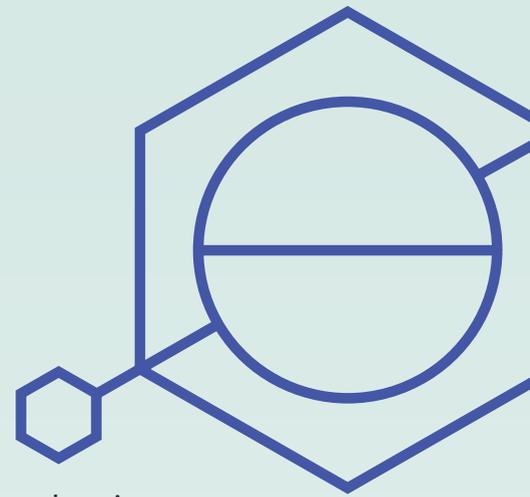




Michael Ryan
Senior Vice President, Worldwide Value, Access, Policy and Health Economics and Outcomes Research
Bristol-Myers Squibb



Michael Ryan tells us how the pharmaceutical industry - manufacturers, policy makers, insurers, distributors, and other stakeholders - can work together towards Value-based pricing, benefiting the entire ecosystem, and most importantly the patient.

Read the full Q&A interview here:

1. What are the key factors and trends shaping the pharmaceutical sector in the U.S.?

From a pricing perspective, there are a few trends that are shaping the pharmaceutical sector in the U.S. – understanding how our medicines are working in the real-world to inform how we pursue value-based payment models; allowing healthcare providers to better align price with the value the medicine provides; approaching drug pricing consistently and transparently; increasing demands for new evidence and definitions of positive health outcomes; and facilitating the availability of more generics whenever permissible. And, importantly, as the patients' out-of-pocket costs continue to rise, working together to realign incentives to ensure they can afford medicines without sacrificing scientific innovation is another area of focus.

2. Where do you see growth opportunities coming from for the industry in the next few years?

In the biopharma industry, we expect to continue to see expanded use of value-based purchasing arrangements, which tie payments to value. Value-based pricing can reduce costs, improve access and adherence, and contribute to better outcomes for our patients. Under this model, pricing is more closely tied to value, so the higher the value of the treatment for a particular indication, the pricing will reflect this. The benefit to patients is that this may help reduce prices for low-value indications and it won't increase prices for high-value indications. To help make this possible, we need to work to partner with manufacturers, policy makers, insurers and distributors to appropriately price treatments based on the value the therapy provides to each patient based on their diagnosis. Another area of future growth will be in the application of real world data (RWD). With increasing frequency and success, RWD is being used to provide evidence of clinical differentiation, to support value-based contracting, establish meaningful quality payment metrics, improve clinical trial enrollment, support FDA drug filings, and prioritize R&D pipelines..

3. Could you give our audience a taste of what they can expect from your session at the Summit in May, please.

In the U.S., medicines constitute 14% of healthcare costs on average. The pricing of medicines has always been, and continues to be, a complex subject that involves the entire healthcare continuum. From government agencies to pharmaceutical companies and everything in between, the one underlying and unifying motivation is patients. We as an industry must be committed to providing access to prescription medicines at fair prices to help patients prevail over serious diseases. At Bristol-Myers Squibb, we work to carefully price our medicines based on the value they deliver, the scientific innovation they represent, economic factors that impact healthcare systems' capacity to provide appropriate, rapid and sustainable access to patients, and the investment necessary to develop them.

4. Why are events such as the FT US Pharma and Biotech Summit important for the industry?

Events such as the FT U.S. Pharma and Biotech Summit are important for the industry because the information provided in open discussions allow my colleagues and I to stay at the forefront of scientific and technological innovations. Bringing together key thought leaders allows us to have a cross-industry open discussion on the most important topics related to the pharmaceutical industry such as empowering beneficiaries as consumers, pricing transparency and the increasing number of choices that drive competition to produce quality medicines, reduce costs and improve outcomes for patients. Additionally, it provides an opportunity to discuss the current laws and regulations that protect stakeholders impacted by value-based arrangements. The dynamics of the industry are always evolving and we need to work together through the changing environment to ensure we provide the most value for our patients.

You can also join a live discussion with Michael Ryan and many other thought leaders in the pharmaceutical industry at the **FT US Pharma and Biotech Summit** in **NYC**, on **May 14**. Find out more on live.ft.com/USPharma