mentors who can impart their knowledge, and take advantage of HBA programs to strengthen specific skills and build subject matter expertise in evolving areas to position yourself for leadership roles.

5. Get the inside track.

Remember that all positions aren't posted. Keep your ear to the ground and let other members know you're looking. Someone may know of an inside opportunity and ask for your CV.

6. Raise your visibility.

The HBA is leading from the front to identify industry issues. When you learn here, you raise your visibility within your company by feeling more confident and prepared to participate via work streams or new roles, leveraging what you learn to confidently step into times of change.

7. Gain leadership experience.

Volunteer to lead in areas that stretch you. You'll find what you bring back to work is a stronger, better version of yourself who's ready to help your company—and yourself—stay competitive.



REQUIRED EXPERIENCE FOR HEALTHY CAREERS

373 Route 46 West, Bldg E Suite 215
Fairfield, NJ 07004



Bridgette P. Heller is the 2013 HBA Woman of the Year



Register now – Woman of the Year Event, Thursday, May 9, 2013, Hilton, NY

Join us on May 9, 2013 at the Hilton New York to honor Bridgette P. Heller, executive vice president at Merck and president of Merck Consumer Care, along with 2013 HBA Honorable Mentor Kevin Rigby, vice president of public affairs at Novartis Pharmaceuticals Corporation and US country head of public affairs, and 2013 HBA STAR Eve Dryer, president of Eve Dryer Healthcare Consulting. Over 100 Rising Stars will also be lauded.

10:00 AM
Celestial Connections
Reception

11:45 AM
WOTY Luncheon

Visit www.hbanet.org
and register today.

