

Welcome

In this edition we share the outcomes of our 2007 client survey, report on recent changes in the German health care system and introduce four new members of staff. We hope you enjoy our new section 'Focus On', where we take the opportunity to tell you more about one of our members of staff!

In December 2007, Fourth Hurdle attended and had an exhibition stand at the NICE 2007 Annual Conference & Exhibition in Manchester. The conference was well attended by many of our clients, NHS experts and other exhibitors. This was a very worthwhile and successful conference for the staff attending from Fourth Hurdle.

2007 Client Survey

We are delighted to report that, after a recent independent market research survey which we commissioned from ActionPoint Marketing Solutions Ltd, our clients have indicated that they are pleased with our services. The findings report that there are significant improvements in all areas since 2005, when the last survey, also conducted by ActionPoint, took place. In summary:

- there is a high level of client loyalty, many clients coming to us via recommendation
- Fourth Hurdle are valued for technical skills and expertise, especially in economic modelling and evaluation, pricing and reimbursement

We are known for:

- our knowledge of the UK market and strategic and creative thinking
- a professional approach, good working relationships and willingness to challenge assumptions
- our understanding of your business.



(Source: ActionPoint Marketing Solutions Ltd.)



Aspect rated	Mean Score 2007	Mean score 2005
Enjoyable people to work with	4.4	4.0
Professionalism	4.3	3.9
Creative Solutions	4.3	3.2
Strategic understanding	4.3	3.8



Whilst the above is great news, there was also an indication that we need to work harder to meet client deadlines. Our recent staff increases enhance our capability and commitment to service for our clients. It was also suggested that we need to further improve client communication, ensure clients are aware of our international reach and the range of services we offer, and the academic and policy making contacts we can deploy on projects. In response to this, we have recently produced a handy tri-fold brochure, which provides a summary of our services.

If you have any questions regarding the market research, or would like our tri-fold sent to you, please contact SallyHelps@FourthHurdle.com

Overall, the results were encouraging. As an indirect 'thank you' to the clients who took part in the independent survey, we have made a donation of £400 to WaterAid, a charity that uses practical solutions to provide safe water, effective sanitation and hygiene education to the world's poorest people.

Recent Fourth Hurdle Publications:

LLOYD A, HOLMAN AJ. A Cost-Minimization analysis comparing Moxifloxacin versus Levofloxacin and Ceftriaxone for the treatment of patients hospitalized with community-acquired Pneumonia: Results from the Motiv Trial. International Society for Pharmacoeconomics and Outcomes Research, Dublin, 23-27 October 2007

LLOYD A, TWENA N, TOWNSEND C, HOLMAN AJ. Costs And Neonatal Outcomes After Insulin Aspart COMPARED With Human Insulin In Pregnant Women With Type 1 Diabetes. International Society for Pharmacoeconomics and Outcomes Research, Dublin. 23-27 October 2007

HOLMAN AJ, MUNRO V, NIELSEN S, LLOYD A. Inpatient Costs and Health Outcomes for Pregnant Women with Type 1 Diabetes. International Society for

Pharmacoeconomics and Outcomes Research, Dublin, 23-27 October 2007

MASON J, LLOYD A, HOLMAN AJ, JOBANPUTRA M. Economic evaluation comparing Lansoprazole and Esomeprazole in the acute management of uninvestigated dyspepsia. International Society for Pharmacoeconomics and Outcomes Research, Dublin, 23-27 October 2007

YORK N, HARTLEY-JONES C, HUTCHINSON J, BOWRIN K, CROSBY C. The cost-effectiveness of 2% chlorhexidine gluconate in 70% isopropyl alcohol in prevention of central venous access-related infections in patients admitted to Intensive Therapy Units (ITU). 37th Annual Infection Control Conference, UK, 24-26 September 2007

Feedback: We would appreciate your feedback on this newsletter. If you have any comments please email Sally Helps at SallyHelps@FourthHurdle.com

New Additions to Fourth Hurdle Consulting

We welcome four new members to the company team:



Frode Ravndal MSc
Health Economics Analyst



Husein Reka MSc
Health Economics Analyst



Penny Watson MSc
Health Economics Analyst



Paul Mernagh MCom
Senior Health Economist

To find out more information about our staff, please visit our website: <http://www.fourthhurdle.com/team.htm>

What are the main constraints for pharmaceutical companies bringing a new product to the German market?

Germany's health care system provides its residents with nearly universal access to comprehensive high-quality medical care and an almost free choice of physicians. With the third highest health expenditure in the world (11.3% of GDP), Germany looks appealing to pharmaceutical companies, but several significant reforms are underway to cut costs in the health care sector.

Although a newly registered pharmaceutical product can have its price set freely, there are several limitations which need to be considered:-

1. Reference price: in January 2005 a new **Fixed Reference Price (FRP)** system for determining the reimbursement of new medicines was established. The new system is stricter than before, forcing branded and generic drugs into the same reference price groups and setting a uniform reimbursement price for all products within a group. Without defining exact standards, the system gives preference to a pharmaceutical product that offers a "therapeutic improvement", meaning that the drug needs to have a higher therapy-relevant effect than other drugs in the same group.
2. In January 2007, the highly controversial **Bonus-Malus-system** was established. It applies to frequently prescribed drugs and is intended to give physicians an incentive for prescribing low-priced products. If a physician exceeds predetermined treatment costs for drugs he will be required to pay financial compensation (malus) to the statutory health insurance bodies (Spitzenverbände der Krankenkassen). If the physician's

treatment costs remain below these limits he receives a bonus. Doctors and patients fear that this system, which requires a lot of additional (costly) administration, could lead to a shortage of necessary drugs and will therefore decrease the quality of the health care system.

3. Discussions about the Bonus-Malus system are ongoing whilst the next step of the latest health care reform is being prepared: the introduction of a "health fund" (Gesundheitsfond): all public health insurances plus additional tax money is supposed to be paid into the fund and health insurance bodies will be allocated a lump-sum, according to their members, adjusted by age, sex and morbidity. The introduction of the health fund will take effect in 2009, at which point the government will also define the members' monthly contribution rates. Reviewers expect these new regulations to further reduce competition between insurance companies, making the system more expensive.
4. The new Institute for Quality and Economic Efficiency in the Healthcare System (<http://iqwig.de>), which was established in 2004 and is the German equivalent to NICE in the UK, with regard to the assessment process not the appraisal. The institute investigates new therapeutic and diagnostic services and communicates its findings to health care professionals, patients and the general public. The criteria for making these evaluations are not fully transparent, and input to them is limited for representatives of the pharmaceutical industry and for individual manufacturers of drugs being reviewed.



Focus On

Emma Bloomfield is our Senior Health Systems Analyst and has been with the company since 2004.

What specific Industry and NHS experience do you have?

Having worked in the industry for 20 years, I understand the structure and system of decision-making in relation to clinical services in the NHS. I have a wide understanding of NHS funding and the operational issues relating to key decision-makers in the NHS.

What specific therapy areas do you have knowledge of?

In the past I have held management posts in Neurosciences, Cancer Services, Renal Services and Clinical Project Management at St Bartholomew's and the Royal London Hospitals. At Fourth Hurdle, I have worked mainly on projects in oncology, auto-immune diseases, gastrointestinal and neurosciences. I have a particular interest in orphan drug policy.

What are you working on now for Fourth Hurdle?

I am mainly focusing on multi-country environment

analysis, which involves extensive project management with the *aegisnet* members and also sub-contractors. I am also continuing to keep up to date with developments in the pharmaceutical industry, NHS funding and commissioning. I regularly update other members of staff on these areas.

What is it like to be part of the senior management team at Fourth Hurdle?

Interesting, challenging and busy! I am working with the directors on refining management processes and it has been very satisfying to see real improvements over the last year.

When you are not working, what do you get up to?

I look after my three boys and two ferrets, and enjoy running and playing the guitar. I keep up my NHS involvement through membership of an executive committee at my local hospital, the Whittington in North London.

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