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Objectives

- BACKGROUND TRANSPARENCY IN HEALTHCARE CONTINUES TO GROW
- HEALTHCARE PROFESSIONAL ENGAGEMENT SURVEY RESULTS 39 COMPANIES PARTICIPATED
- ADDITIONAL BENCHMARKING SPEAKER PROGRAM CANCELLATION, MEAL LIMITS AND PATIENT FMV

YOUR PANELISTS

Bryan Timer, MS, Director, Data Analytics & Transparency, Merck & Co., Inc. Laura Skinner, MBA, PMP, Senior Manager, Deloitte & Touche LLP Mark Linver, MS, Managing Director, Deloitte & Touche LLP

For purposes of this survey and this presentation, the End-to-End HCP Engagement process is defined below.

Annual Planning

- Annual business plan
- Set up new consultants in database
- Needs Assessment
 - Identify business activity
 - Needs Assessment form
- HCP/HCO Nomination
 - Identify HCP/HCO for activity

Needs Assessment

Credentialing

- Credentialing
 - Confirm HCP/HCO is credentialed
 - Determine tier exceptions and fee requirements
 - Fair Market Value (FMV) and utilization checks

Contracting

- Prepare contracts using templates (MSAs / SOWs)
- Execution
 - Execute contract

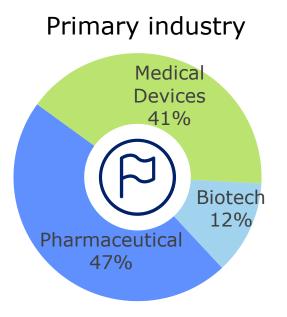
Contracting

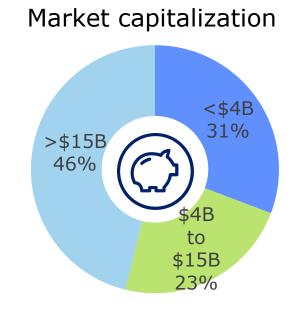
Payment & Closeout

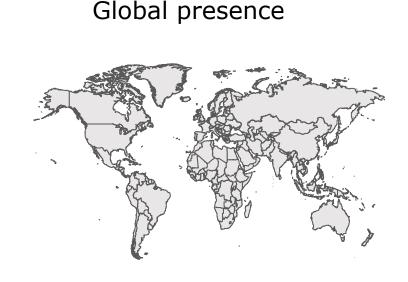
Payment & Closeout

- Review and submit invoice package with Purchase Order (PO) to Accounts Payable
- Submit payment to HCP/HCO
- Internal audit processes and technology to maintain compliance
- Tracking and reporting

The objective of the survey was to better understand industry practices for managing the End-to-End Health Care Professional (HCP) engagement process. The survey received 39 valid responses from across the life sciences industry. Respondents were representative of compliance, operations, contracts, and legal functions.

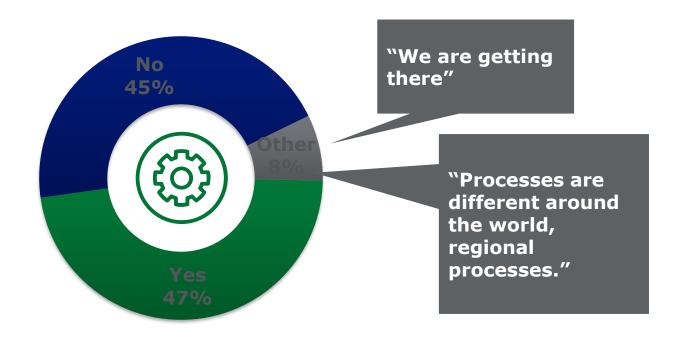




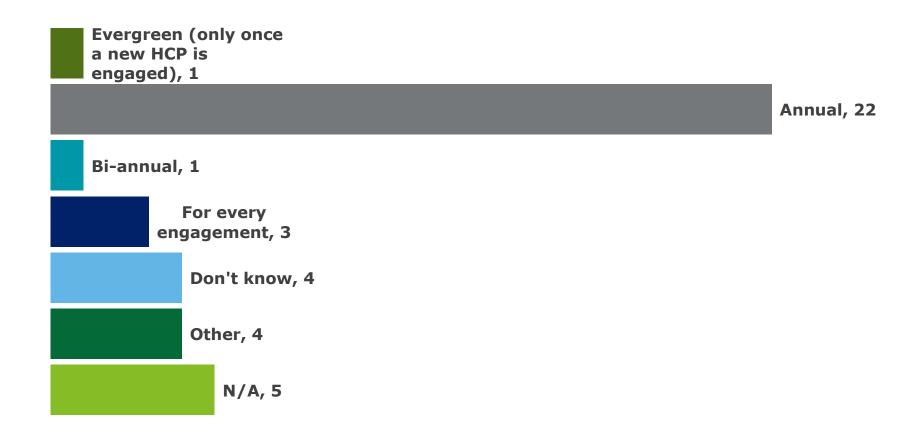


Responding organizations reported operating in 1 to 160 countries and beyond. Most respondents were global in nature, with operations between **30 and 90 countries**. More than half of respondents indicated that their compliance role was global.

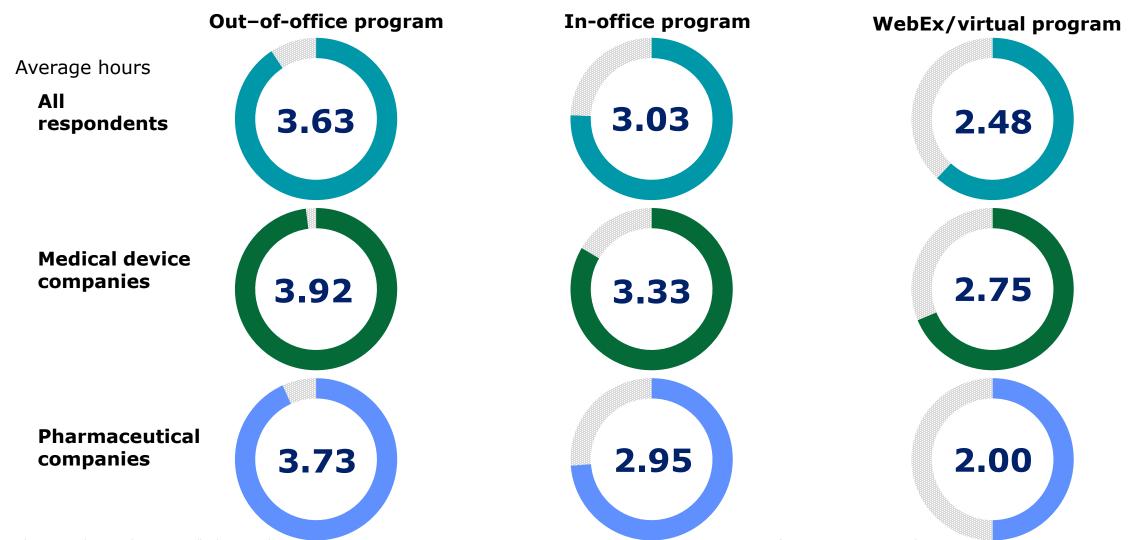
Survey question: Do you have consistent processes and technology for HCP Engagement across all regions?



Survey question: How frequently do you review your speaker roster, utilization and contract status of speakers?



Survey question: If applicable, what is the average level of effort/time taken by speakers for the below speaker programs including preparation and service time (in hours)?



What function owns your company's HCP engagement process?

COMPLIANCE/LEGAL

COMMERCIAL

FINANCE

MEDICAL

MULTIPLE FUNCTIONS OWN DIFFERENT PARTS OF THE HCP ENGAGEMENT PROCESS

DONT KNOW





Survey question: What part of the organization is primarily responsible for completing the below HCP engagement activities?

Number of responses

Activities	Compliance/ Legal	Commercial	Finance	Medical	R&D	Other*	Not Applicable
Needs Assessment / Business Rationale	4	21	0	2	0	12	0
HCP Selection from approved list	2	18	0	2	0	13	4
Do Not Use List / Debarment / OIG Watch List	20	6	3	0	0	8	2
Fair Market Value Determination	28	3	2	2	0	5	0
HCP Tiering Determination	15	6	2	10	0	7	0
Contracting with HCP	6	9	1	2	0	19	1
Consent Collection	7	10	0	1	1	13	7
Event Planning (Logistics/Travel for HCPs/etc.)	1	14	1	3	0	18	2
Event Reconciliation (capture sign-in sheets)	2	18	1	2	0	14	3
Confirmation of Service Completed (proof of performance)	3	15	2	2	0	15	1
Payment to HCP	2	7	21	1	0	8	1
Reporting of Payment to HCP	22	4	5	1	0	6	1
Post-event Reconciliation	2	12	2	3	0	16	4

Survey question: Are HCP engagement processes supported with an application/tool or supported manually?

Number of responses

Activities	Off the Shelf Software	Custom Software	Spreadsheet	Manual	Other	None
Needs assessment / business rationale	7	7	11	11	3	0
HCP selection from an approved list	6	9	4	10	5	6
HCP screening do not use list / debarment / OIG watch list	12	8	2	10	4	3
Fair Market Value	11	8	11	6	4	0
HCP Tiering Determination	8	7	8	16	1	0
Contracting with HCP	14	7	0	17	2	0
Consent collection	6	4	1	20	1	7
Event planning (logistics, travel for HCPs, etc.)	8	5	2	16	7	1
Event reconciliation (capture sign-in sheets)	5	5	0	21	5	3
Confirmation of service completed	6	7	0	20	3	2
Payment to HCP	19	10	0	9	0	0
Reporting of payment to HCP	12	14	0	9	4	0
Post event reconciliation	5	8	1	19	2	3

When does your company plan to automate the HCP engagement continuum?

In 1-2 years

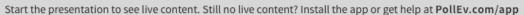
In 3-4 years

We are already automated

No Plans

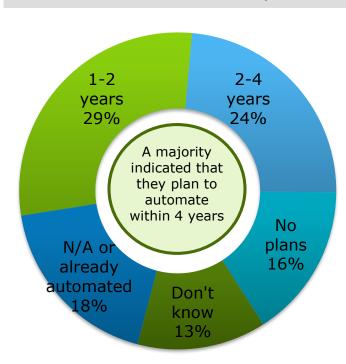
Don't Know





Survey question: If partial/no automation, does your company have plans in place for an automated end-to-end process in the future?

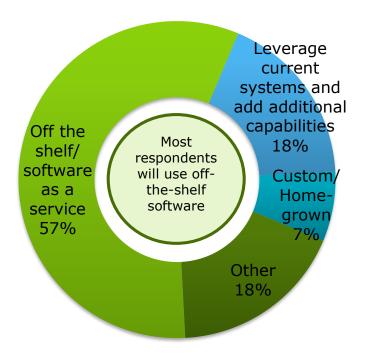
Survey question: If there are plans to automate an end-to-end process, what solution is the company's preference?



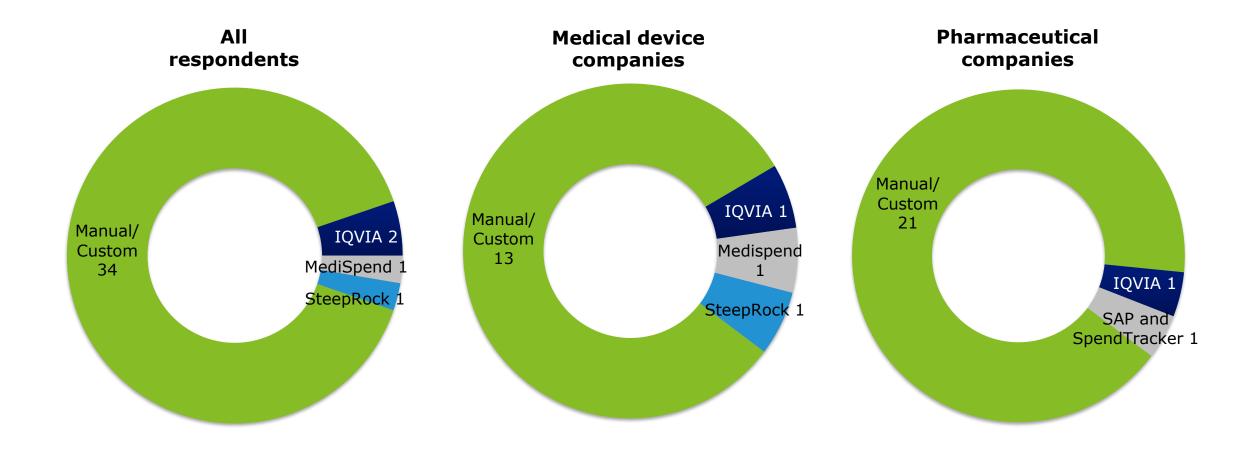
Automation plans by company size

Company Size	Planning to automate within 4 years	Don't know or no plans	Already automated
<\$4B	4	7	0
\$4b to \$15B	4	2	1
>\$15B	11	2	5

- **50%** of small- and mid-cap companies reported plans to automate within 4 years. One is already automated.
- 89% of large-cap companies reported plans to automate, or are already automated.



Survey question: Are HCP engagement processes supported with an application/tool or supported manually? If 'off-the-shelf software' or 'other' selected above, please explain



What is your biggest challenge with the HCP engagement process

CONTRACTING

EXECUTING CROSS-BORDER ENGAGEMENTS

GAINING APPROVAL FOR FMV

HCP MASTER DATA

PAYING HCPs ON TIME

USABILITY OF THE SYSTEM

Other





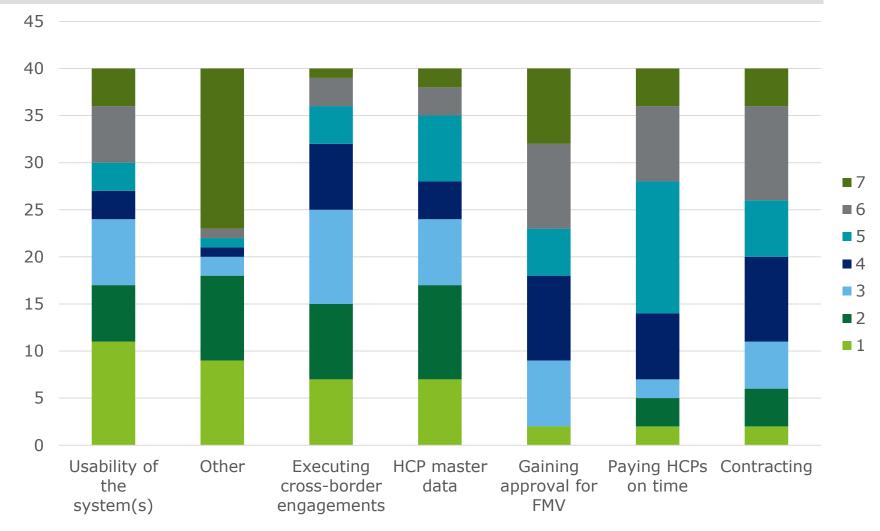
Survey question: Please rank what do you consider to be the most challenging aspect of the end-to-end HCP engagement process. (1=most challenging and 7=least challenging)

Three most challenging aspects for respondents

Usability of the system(s)

HCP master data

Executing crossborder engagements



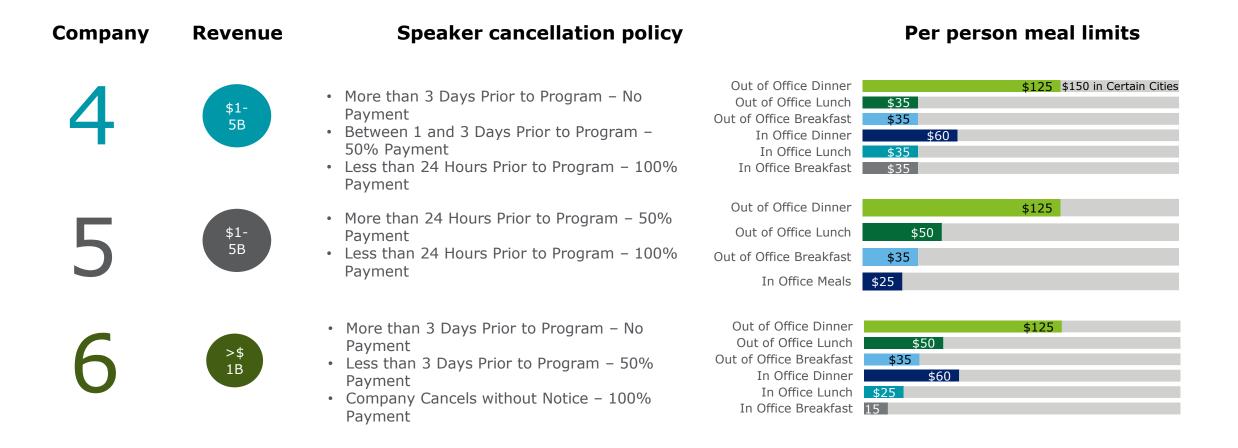
ADDITIONAL BENCHMARKING

Speaker Program Cancellation, Meal Limits and Patient FMV

HCP Meal Limits and Speaker Program Cancellation



HCP Meal Limits and Speaker Program Cancellation



When paying patients FMV rates, do you tier patients, e.g., pay patients differently based on a set of criteria?

Yes

No

Don't Know

WE DON'T HIRE PATIENTS FOR FEE-FOR-SERVICE CONSULTING ACTIVITIES

If you do tier patients, how do you tier?

WE HAVE TWO TIERS FOR PATIENTS

WE HAVE THREE TIERS FOR PATIENTS

WE DON'T TIER PATIENTS

Don't Know





If you do pay patients what is the average rate you pay patients per hour?

<\$50

\$50-\$75

\$75-\$100

>\$100

Don't know or Other



QUESTIONS?

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