
Healthcare rationing for Medical Devices?

a driver for new **consumer marketing** initiatives in Europe to 2012

**CONSULTANCY RESEARCH:
COMPLETED REPORT CONTENTS**

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"I was sick and you looked after me." Matthew 25:36

J'étais malade, et vous m'avez soigné. Matthieu 25:36

ich war krank, und ihr besuchtet mich. Matthaues 25:36

estuve enfermo, y me atendieron. Mateo 25:36

1. Healthcare rationing inevitable?

Why the study?

The economic squeeze on healthcare provision will drive the debate over rationing into the open, adding to the growing opportunities in, and need for, direct-to-consumer marketing for Medical Devices:

- **Health economic squeeze** – The now often rehearsed arguments concerning the challenge of financing healthcare provision in the EU have become very familiar: ageing population, age dependency ratio in marked ascendancy, escalating costs in healthcare. The drive for efficiency with: target setting, care pathways, improved gate-keeping, HTA and the plethora of DRG systems. Yet, the acceleration of innovation in medical technology is only just beginning: nanotechnology, human tissue products, advanced therapies. These offer exciting opportunities, but all will require investment. The health economic squeeze is on and could take on a whole new order of magnitude by 2012.
- **Rationing: the taboo subject** – The notion that healthcare solutions might be rationed is an anathema to the majority of EU consumers:

“The measures taken by the Minister (quotas, ‘opposing medical references’, health card, blocking health nomenclature changes) have provoked an undeniable rationing of healthcare. We refuse any notion of rationing in the provision of healthcare,” (*National Front in France in Jan 2006*).

The essentially public funded systems have generated the expectation of universal right of access to any proven care pathway. In reality rationing is already taking place with undeclared assessment of patients with different severities of a condition: the least likely to benefit being excluded from treatment, with financial considerations often lurking in the background. As the unsustainable finance systems crack under the pressure of the economic squeeze, the debate about rationing will be forced into the open.

For example, the willingness to discuss attitudes to rationing were manifest in a recent straw poll by the BBC (Feb 2006), six rationing options were listed as questions.

Attitudes of the patient-consumers will change further:

- even greater scrutiny of outcomes and risks;
- increased auto-evaluation of symptoms and alternatives;
- greater consideration of secondary effects;
- more appreciation of treatment costs;
- and so on (*to be researched*).

2. New consumer marketing initiatives

The challenge

- **Increasing patient knowledge** – The general public are increasingly knowledgeable about the medical options available to them. The advent of the widely available (broadband) internet, the explosion of health care portals and sites, the seemingly unsatisfied health interest across print, TV and radio are fuelling a knowledge transfer at unprecedented levels. Patients are demanding greater choice from the multitude of medical options and choice as to where they might receive treatment. Governments are being forced to respond, often in ways that make economic assessments of alternatives more transparent.
- **Changing patient attitudes** – Inevitably patient attitudes are changing, even before the above mentioned theme of rationing has shown its impact. The formally sacrosanct “doctor knows best” perception is fast being undermined. Patients have greater expectations for outcomes, want to be able to exercise choice and seek a ‘suable’ culprit if things go wrong.
- **New consumer marketing** – The Medical Device industry is at a ‘communication cross-roads’. Every indicator that one looks at ‘screams out’ that creating patient pull for specific brands and medical systems is quickly becoming the new marketing battlefield. In Europe there are particular cultural, regulatory and ethical constraints. Moreover, we argue that fast changing consumer attitudes will be further impacted by the forthcoming rationing debate. Standing still is not an option. This research project sets out to review communication tools currently, or soon available, and how they may be harnessed innovatively to convey messages couched in a language suitable for the knowing EU patient of 2012.

3. Challenges for Medical Device message delivery

Industry hesitation?

A number of issues in lobbying and communication practice by Medical Device companies has spurred us on to research and prepare this report, for example:

- i) **Recognising the target audience mix** – the need to change

The findings of the project could well dictate a radical overhaul of the marketing communication effort – especially if we contrast the situation of 2007 with predictions for five years forward (Figure 1).

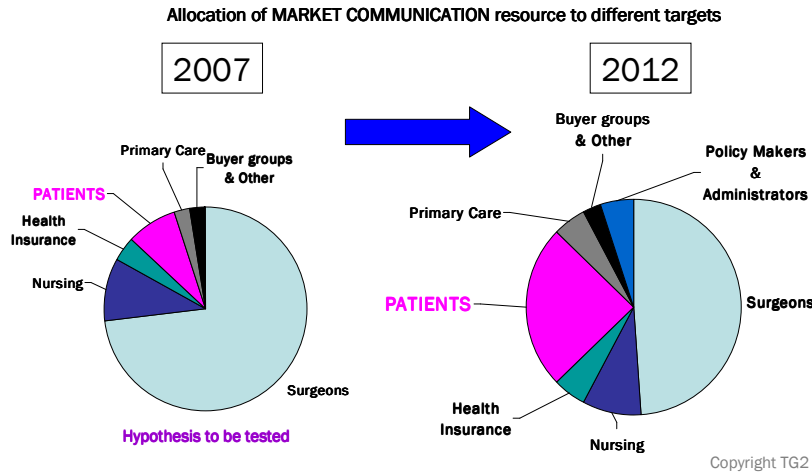


Figure 1

ii) Adopting a different communication mix

As the nature of the target audience changes with greater emphasis on direct-to-consumer, the marketing communication mix may need to be reviewed (Figure 2).

Target expenditure mix by Medical Device companies on healthcare communication for different audiences

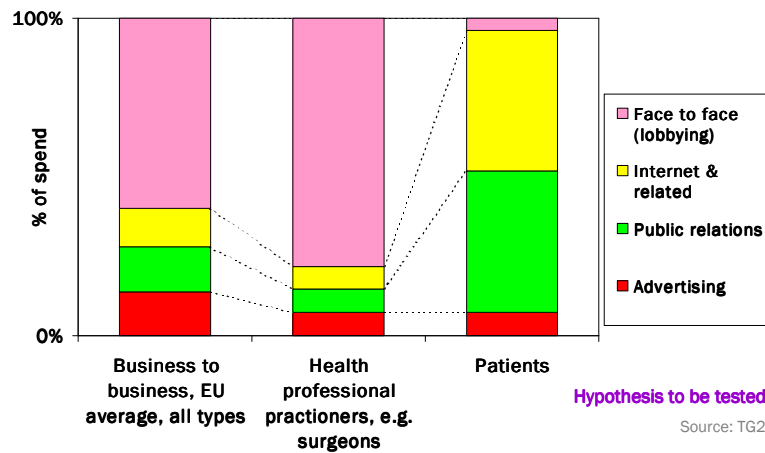


Figure 2

iii) Impact of Healthcare Rationing

The arrival of debate about healthcare rationing could change the relative importance of different communication messages for patients (Figure 3).

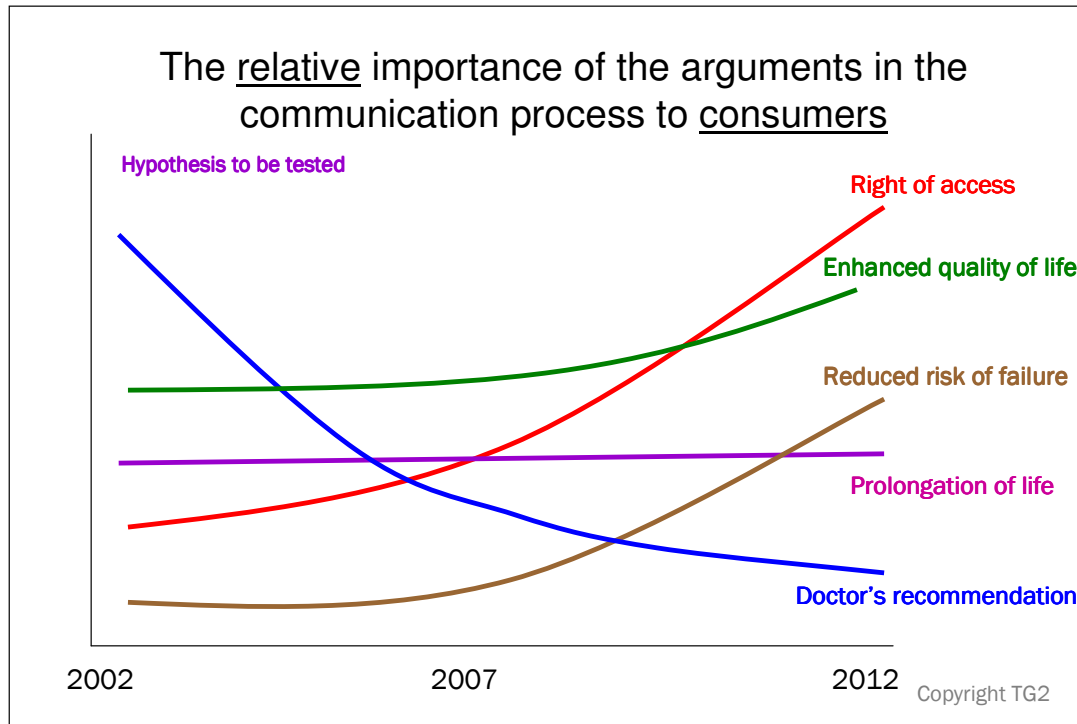


Figure 3

4. Objectives of the project

- To increase understanding of how economic squeeze and healthcare rationing will, in practice, impact the patient communication opportunities for the EU market in Medical Devices;
- To equip Medical Device marketers with knowledge of the legal, technical and ethical constraints to expanding consumer market communication in Europe;
- To set out the strategies for new and innovative direct-to-consumer market communication programmes, optimising the mix of different communication tools;

And ultimately...

- To increase the value of Medical Device sales of each subscriber to the project report.

5. Who the project report is for

JOB RESPONSIBILITY	CEOs, VPs, Principals Marketing & Brand managers Investor & Media relations	Corporate communication Medical Education Government & Public Affairs
DIRECT TO CONSUMER MARKETING EXPERIENCE	Those companies who have one or more individuals specifically assigned to direct-to-consumer marketing in Europe. The project will help you carry the internal political argument for improved resources	Those that leave patient communication to national marketing teams. The project will serve as a valuable centralised resource
LOCATION	EU-based US global companies Japanese global companies	Exporters into EU from – USA Far East Australasia
BUSINESS TYPE	Active implantable devices Non-active implantable devices Biotechnological products Dental Ophthalmic	Anaesthetic/respiratory equipment Electromedical equipment Diagnostics Surgical instruments Medical disposables

6. Scope of the report

- Geographical coverage - EU
 - The five big EU markets: Germany, France, Italy, Spain and UK
 - Other markets where differences which affect principles are especially noteworthy
- Healthcare sector
 - focus on secondary care
- Products to which the recommendations are applicable
 - Non-active implants
 - Active implants
 - Non-implant equipment
 - Diagnostics

- Biologicals
- Report outcomes
 - Implications for industry response on health rationing
 - Implications for company specific strategy and actions
- Time horizon:
 - 2007 to 2012

7. How will you use the report?

- To provide a basis for reviewing overall company **-resource allocation** leading to changes in the way in which the Medical Device direct-to-consumer communication is planned and delivered.
- To provoke an internal review of **patient information evidence** in order to stimulate more appropriate data collection (trials and surveys), in tune with future health rationing arguments.
- To establish a **communication strategy** that takes full cognisance of the personal motivators and country specificities, differentiating patient audiences from more traditional healthcare professional targets.
- To engage in an effective **patient communication plan** that uses all the marketing communication skills – to grab attention, raise interest, secure conviction and overcome obstacles.
- To understand the ‘mess’ that is EU **regulatory framework for Device advertising** so as to be able to push direct consumer communication as far as possible.
- To appraise the company individuals with market communication responsibilities on how best to use and co-ordinate the full range of **PR tools** in the communication challenge.
- To identify the needs for **training** to deliver direct-to-consumer arguments in support of Medical Device products offered in a market in which rationing becomes ever more prevalent.

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8. Research method and resources

8.1 Method

a) Desk Research

- published material
- annual reports: company and agencies
- media campaigns
- attitude surveys
- conference papers

b) Reported interviews with

National Government Officials	University staff – Centres of Excellence
Healthcare agencies	Journalists
Health professional organisations	Trade Associations
Patient and other NGOs	

c) Brainstorming sessions

- strategic implications

9. References: our heritage

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TG2 is a public affairs and marketing communication consultancy that specialises in the health (medical devices) sector.

9.1 Our mission statement

As a European public affairs and marketing communication consultancy specialising in healthcare: *“to deliver business enhancing services to our customers of unbeatable value for money”*

9.2 Previous multi-client projects: EU & Brussels

author or co-author: Tony Houghton

- ◆ *“Arguments of Health Economics for Medical Device companies in Europe: Can the ‘value for money’ message be delivered more effectively?”, June 2006*
- ◆ *Innovative strategies for ‘Medical Device’ lobbying in Brussels: Gaining company specific competitive advantages, June 2005*



- ◆ *European Parliament and industry to 2010: new tactics to improve lobbying of Parliament*, June 2001
- ◆ *NGOs & Consumer Organisations: strategies for industry to establish constructive communication*, February 2001

9.3 Examples: company specific projects (2003 – to date)

- ◆ Preparation of lobbying document, “Consultation response to draft legislation transposing Directive 2005/50/EC on the reclassification of hip, knee and shoulder joint replacements” addressed to MHRA, Nov 2006
- ◆ ‘Think piece’: alternative hypotheses for communicating Medical Device interests in Brussels, Jan 2006.
- ◆ UK Reimbursement 2005 and beyond: the moving goal posts: Rapid report April 2005
- ◆ Report: “Regulatory framework for data protection affecting eHealth websites Europe.”
- ◆ Report: “Advertising, promotion & internet for medical devices: Codes & regulatory framework in the EU.”
- ◆ Editing a quarterly (6 page) internal regulatory affairs bulletin for Medical Device issues Europe.
- ◆ Training: running training workshops for Europe marketing teams on regulatory procedures for websites and communication.

9.4 Our heritage

- ◆ Roots go back to 1985
 - ◆ Reputation – incessantly creative
 - ◆ Calling – to be exciting to work with
 - ◆ Head office in UK
 - ◆ Other European resources:
 - Brussels
 - and strategic partnerships
 - ◆ North America: partnership with US agency – healthcare specialism
 - ◆ consultancy supplying
 - advertising
 - marketing communication and promotion

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