

2009 ANC Business Meeting



PHARMACEUTICAL MARKETING RESEARCH GROUP
BUILDING THE FUTURE

First, a look back at 2008's major accomplishments

- Over 800 healthcare research professionals have chosen to invest in individual membership in this organization
- Our dedicated volunteers & staff have delivered two high-quality national events & two networking events
- The PMRG Online Community (OC) continues to grow and develop
- All organizational documents have been reviewed and replaced, by vote of the organization, with new and comprehensive documents

2008 Participation was Strong

Event/Method of participation	2008 Participants/Attendees
Members	810
Online Community enrollees	360
February '08 networking event attendees	97
2008 ANC attendees	511
September '08 networking event attendees	136
2 nd Annual Meeting of The PMRG Institute attendees	284
<i>Participation Activity Index</i>	<i>1,388</i>

2009 is Starting Strong

Event/Method of participation	2009 Participants/Attendees
Members	812
Online Community enrollees	422
February '09 networking event attendees	146
2008 ANC attendees	533
<i>Year-to-Date Participation Activity Index</i>	<i>1,358</i>

What are members asking for next?

- Increased educational content – both in and outside of national events
- Additional networking opportunities
- Access to directories and resources to aid in talent development
- Continued delivery of quality national events
- More value on the OC
- Increased client-side involvement

Who will sponsor the 2009 PMRG Member Survey?

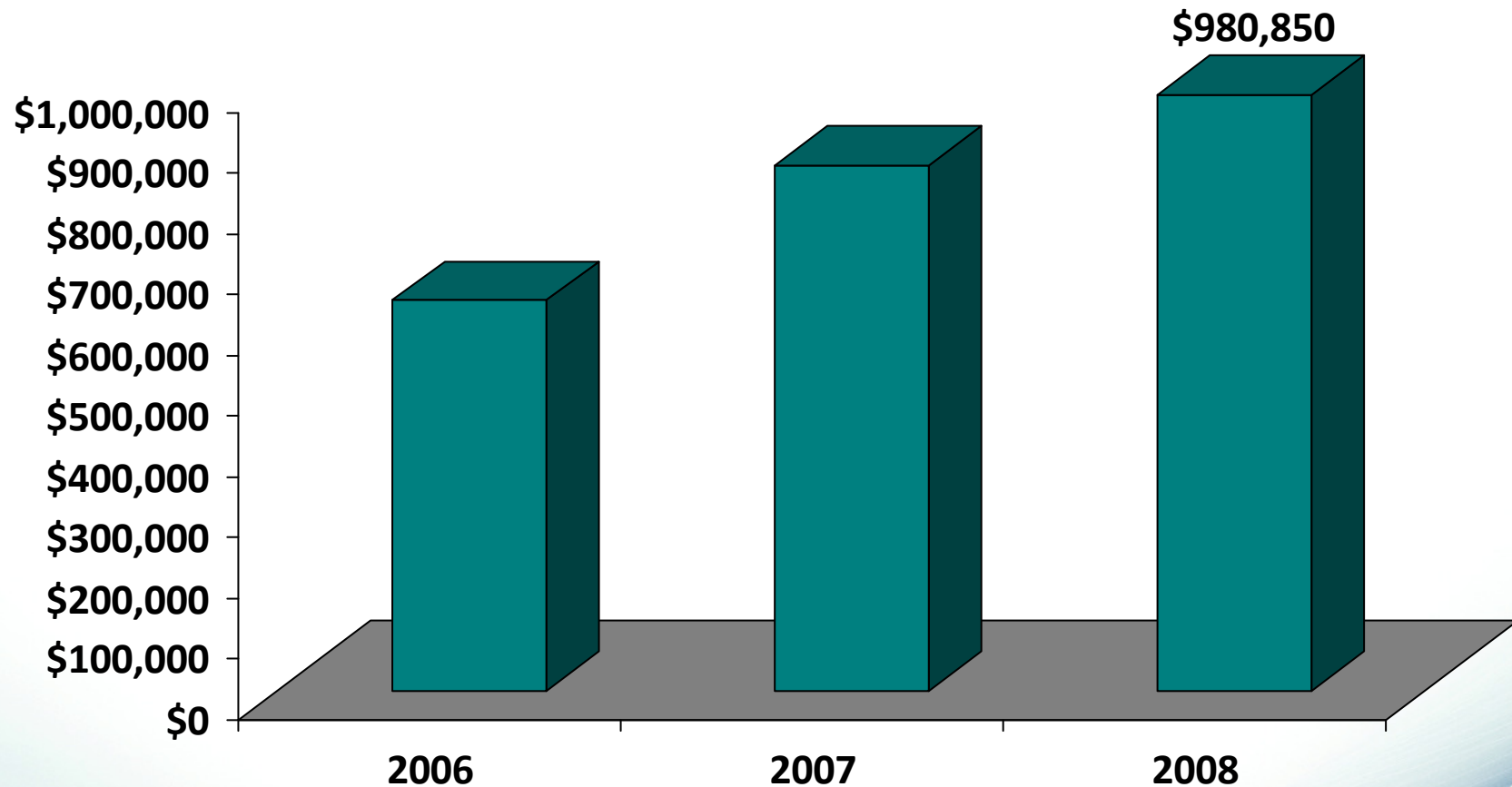
- The survey provides feedback on current performance and desired innovations and is used by the PMRG Board, Officers, and Committees for short- and long-term planning
- Starting in 2009, the opportunity to conduct the PMRG Member Survey will rotate each year
- Place your name in the hat at the PMRG Booth
- By submitting your company's name you are agreeing to do all of the following
 - Questionnaire Design (based on prior-year instrument)
 - Fielding (late summer)
 - Analysis and Reporting
- And what do you get in return?
 - Acknowledgement as a sponsor on survey communications & reporting
 - Designation as a sponsor at the next two consecutive meetings

PMRG's 2009 Goals

- Deliver high membership renewal rates while continuing to draw new members
 - Create and/or identify new educational offerings to make available to members
 - Increase member engagement in the OC
 - Improve and/or establish partnerships with related organizations
 - Offer value in a challenging economy with shrinking travel & training budgets
- Increase client-side involvement
 - Explore PMRG's proper role in advocating for legislative and regulatory affairs affecting healthcare market research

Treasurer's Report

PMRG Has A Strong & Growing Cash Position



In 2008, PMRG Generated A Surplus Of \$136,016

PMRG	
<u>Income</u>	<u>2008</u>
Registration Fees	\$ 929,863
Membership	111,357
Job Postings	2,329
Sponsorship Income	101,450
Consultant Fair Income	58,070
Late Fee	45,600
Guest Fees	2,450
Interest Income	19,298
Total Income	\$ 1,270,418

PMRG	
<u>Expense</u>	<u>2008</u>
Meals and Decor	\$ 318,599
Networking Event	27,264
Speaker Expenses	53,382
Board Meeting Expenses	25,873
Printed Materials	40,266
A/V and Production	167,648
Promo and Welcome Packets	20,882
Exhibit Costs	14,010
Staff Expenses	3,176
Meeting Administration	34,513
Committee	973
General and Administrative Exp	341,956
Legal	66,222
Bookkeeping	19,637
Total Expense	\$ 1,134,402

Listening Tour

Manufacturer “Listening Tour”

- Goal

- To gather broad, detailed information about manufacturers’ organizational and personal professional marketing research development needs

- Value

- Information essential to help fashion future PMRG strategy and specific offerings

Manufacturer “Listening Tour”

(Continued)

- Manufacturer targets
 - About 20 to 25 manufacturers with US headquarters
 - Diverse with respect to:
 - Pharma vs. biotech vs. other product focus
 - Manufacturer size and geography
 - PMRG involvement

Manufacturer “Listening Tour”

(Continued)

- **Manufacturer meetings**
 - Full day at manufacturer organization (e.g., all day; pm/am)
 - Appropriate/Expedient mix of group vs. individual discussions
 - Include interviews with those with budget and/or training responsibilities, such as:
 - Directors of MR function; managers, if relevant
 - VP responsible for marketing research function

Manufacturer “Listening Tour”

(Continued)

- Topics
 - Structure and size of MR function
 - Typical “careers” of MR staff
 - Current professional development/educational activities at individual and company level
 - Needed professional development/educational activities at individual and company level
 - PMRG offerings worth allocating budget for:
 - Membership, meetings, stand-alone training options

Manufacturer “Listening Tour”

(Continued)

- Timing
 - Manufacturer visits: March – August 2009
- Interviewers
 - Agency-side PMRG Leadership

Manufacturer “Listening Tour”

(Continued)

- Reporting and Use
 - Executive Committee
 - Board of Directors
 - PMRG Committee Chairs
 - PMRG Members at The PMRG Institute
 - The OC

Government Affairs

Legislative/Regulatory Review

- Bill Little, Secretary and Chair of Government Affairs
 - Government Affairs Committee: Mike Slotznick (counsel), Brian Cain, Elizabeth Jeffords, Tim O'Rourke, Roger Green

Current Legislative & Regulatory Situation

- Increased scrutiny of the financial relationship between physicians and pharmaceutical & device manufacturers
 - Money or things of value (meals, gifts, honoraria, consulting fees, etc.)
- Disclosure regulations continue to grow
 - Impacts drug promotion as well as marketing research
- State and Federal compliance with disclosure requirements is onerous, and may become worse for client and supplier companies alike.

Challenges: State Level

- States will continue to attempt to lump any *direct or indirect* physician payments into a gift category
 - Requires state by state filing of “payment reports” for every and any MD receiving in excess of, e.g., \$50 - \$100 per YEAR
- Exemptions may include
 - Drug samples for patients
 - Scholarships
 - Fees for bona fide clinical trials
 - Funding for clinical trial
 - Nominal gifts of up to \$50 per **year**
- Individual physician-level prescribing data restrictions

Challenges: Federal Level

- Physician Payments Sunshine Act (PPSA)
 - Sponsored by Grassley-Kohl in 2007, and again in 2009
 - Goal – increase transparency of financial relationships between prescribers and drug/device companies

As written:

- Language requires manufacturers to disclose money or things of value (meals, gifts, honoraria, consulting fees) given directly to individual doctors in connection with marketing activities
- MR honoraria seem unregulated if paid directly by a 3rd party (vendor)

Challenges: Federal Level

(Continued)

Physician Payments Sunshine Act (PPSA)

- According to some sources, the bill may reach the U.S. Senate for a vote in 6 months, but possibly longer
 - Will be attached to other legislation in HHS in a healthcare reform bill
- PPSA **does** pre-empt state statutes to a point BUT it **does not** pre-empt states from imposing more rigorous language
 - States could regulate 3rd party vendor honoraria payments, AND add more hurdles
 - Does not pre-empt states from prohibiting honoraria completely (e.g., MN)

Marketing Research Implications

1. Primary marketing research with physicians
2. Data mining physician level prescribing data

Marketing Research Implications

(Continued)

1. Primary marketing research with physicians:
 - Honoraria payment and disclosure is the central issue
 - Are honoraria equivalent to cash gifts, who can pay the MD, and who can know the MD's identity?
 - The ability to offer incentives to MDs is problematic and varies by state
 - MN, MA, ME, NH, VT, WV, D.C., CA, NE, NV ...
 - 15 - 20 others crafting laws which may impact MR

Marketing Research Implications

(Continued)

2. Physician level Rx data

- Mining these data for commercial purposes is at issue
- Physician level Rx data mining restricted states
 - VT, ME, NH (prohibited)
 - About 5 other states with pending Rx data mining bills
- IMS lost a recent court battle with New Hampshire and likely taking further action to challenge this decision

PMRG Action Plan

- PMRG is uniquely positioned to play an important role . . .
 - Advising membership of changes impacting marketing research
 - Helping preserve ongoing marketing research practices

Short Term Actions

- We are planning necessary involvement in the state and federal legislation for our membership through direct advocacy action by the PMRG organization
 - Due to the time sensitive nature of these issues at hand, we are currently rigorously exploring a number of tactics
 - The PMRG Board of Directors has committed to the investment of both time and initial funding
 - Additional communications to members will be forthcoming

How you can help

- Please go to the PMRG booth during lunch today if you'd like to volunteer or get involved at any level

Q & A