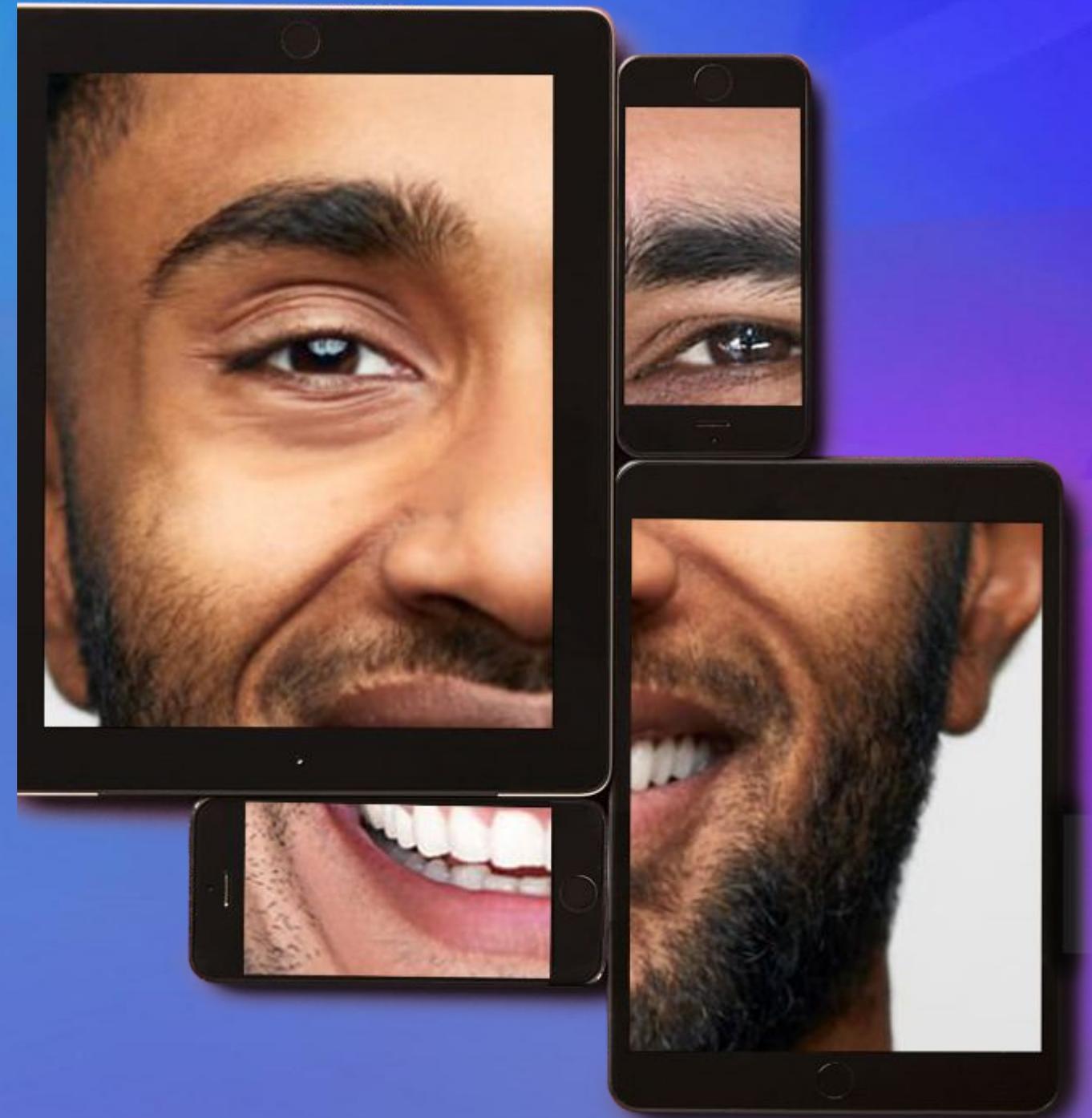


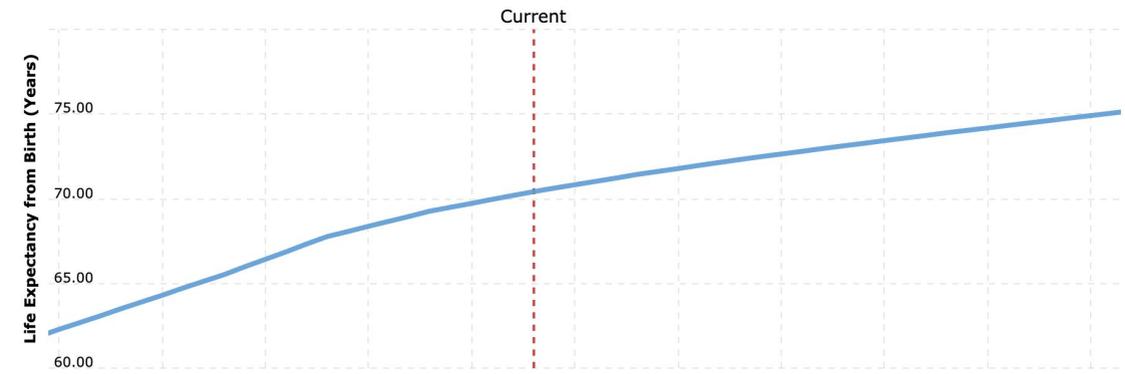
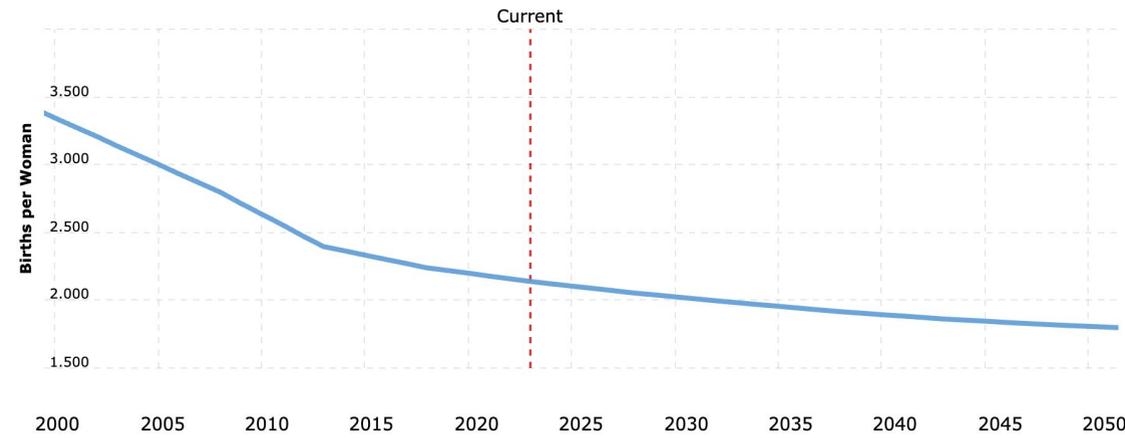
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LIFE SCIENCES

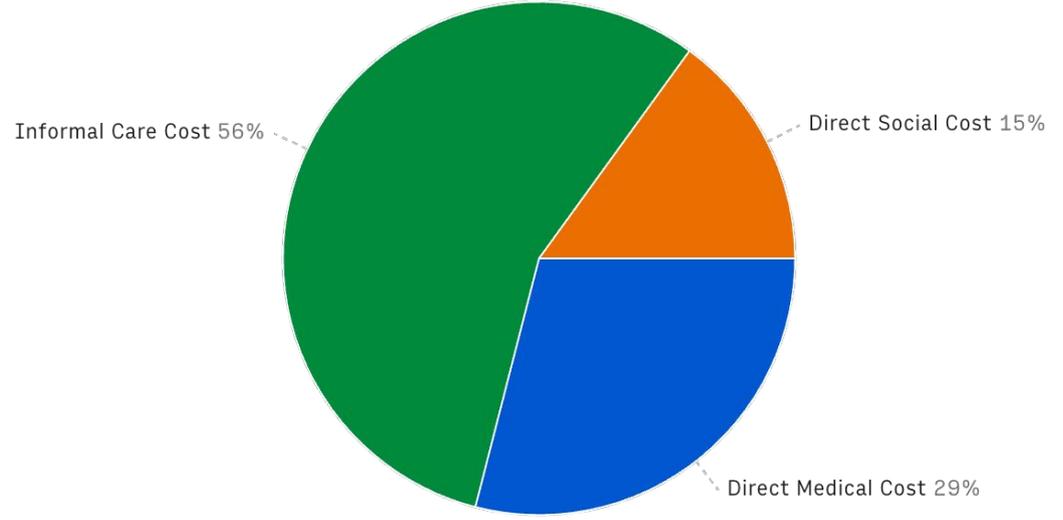
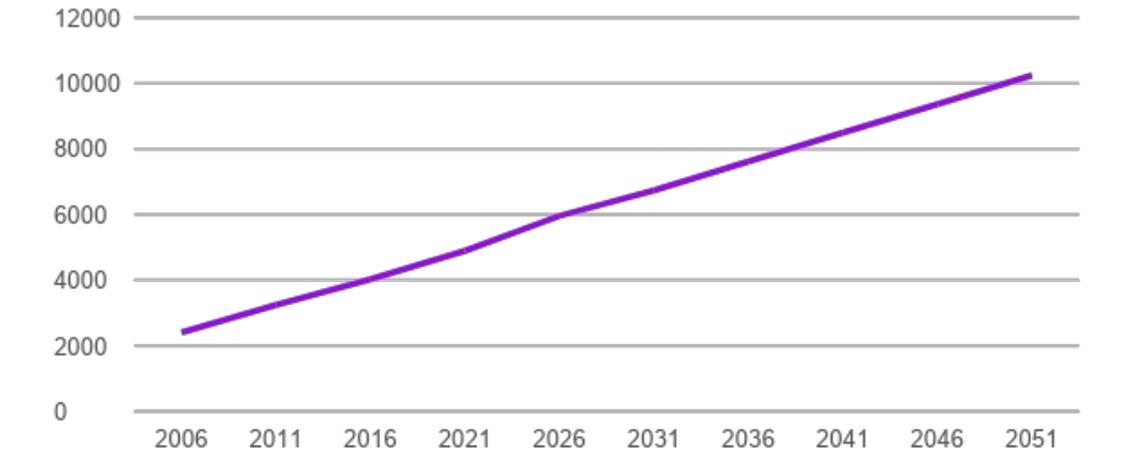
Lakshaya Arya | IIM-Udaipur



Problem Statement: To create a comprehensive business plan to successfully launch the dementia medication in the Indian market



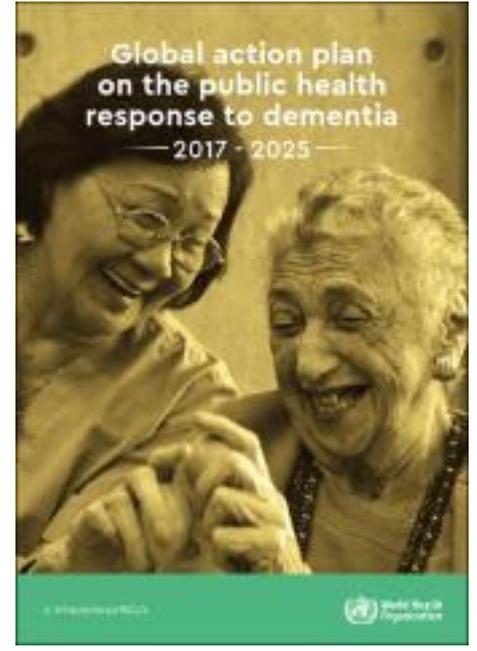
No of Dementia Patients ('000)



Types of Costs included in a Cost of Illness study			
Direct costs	Direct costs	Indirect costs	Intangible costs
Actual costs of medical care:	Non-medical expenses:	Loss of earning	Effects upon Quality of life of patient
Consultation	Cost of healthcare assistants	Loss of productivity	Effects upon QOL of carers, etc
Investigations	Travel	Absenteeism, etc	
Admissions	Accommodation		
Treatment costs, medications, etc	Day care costs		
	Institutionalisation costs, etc		

The estimated household costs of caring for a person is Rs 20,300-66,025 per household per year in rural areas, and Rs 45600-2,02,450 per household per year in urban areas. (2019 data)

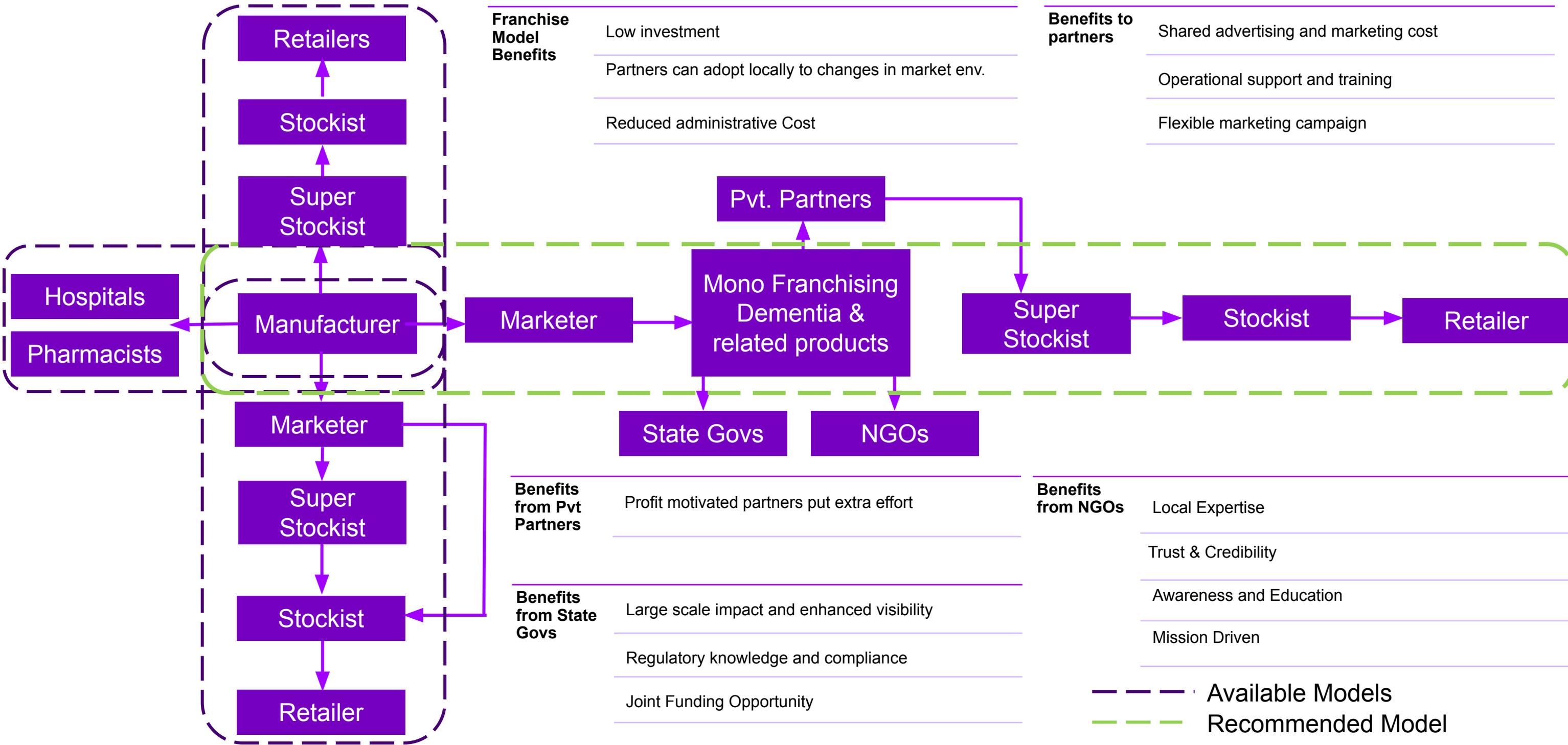
For reference, India's per capita income in 2019 was 125.95 thousand Indian rupees.



Areas for action include increasing prioritization and awareness of dementia; reducing the risk of dementia; diagnosis, treatment and care; support for dementia carers; strengthening information systems for dementia; and research and innovation

In India, only one in 10 people with dementia receive a diagnosis, treatment or care.

Distribution Model



Healthcare Professionals

- HCPs (physicians, nurses, pharmacists) are crucial in- patient care.
- A 2020 Harris Poll: 87% HCPs value pharma educational initiatives.
- Journal of Medical Marketing: 81% HCPs find pharma reps vital for clinical knowledge.
- Effective marketing informs HCPs about informed patient care.

Pharmacies and Retailers

- With over 1600,000 licensed pharmacies, they serve as crucial hubs for healthcare dissemination and education.
- Pharmacists are trusted sources of medication information by about 93% of Americans (APhA). Similarly in India, most people consult pharmacists for medication.
- They provide guidance on proper medication usage, improving patient adherence and health outcomes.

Government and Policy Makers

- Government policies profoundly influence pharmaceutical marketing and sales strategies in India. Companies emphasize strict adherence to regulations
- By industry India's 2023 pharmaceutical market is valued at \$50 billion, estimated to touch \$130 billion in value by the end of 2030, highlighting policy's impact.
- Participating in Schemes like Ayushman Bharat will prove pivotal for distribution and sales.

Healthcare Org. and Institutions

- Healthcare organizations (hospitals, clinics) have set procurement processes for pharmaceutical purchases.
- Pharmaceutical firms market products to these institutions, potentially influencing their choices.
- Pew Charitable Trusts research highlights marketing's sway on prescribing patterns.
- JAMA study links drug promotion to increase prescription of marketed medications.

Insurance Companies and Payers

- Insurance companies' decisions impact pharmaceutical accessibility and affordability for patients.
- 37% population in India is covered with health insurance, and around 70% of the population is estimated to be covered under public health insurance, as per Forbes report.
- One in Five Disabled Adults Skip Medicines Due to Cost



Pricing

- The annual household cost of caring for a person with dementia in India, ranges between INR 45,600 to INR 2,02,450 in urban areas and INR 20,300 to INR 66,025 in rural areas
- Medical costs in rural areas is nearly one-third of the total costs as against less than one-fifth in urban areas

Factors to be considered for the pricing strategy

- According to the Indian Patent Act (IPA),
 - A drug must be priced no more than the cost of production plus 25% of the manufacturer's net profit after tax
 - The drug must be available at a price that does not exceed the cost of production plus 50% of the manufacturer's net profit after tax

*Annual per patient value = ((QALY gained * WTP threshold) + Cost Offsets) / Time on treatment*

QALY = 0.5 | WTP = 1.2L | Cost Offsets = 0.75 * 84000

Time on Treatment = 20 years

Annual per patient value = 6000

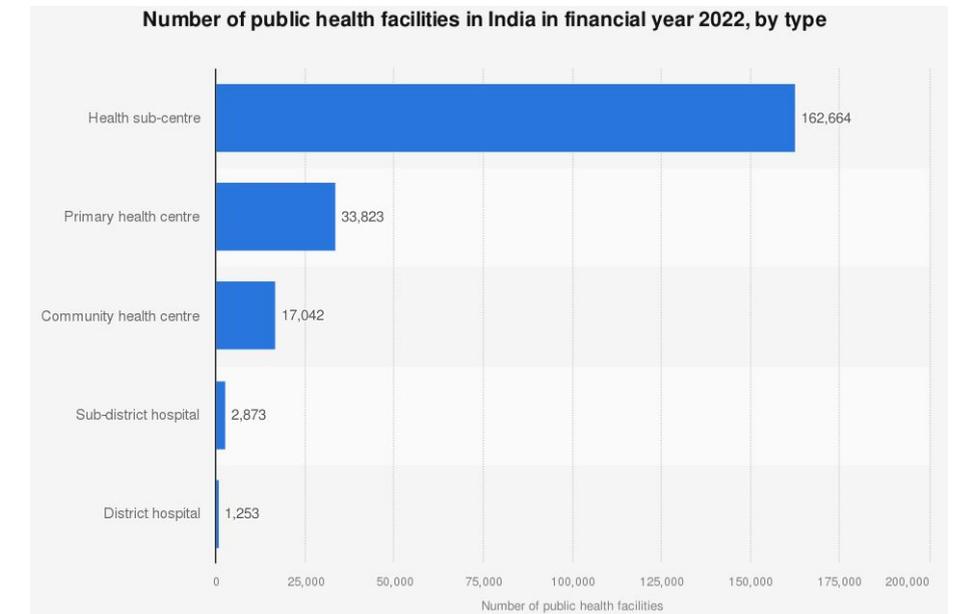
Price = 500Rs / 30 tablets

Assumptions

- The drug increase the life by 10 years
- WTP equals per-capita-GDP

Healthcare Schemes (Affordability)

- Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP)
- Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY)
- Drugs and Diagnostics Scheme under National Health Mission
- State-Specific Schemes



A Sub-center: Serves a population of 5000

A Primary Health Center: Serves 30000 population

A Community Health Center: Serves 120000 population



Sources: Ministry of Health and Family Welfare, NITI Aayog, WHO

Note: QALY – Quality-Adjusted-Life Years | WTP – Willingness to Pay

Patient Services and Future Strategy

Market trends that are driving patient services

- More people suffering from chronic diseases
- Patient adherence to chronic medications is only 50%
- Growth in telemedicine and digital tools

Benefits of Patient Services for Multiple Stakeholders

- Staying adherent to therapies and improving their experience
- Prescribers and healthcare providers can improve treatment outcomes
- Pharmaceutical companies can minimize loss of value from drop-offs

Awareness regarding Risk factors

- Smoking and Alcohol Use
- Cholesterol
- Diabetes
- Physical Inactivity
- Hypertension, Stress etc.
- Poor Diet

Therapies

- Occupational Therapies making home safer, managing behavior as Dementia progresses
- Changes to the environment happy and cheerful groups
- Simpler Tasks to prevent confusion

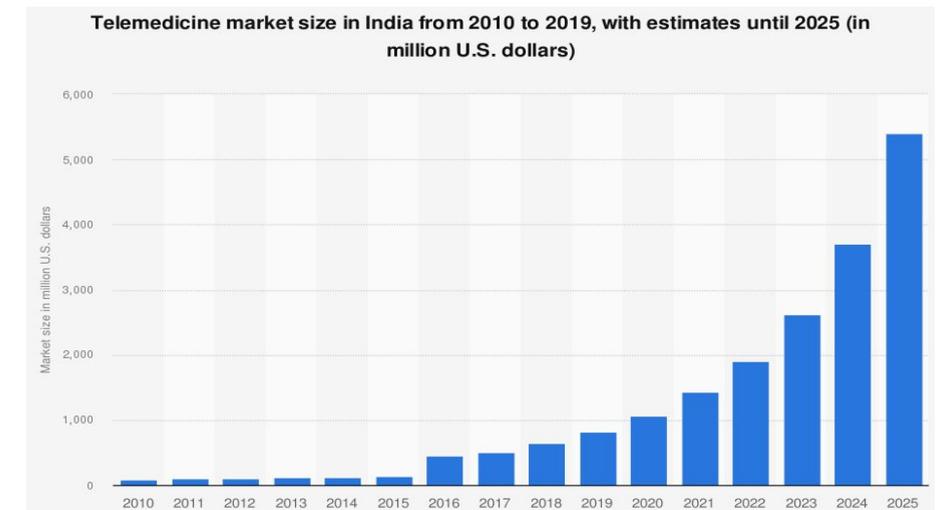
Financial and Reimbursement Services

- Financial risk-based contracts tie prices to how drug performs in real world
- Health outcomes-based contracts reimbursement if patients don't reach the targeted health outcome

Patient Communities



Telemedicine and Virtual Clinics



Thank you