

### Going Digital: The Time Is Now

The global coronavirus pandemic has stressed the health care industry and life sciences companies in unprecedented ways, but these events have also yielded unexpected long-term benefits. Health care organizations were forced to adopt new ways of delivering care and connecting with patients. Along with telemedicine and remote patient monitoring, physicians have grown comfortable with online learning and digital engagement. And the health care sector has made enormous progress in its digital transformation.

The speed with which health care organizations adopted new technologies and digitized processes – from clinical operations to provider education and marketing – is unparalleled. <u>A Twilio study</u> indicated that the COVID-19 pandemic accelerated organizations' digital transformation by a full six years. <u>A report by McKinsey</u> noted, "In April 2020, overall telehealth utilization for office visits and outpatient care was 78 times higher than in February 2020." The report noted that telehealth usage peaked in April 2020 and has since stabilized – at levels 38 times higher than those reported before the pandemic.

The pharmaceutical sector isn't immune to these trends. Digital transformation is changing the ways patients and providers interact with biopharma companies and altering how they discover, learn about and purchase therapeutics. It's also reshaping biopharma companies' strategies for engaging physicians to teach them about new drugs and educate them on best practices for leveraging them in emerging treatment protocols.



The COVID-19 pandemic sped up digital transformation by 6 years.<sup>1</sup>

154%

In 2020, telehealth use was 154% higher than 2019 levels.<sup>2</sup>

38x

Telehealth is now 38 times more popular than it was before the pandemic.<sup>3</sup>

In particular, virtual speaker programs have seen more widespread adoption and greater success than ever before. During the pandemic, with biopharma reps unable to meet with their target health care providers in person, there was a quick pivot to virtual events. And they met with a newly receptive audience. Not only are today's physicians more comfortable delivering care



<sup>1,</sup> COVID-19 Digital Engagement Report, Twilio.

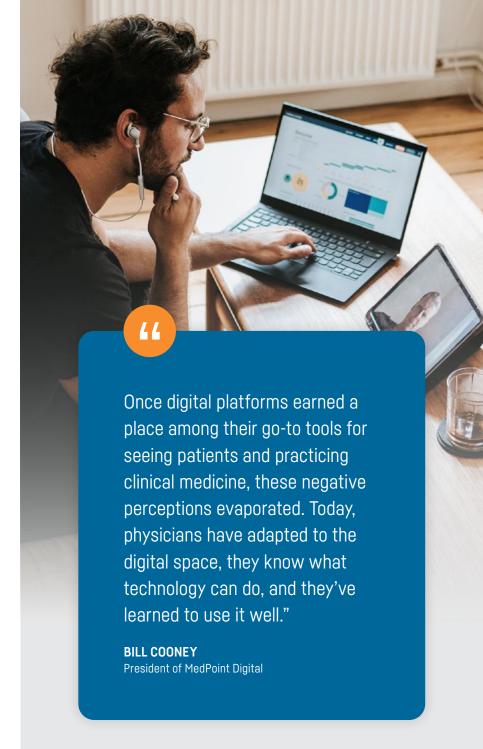
 <sup>&</sup>quot;Trends in the Use of Telehealth During the Emergence of the COVID-19 Pandemic" – United States, January – March 2020, Morbidity and Mortality Weekly Report, CDC.

<sup>3. &</sup>quot;Telehealth: A quarter-trillion-dollar post-COVID-19 reality?," McKinsey & Company, July 2021.

virtually, but they're also more comfortable participating in virtual peer-to-peer events, particularly when the events are engaging, interactive and available on the device of their choice. At the same time, in-person speaker programs — biopharma companies' traditional tactic for educating health care practitioners about the benefits of new therapeutics — have fallen under intense regulatory scrutiny. The favorable results that biopharma companies have had with virtual speaker programs during the pandemic have demonstrated to regulators that there are few benefits to conducting these events in restaurants or conference venues and many potential drawbacks, including the possibility of violating anti-kickback laws.

"Physician acceptance of virtual speaker programs changed dramatically over the course of the pandemic," said Bill Cooney, president of MedPoint Digital. "Before, doctors used to talk about 'death by PowerPoint.' They thought of virtual-meeting technology as something clunky and glitchy that wouldn't give them a good experience. Once digital platforms earned a place among their go-to tools for seeing patients and practicing clinical medicine, these negative perceptions evaporated. Today, physicians have adapted to the digital space, they know what technology can do, and they've learned to use it well."

In light of recent trends, including a <u>lingering downturn in professional and business-related travel</u> that may be with us long after the pandemic is under control, the advantages of virtual speaker programs are increasingly apparent. Virtual speaker events save time, reduce costs and are inherently easier for biopharma companies to monitor to ensure compliance. To remain competitive in a digitally transforming world, it's imperative that biopharma companies invest in new digital strategies that will foster efficiency and deliver value to patients and physicians alike. Virtual speaker programs are the next step in the evolution of industrywide norms for provider education and drug marketing.



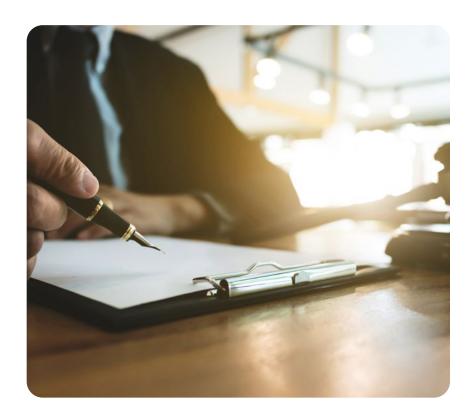


# Going Digital: Compliance in a High-Risk Environment

Regulators and prosecutors have long been concerned about the potential for abuse of in-person speaker programs offered by biopharmaceutical and medical device companies. There's been a long <a href="https://doi.org/10.25/10.25/">https://doi.org/10.25/</a> been a long <a href="https://doi.org/10.25/">https://doi.org/10.25/</a> been a long <a href="https://doi.org/10.25/">https://doi.org/

On Nov. 16, 2020, the Office of the Inspector General (OIG) of the U.S. Department of Health and Human Services took the unusual step of issuing a Special Fraud Alert on the topic. The first such alert released in over six years, this remarkable action advised drug and device companies to use caution in conducting speaker programs, warning that the free meal that physicians attending an event typically received may be considered illegal remuneration under the Anti-Kickback Statue (AKS) if the purpose of the meal was to "induce" or "reward" physicians to prescribe a particular drug. This was the latest in a two-decades long series of warnings the OIG has sent to the industry about speaker programs.

Federal and state prosecutors have also been troubled about the honoraria paid to physician speakers, which may violate the AKS by offering the speakers more than fair market value for their time and potentially incentivizing them to sell products. The Special Fraud Alert clearly indicated that venue-based speaker programs are riskier than online events, noting: "We are issuing this alert during the pandemic emergency, which is necessarily curtailing many in-person



activities. ... The risks associated with speaker programs will become more pronounced if companies resume in-person speaker programs." It also explicitly stated that any party involved in speaker programs "may be subject to increased scrutiny."

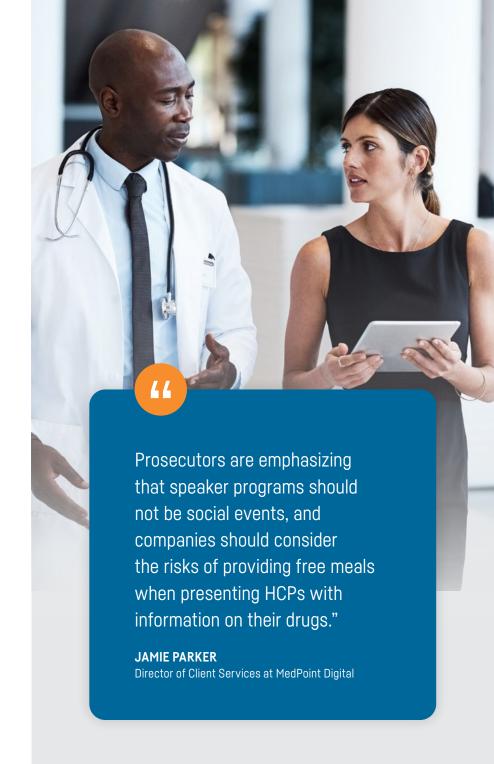


Even before the Special Fraud Alert, there was a general increase in regulatory oversight. Furthermore, penalties paid by biopharma companies found to violate guidelines for speaker programs have grown dramatically over the past few years. The average penalty assessed for a violation continues to climb and is now approaching \$1 billion.

"The OIG is sending a strong message to the pharmaceutical industry," said Jamie Parker, director of client services at MedPoint Digital. "Prosecutors are emphasizing that speaker programs should not be social events, and companies should consider the risks of providing free meals when presenting HCPs with information on their drugs. The key message is about perception: It shouldn't appear like a company is entertaining physicians in attendance to promote their products."

In the face of this increasing scrutiny, the Pharmaceutical Research and Manufacturing Association (PhRMA) recently updated its Code on Interactions with Health Care Professionals to prohibit alcohol from being served at speaker events and placed additional restrictions on attendance. With attendance among health care professionals already down because of the COVID-19 pandemic, though, there's concern among pharmaceutical marketers that PhRMA's restrictions will further stifle physicians' desire to attend in-person events.

Furthermore, because the Physician Payments Sunshine Act requires that annual data on payments and transfers of value to physicians be made public on the CMS website, many hospitals and health-provider networks have banned their employees from attending biopharma speaker events because of the suggestion of corruption or bias that attendance represents. This restriction promises to further limit attendance and increase the challenges and costs involved in ensuring that in-person events are compliant.





### Mounting Fines and Settlements: Penalties for Violating Anti-Kickback Statute Reach New Highs

#### Novartis, \$591 million.

In July 2020, the U.S. Department of Justice (DoJ) announced that Novartis Pharmaceuticals had agreed to pay more than \$591 million to resolve claims that it had violated the False Claims Act by paying kickbacks to doctors to induce them to prescribe Novartis drugs. The DoJ alleged that Novartis held tens of thousands of speaker programs under the guise of providing educational content, but many of the programs were nothing more than social events held at expensive restaurants, with little or no discussion of Novartis drugs. Some of the so-called speaker events never even took place, the DoJ asserted.

#### GlaxoSmithKline, \$3 billion.

Global health care and pharmaceutical giant GlaxoSmithKline agreed to a guilty plea and reached a record-setting \$3 billion settlement with the DoJ in mid-2012. The company faced civil and criminal liabilities for multiple violations, including unlawful promotion practices. GSK's use of speaker programs was alleged to violate both Anti-Kickback laws and the False Claims Act.

#### Teva, \$54 million.

Teva Pharmaceuticals reached a settlement with the DoJ in December 2019, with Teva agreeing to pay \$54 million to resolve False Claims Act allegations that Teva had induced physicians to write prescriptions for drugs to treat multiple sclerosis and Parkinson's disease by paying them to serve as speakers in sham speaker programs or events.



# Going Digital: Lower Costs, Higher Attendance

It's inherently easier to ensure that speaker events conducted virtually are compliant than it is to enforce compliance for in-person events, but this isn't the only advantage that going digital provides biopharma sales and marketing programs. It's also easier to reach larger audiences digitally, and it's possible to do so at a much lower cost.

Physicians are under increasing time pressures and struggle to find time to attend in-person speaker events. Switching to digital instantly removes many obstacles, such as time spent traveling to dining venues. And while in-person event times are constrained by the availability of the local venue as well as the speakers, virtual events can be made available at multiple times that are convenient for their audiences.

Another advantage to going digital is that it removes geographical barriers to attendance. By nature, an in-person event can only reach the audience at that locality: This means that multiple speakers are needed to deliver the same material to multiple different localities — a model that's fundamentally inefficient. In contrast, with virtual speaker programs, nationally recognized experts can reach national audiences. There are no limits on audience size or location.

"One big benefit to pharmaceutical companies is that they can leverage highervalue, more experienced speakers across a far wider audience in virtual programs," said Tim Curry, senior vice president for account development at MedPoint Digital.

"Also, they can use those speakers more frequently, since no one is constrained by the need to drive or fly to event locations. It's easier for top-tier speakers to speak more often, and from home, office or any location. This also benefits practicing physicians, who now demand more flexible and convenient formats. It even makes it possible for physicians in far-flung locations to engage with speakers they previously could not access."



In-person expenses

5-10 time high

In-person speaker program expenses are five to 10 times higher than the cost of an equivalent virtual event.



At the same time, in-person speaker programs are costly. According to the OIG, the industry spent a collective \$2 billion on speaker-related services from 2017 through 2019. Per-participant food costs, even for a "modest meal at fair market value," can quickly add up: They range from \$60 to \$100 per attendee. This explains why speaker programs have often been the largest line item in brand marketing budgets. Research conducted by Axtria indicated that expenses for in-person speaker program were five to 10 times higher than that of an equivalent virtual event. Not only are food and travel costs eliminated, but the fair market value of honoraria is much lower because speaker services takes so much less time.

What's more, with today's regulatory crackdown, biopharma companies cannot disregard the significant financial penalties that would come with being found in violation of the False Claims Act. The financial risk involved in holding an in-person event is now significant.



### Virtual Events Empower Pharmaceutical and Life Sciences Companies To Maintain Compliance

Virtual speaker programs are inherently conducive to compliance monitoring and control. Here's why:

- With virtual platform technology, it's easy to control which slides or slide sets are presented.
- Information sharing is effortless: It's possible to include a Package Insert feature that attendees can click on, right inside the virtual meeting interface.
- If attendees have questions about off-label drug use, they can automatically be moved into a private discussion room within the virtual platform.
- · Virtual events can be conveniently and silently monitored by any party within the presenting biopharma company to ensure compliance.



# Going Digital: More Convenience, Superior Content

To adhere to the letter as well as the spirit of the law, pharmaceutical speaker programs must be purely educational in nature. The content needs to be explicitly tailored to the educational needs of physicians, and it cannot be truncated or overly simplistic. With virtual speaker events, it's possible to do this uniformly and consistently.

Attendees can choose the time that works best for their schedule, but they can also choose a time that will best enable them to focus on and participate in a learning experience. And they can opt out of sessions that interest them less, electing to focus more deeply on those that are most relevant to their clinical or research interests. They can also be engaged repeatedly by participating in a series of speaker events or sequential educational content.

"In the past, some health care professionals who attended in-person speaker events would not necessarily be there for the content," Parker explained. "Unfortunately, they came to socialize, or for the free meal and alcohol. With virtual speaker events, physicians often focus more on the content being delivered, who is delivering it and on the value of that content. They are there because they want to learn, and because they want to engage with their peers." Adding interactive elements into the presentation can further increase engagement and can foster a sense of community among the audience members.

It's much easier for pharmaceutical companies to control the conversation during virtual events than it is in person. For instance, survey/polling can include

multiple choices that all comply with FDA product labeling. The superior structure, monitoring and control aspects of virtual speaker programs enable the pharmaceutical companies to prevent or curtail off-label and noncompliant conversations. The net effect is that virtual speaker programs can significantly reduce the formidable risks of noncompliance that now have been clearly delineated by federal prosecutors.

### Increasing Audience Engagement During Virtual Speaker Events: **Best Practices**

- Select an intuitive, reliable platform that makes registration and participation simple and fun.
- Incorporate interactive elements, such as polling, surveys, Q&As and gamification.
- Invest in top-quality preproduction planning, moderation and technical elements, such as sound and lighting.
- Choose shorter formats.
- Use live video and multimedia content.



# Going Digital: What To Look for in a Provider

To transition from in-person speaker programs to an all-virtual or hybrid model, it's essential to choose a platform and provider that will enable you to offer attendees and speakers exceptional experiences. This requires effort and investment. Virtual speaker programs are different from in-person events, but no less important, and they require just as much planning and preparation.

"Pharmaceutical companies wouldn't settle for digital marketing tactics and assets that are generic or don't reflect well on the brand," Curry said. "The same thing should be true for virtual speaker programs. Don't settle for a generic virtual meeting experience. Instead, invest the same amount of attention and focused effort that you would in any other marketing asset. This is what makes it possible to deliver high-quality, engaging programs."

In particular, seek out a provider with extensive experience and expertise. You need someone who has proven, field-tested techniques for reaching large audiences reliably and without glitches. Be sure, also, that your provider can execute with the speed and scale that you need to reach your current audience — as well as tomorrow's. And make certain that the provider has a solid track record of delivering effective peer-to-peer physician education along with comprehensive technical and production capabilities. In addition, make sure they have the requisite expertise in data security and compliance. This is essential for mitigating both regulatory and data security risks.

"There's a big difference between an experienced, dedicated web conference technology provider and a vendor who has recently added an off-the-shelf platform and declared themselves a 'virtual speaker program provider,'" noted Cooney,



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#### **TIM CURRY**

Senior Vice President for Account Development at MedPoint Digital

"Scaling up a virtual speaker program requires significant technical and operational expertise. This channel is notorious for the kinds of glitches that physicians won't tolerate, and only a seasoned team can help you navigate through the technology to achieve success."

Finally, look for someone who can provide white-glove support for speakers, health care professionals and field reps. "When a provider has this level of service and expertise, they're able to help clients navigate the virtual platform almost effortlessly," Parker said. "White-glove service is a must when working with key opinion leaders and industry advisors. Find a provider that has experience with the platform, takes the time to learn their clients' needs and cares about the goal — to deliver an engaging educational exchange with high reliability. Your provider should be able to say, 'I'm here for you,' in a way that is truly reassuring and meaningful to you and your customers."



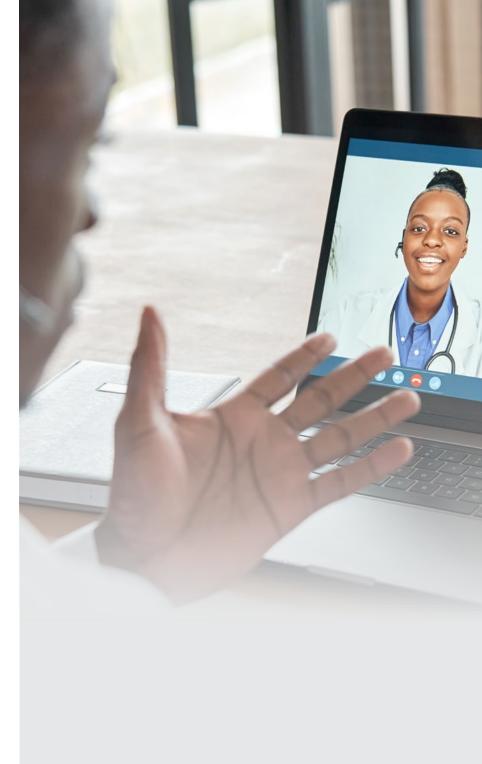
### Conclusion

The nature of physician education and pharmaceutical marketing is changing. As digital technologies see accelerating adoption in all areas of our lives, virtual platforms are being embraced as a new way to connect expert medical speakers with practicing physicians. Virtual speaker programs are cost-effective, convenient and able to break down the geographical barriers that once kept nationally renowned speakers from reaching local audiences. It's also inherently easier to maintain compliance with a virtual speaker program, a fact that's becoming increasingly important in the face of the current regulatory crackdown.

Nonetheless, establishing a successful virtual speaker program requires experience and expertise. A best-in-class provider, such as MedPoint Digital, can guide you through the process, helping you develop the right strategies, leverage the ideal technologies and apply best-practice-based methods for engaging your audience.

Curry summarized it this way: "What sets MedPoint Digital apart is our proven expertise in delivering a powerful digital channel for dynamic live speaker events.

"Unlike our competitors, MedPoint Digital has unrivaled experience engaging audiences and supporting speakers. We provide our industry's most reliable platform, driven by a best-in-class technology backbone. And we offer white-glove support that's second to none."







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