

Knights, knaves or pawns?

Even the industry's sunniest personalities don't deny that pharma has an image problem among outside constituencies, with an unfortunately high percentage of observers believing the biz is first and foremost about profits. **Sachin Jain** dives deep on this and other perceptions—accurate and otherwise—about the industry and its marketing machinery



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In 2003 British social scientist Julian Le Grand published *Motivation, Agency, and Public Policy: Of Knights and Knaves, Pawns and Queens*. Le Grand's core argument was that the design of policy and regulation is grounded in a view of humans as knights (motivated by virtue), knaves (motivated by self-interest) and pawns (passive respondents to their circumstance).

Indeed, Le Grand's study of post-World War II Britain found that perceptions of human motivations gradually transformed, with the prevailing view of the typical British citizen morphing from knight into knave as the costs of maintaining an expensive social support system grew. Le Grand's observations have since been applied to both physicians and patients in the US in the context of rising healthcare costs.

His theory might similarly be applied to the pharmaceutical industry. Many healthcare debates—especially those related to financing, marketing and value—implicitly prescribe a view of the pharmaceutical industry and its underlying motivations. Depending on the perspective, pharmaceutical companies operate for the betterment of society, for their own selfish gain or in a manner defined more by the regulatory context in which they operate.

So which one is it? Here's a look at how pharmaceutical companies are alternately portrayed as knights, knaves or pawns in public discourse and how this informs the importance of designing policies that most closely match society's needs.

Pharmaceutical companies as knights: If a society conceives of pharmaceutical companies as knights, it places substantial responsibility on them to improve human health. Pharmaceutical companies assume this responsibility by undertaking significant research and development efforts to address the greatest areas of unmet medical need. Companies can be trusted to put patients before profits and to be devoted to inventing medications that allow people to live longer, healthier and more productive lives; any financial gain is in support of this core mission. The pharmaceutical industry can be credited with saving or improving the lives of millions of patients through its discovery of innovative medicines and vaccines and society has recognized these contributions by awarding pharmaceutical company scientists its highest honors (for instance, the Nobel Prize).

Pharmaceutical companies as knaves: If a society conceives of pharmaceutical companies as knaves, companies are seen as being singularly motivated by profit; patients and the community thus are of little independent interest. These views of the industry stem from evidence of misconduct, including off-label promotion, failure to report safety data and large financial penalties levied against it for these and other alleged misdeeds. Direct-to-consumer advertising and "me too" drugs encourage inappropriate use of medications and drive up healthcare costs. The public has minimal trust in the industry and the remedy is to heighten regulation and surveillance for both research and commercial operations of pharmaceutical companies.

Pharmaceutical companies as pawns: If a society conceives of pharmaceutical companies as pawns, then efforts are applied to building systems to stimulate the industry to invent new medicines, vaccines and health solutions. Disincentives must simultaneously be created to inhibit activity beyond the guardrails of societal alignment. Regulation, policy and payment mechanisms drive companies toward working on society's priorities, or at least the

incentive system it has designed. Simply stated, the external context completely channels industry activity.

What's next?

Over the past several decades the pharmaceutical industry has undergone a dramatic change in the perception of its motivations. The recent outcry over the pricing of drugs for hepatitis C and cancers has underscored this change. Whereas the industry was previously seen as an example of successfully putting scientific talent and investment to work to meet important social needs, there is a growing perspective that pharmaceutical innovation imposes unnecessary costs on society and that improvements in healthcare systems will drive our most significant improvements in care rather than in breakthroughs in therapy.

While such improvements in system are critical, the world's population continues to have significant unmet medical needs. Pharmaceutical research will be an important source of solutions. Yet for many major health problems, such as Alzheimer's disease, cancer and cardiovascular disease, improvements in systems of care will go only so far.

Society needs a highly functioning pharmaceutical industry to transform the impact of disease. Even if the prevailing negative attitudes toward pharmaceutical companies are not entirely without merit, the pendulum has swung to the point where the adoption of medical advances into clinical practice is potentially compromised and the fruits of translational research may not find their way to all who would benefit.

In order to shift the emerging view that pharmaceutical companies function solely as knaves, they must work in collaboration with healthcare professionals to demonstrate the value of their products, increase global patient access and integrate more fully into patient care across the total cycle of care—not simply at the point of prescription. With enhanced information technology capabilities, the pharmaceutical industry can work collaboratively with healthcare professionals to determine the place of medicines and vaccines in clinical practice.

In line with similar trends for clinical care, reimbursements to pharmaceutical companies might partially or fully shift from payment for volume of care delivered to payment for value, as assessed by comparative effectiveness research, safety and patient experience. Society and industry will benefit from this greater alignment of goals and incentives as long as care is taken to avoid unintended consequences and preserve the industry's ability to develop innovative solutions to medical needs.

Le Grand offers an important lesson and warning: It is critically important to understand and get "true motivations" right. Disaster may follow if persons largely of a knavish quality are treated as knights, but the same may be true for "policies fashioned on a belief that people are knaves if the consequence is to suppress their natural altruistic impulses and hence destroy part of their motivation to provide a quality public service."

Moving forward, the US public and other regions would be wise to heed Le Grand's advice and carefully consider whether its current perceptions of the pharmaceutical industry match reality or serve the needs of society. For its part, people in the industry must thoughtfully consider whether and how their actions contribute to the perceptions that they are knights, knaves or pawns.

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