How purpose-built tech can help pharmaceutical and life science companies streamline healthcare provider interactions

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In today's hypercompetitive pharmaceutical and life sciences (PLS) industry, strategic partnerships are more critical than ever. A smaller life sciences company may have relationships with hundreds of healthcare providers and healthcare organizations. For larger manufacturers, that number can easily stretch into the tens of thousands.

For PLS companies, these scientific and commercial relationships are key to doing business. Healthcare providers (HCPs) and healthcare organizations (HCOs) aid with scientific and market research, provide educational services in the form of consulting and speaking engagements and work with PLS companies on charitable activities. These relationships also help actively develop therapies and improve awareness around emerging treatments for a wide range of diseases and disorders.

Unfortunately, these third-party relationships are also fraught with risk. Conflicts of interest among PLS companies, doctors and patients are increasingly common, resulting in issues of off-label or unapproved promotion of products, drug safety violations—and even outright fraud. This, in turn, has led to increased scrutiny into PLS and HCP/HCO relationships and government regulations and calls for increased transparency.

In addition to numerous rules on how to engage with HCPs and HCOs, manufacturers are also required to report their payments to their respective regulators.

Complex regulations and reporting requirements can vary substantially from region to region, and even at the country level; what's legal in the US may be prohibited in Europe. And penalties for violating these rules can be severe. Since 2000, **over $71 billion** in penalties have been assessed against pharmaceutical companies by US governmental agencies alone. The most egregious violations can even include criminal liability—and prison time.

The challenges of managing HCP/HCO relationships on a global scale

The regulatory risk landscape is just one challenge in navigating relationships with HCPs/HCOs. Yes—documenting and managing these partnerships is daunting. But they're part of the controls in place that promote much needed transparency, accountability and trust. For example, to engage with a doctor, a pharma company has to undergo a multistep process. They need to verify that physician's credentials, define the legitimate need for their services, determine a fair market value for their compensation, create and complete a contract with the provider, maintain defensible proof of services provided and manage the actual payments.

There are other factors driving the increasing complexities of these relationships, not the least of which is the globalized nature of HCP engagements. And playing on a global stage also means competing globally and pushing harder to expedite development of vital therapies.

Technology can help accelerate these developments—as well as boost new ways of engaging with the HCP community—but finding the right tech tools to make this happen constructively brings its own challenges.

One obstacle is the lack of centralized tools for managing HCP/HCO relationships. Most PLS companies use a patchwork of various applications—largely off-the-shelf productivity programs like document, spreadsheet and email applications—to manage a complicated set of more than 60 disclosure reports required by regulations stretching across more than 40 global regions.

Remember the multi-step process involved in engaging a doctor? If all that wasn't daunting enough in and of itself, PLS companies have to then report all of these activities to the appropriate governing authorities. There's so much manual copying of data from one system to another that there are a lot of risks for mistakes. Doctors can often wait for months to be paid, and they risk being paid incorrectly.

With no centralized visibility into this process, finding the answer to a simple question often results in a complex, tedious scavenger hunt. And reporting is especially daunting. Not only do regulations vary from one country to the next, but they're also constantly evolving. Keeping up with these complex rules and ensuring compliance across the globe is a full-time job.

Emerging technologies can change the game for managing relationships with HCPs and HCOs

PLS companies have expressed a clear need for a solution that can eliminate the current patchwork of tools used to haphazardly manage these scientific and commercial relationships. They need a single system that can centralize their global controls, processes and data, scale with the needs of a growing pharma business, improve accountability, help address regulatory compliance and offer a real-time look at the business's HCP and HCO relationship ecosystem.

An effective, automated interactions platform should:

Incorporate relevant business processes, compliance controls and regulations on a global scale.

There are universal rules and baseline controls that are table stakes—they're critical for operationalizing business processes. And then there are region-specific considerations. An interactions platform should incorporate the specifics of all rules relevant to the PLS company in every region in which it operates and should take those regulations into consideration as part of the decision-making process. These rules should be updated consistently within the system as they change over time and used to guide managers as they develop new and existing outside relationships.

Digitally track, manage and monitor all HCP and HCO interactions from a single, central dashboard.

By eliminating the need to switch among a variety of tools—none built for the specific purpose of managing third-party PLS relationships—everything from conference engagements to grant requests should be trackable, searchable and viewable in one location.

Offer built-in reporting that can be configured to the business's specific needs.

Need to know how much was spent on speaking engagements in Belgium in 2021? What about how much money doctors received from a specific device vendor in Singapore? The platform should make it easy to pull detailed reports on any type of activity and with any level of required detail, without the requirement of complex coding.

Integrate with existing ERP systems.

The tool should not exist in a vacuum but should work with existing business infrastructure, including any accounting and legal frameworks that are already in operation.

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PLS companies who made the right investments in HCP/HCO engagement technologies are already reaping the benefits, especially when it comes to efficiency and effectiveness in operations. This tech also frees up money and time they can reinvest back into the business of focusing on what they do best—bring life changing medicines to patients while safeguarding a PLS client's assets and reputation.

They're reducing time spent on third-party compliance operations by up to 50%. And they can potentially save anywhere from a few hundred thousand dollars, for smaller organizations, to upwards of a million dollars in annual operating expenses, while reducing their overall exposure to regulatory risk.

The bottom line: These tools are giving the HCP/HCO relationship management process a much-needed upgrade, bringing it out of the dark ages and into the modern business world.

Learn more about how **PwC's Interactions Hub** can change the game for your business when it comes to the third-party management and reporting process.