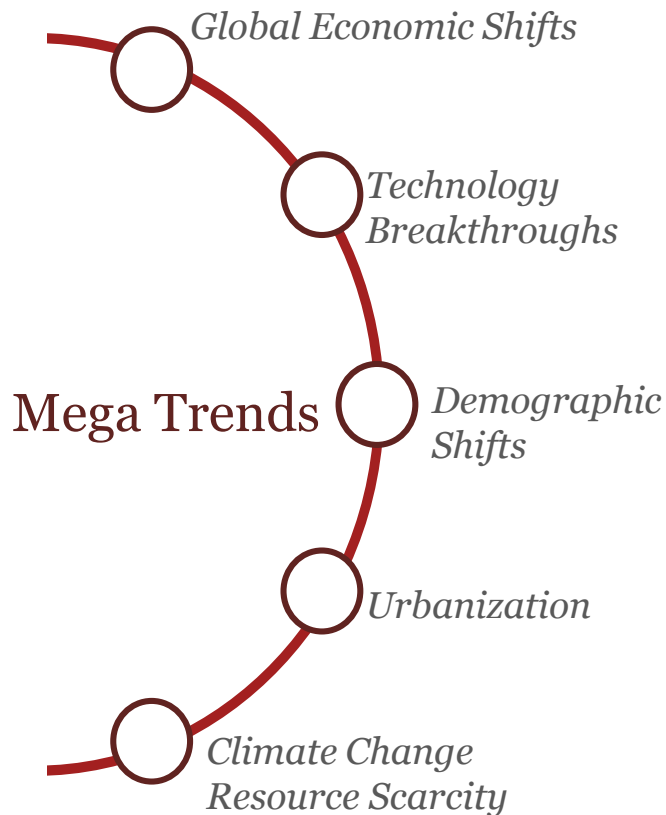


Mini Summit V:

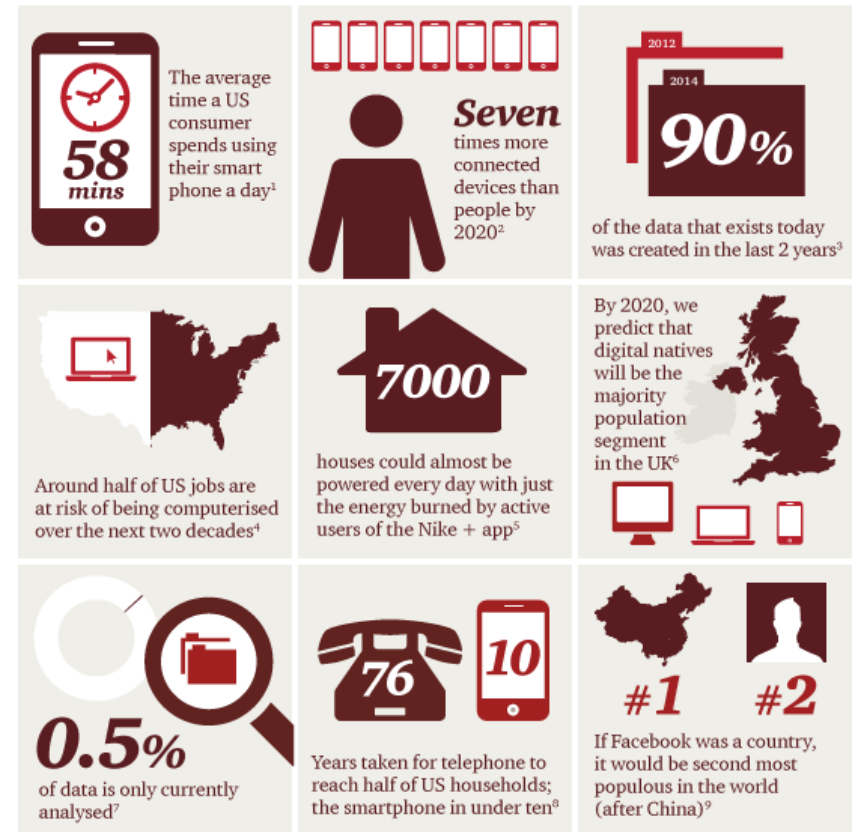
Part 1: Evolving Healthcare Systems and Promotional Interactions

October 2015

Compliance 2020: Emerging Risks & Compliance Considerations



Technological breakthroughs Did you know?



The above predictions come from the following sources:

1 Experian (2013) • 2 Cisco Internet Business Solutions Group (2011) • 3 Forbes (2011) • 4 'The Future of Employment: How Susceptible are Jobs to Computerisation?' C. Frey and M. Osborne (2013) • 5 Nike (2013) • 6 PwC Profitable Growth in the Digital Age: unleash your potential (2013) • 7 'The Digital Universe in 2020', IDC (2012) • 8 PwC analysis based on 'Are Smart Phones Spreading Faster than Any Technology in Human History?', MIT Technology Review (2012) • 9 PwC analysis of data from Facebook (2014) and UN Population Division, World Population Prospects (2012)

So what's the impact on the health care ecosystem?



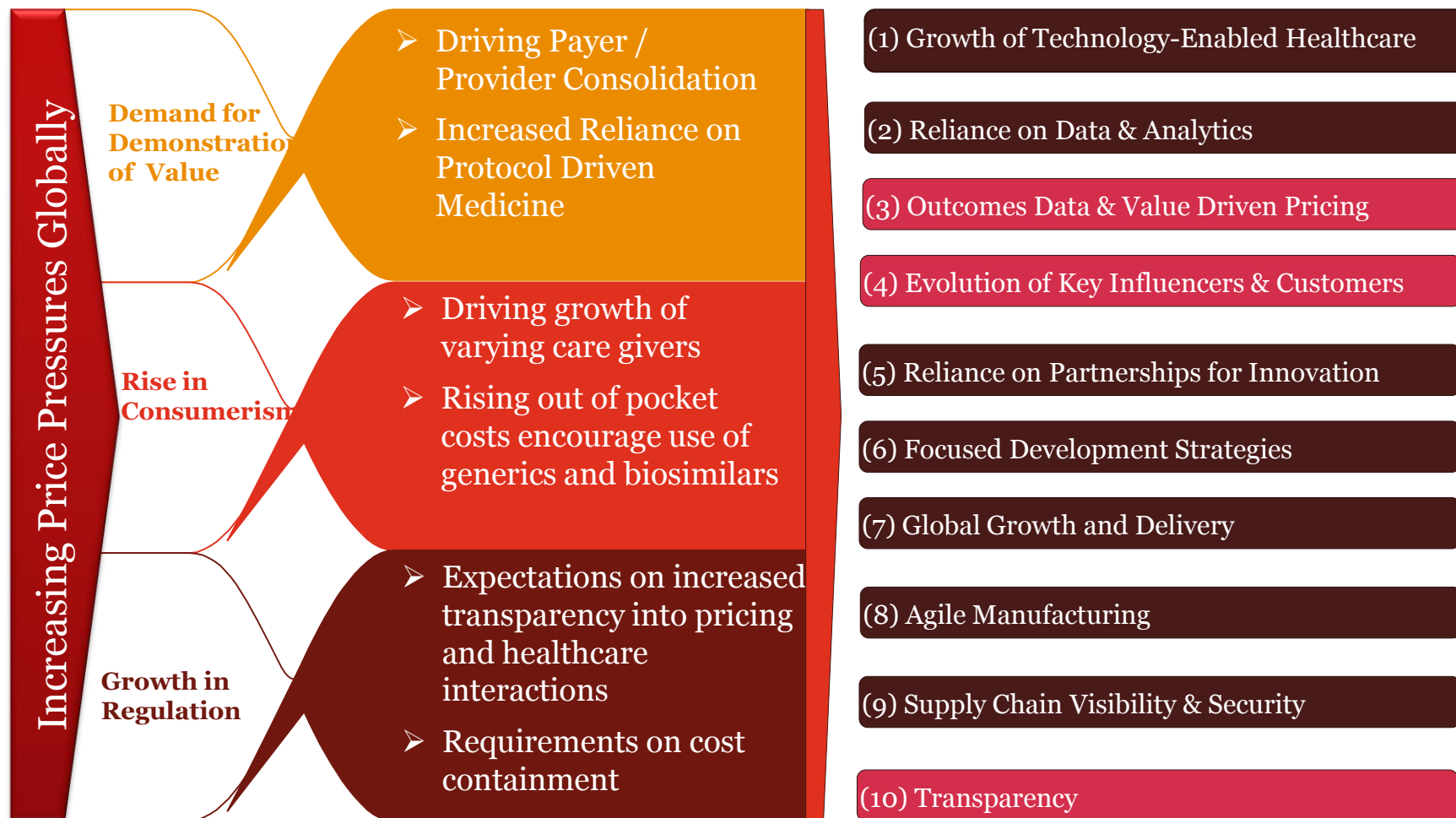
- Health systems will need to be re-engineered to handle more participants
- Customer centricity will require health services organizations to understand consumers, their needs and their behaviors differently than they have in the past.
- The flow of funds is changing as developed areas struggle to deal with their aging populations, and developing areas seek new ways to handle health needs of their youth.
- Governments across the world will attempt to reduce their costs and obtain better value and outcomes through public-private partnerships.
- Health services providers are looking at new business and financial models to share risk and reward quality.
- Pharma and life sciences companies will be evaluated in terms of the comparative effectiveness of their treatments, and increasingly being held accountable for their outcomes.

Key Themes are Driving Change in Healthcare

Key Theme

Industry Responses

Resulting Trends



Evolution of Key Influencers & Customers

Accountable Care Organizations / Integrated Delivery Networks

As a result of incentives driven by ACA, Payers and Providers are consolidating and integrating. With the mergers, providers are looking for ways to *gain efficiencies* and to *improve the overall delivery of care* through the provision of end-to-end healthcare services.

Physician Extenders

Rising consumerism and out of pocket costs are driving customers to *Physician Extenders* for care. Over the next five years, *supply of primary care nurse practitioners and physician assistants* is expected to increase in the US, and the power of the Retail Pharmacists continues to rise in emerging markets such as Brazil.

Patient Advocates

Advocates and Organizations are at the forefront of change. Advocates are using their voice, increasingly through *social media*, to *demand regulatory changes* (e.g., support of 21st Century Cures) and to *partner with companies to push drugs that are critical in the Rare Disease space through approvals* (E.g., Vertex & CF Foundation).

Newly Insured

As a result of measures outlined in ACA, since July 2013 about *six million young adults* between 19 and 34 *gained coverage*. Primary care doctors, surgeons and other specialists saw *measurable increases in the proportion of patients with Medicaid* in expansion states.

What is the impact to compliance ?

- ❑ New definitions of ***customer and value*** will stretch existing compliance program elements, definitions and subject matter expertise
- ❑ Understanding how and where ***Compliance can play an effective role around the world***
- ❑ How does the ***changing healthcare environment impact relationships*** with distributors, partners and government programs?
- ❑ Navigation of ***product promotion*** in new and growing cities and markets with ***fragmented and uncoordinated government structures***
- ❑ Engagement of more ***government officials*** than ever before as increasingly large portion of revenues develop from socialized healthcare structures
- ❑ Use of more ***distributors/partners and new third parties*** around the world in markets with higher exposure to corruption as health care is extended to new populations