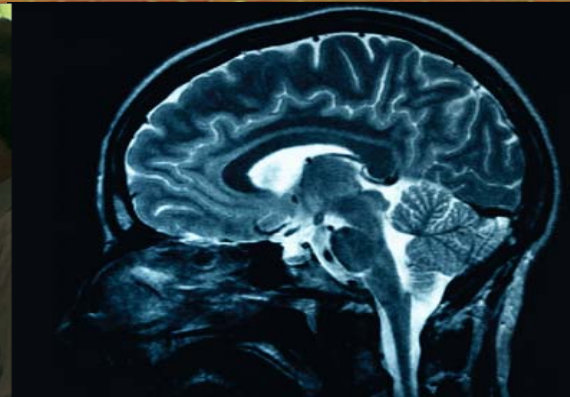
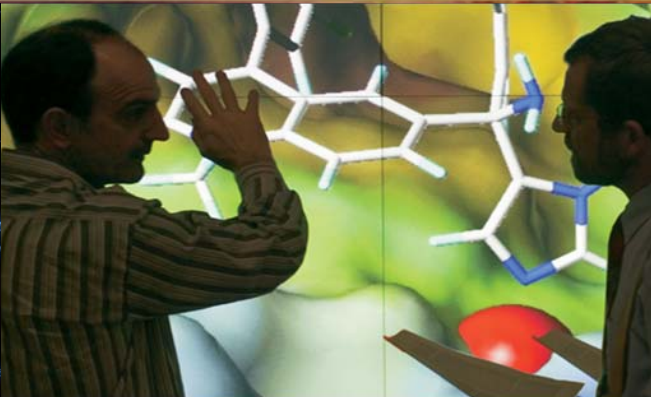


Resource Allocation in Translational Neuroscience: An Industry Perspective in 2009

Janet Vergis

President

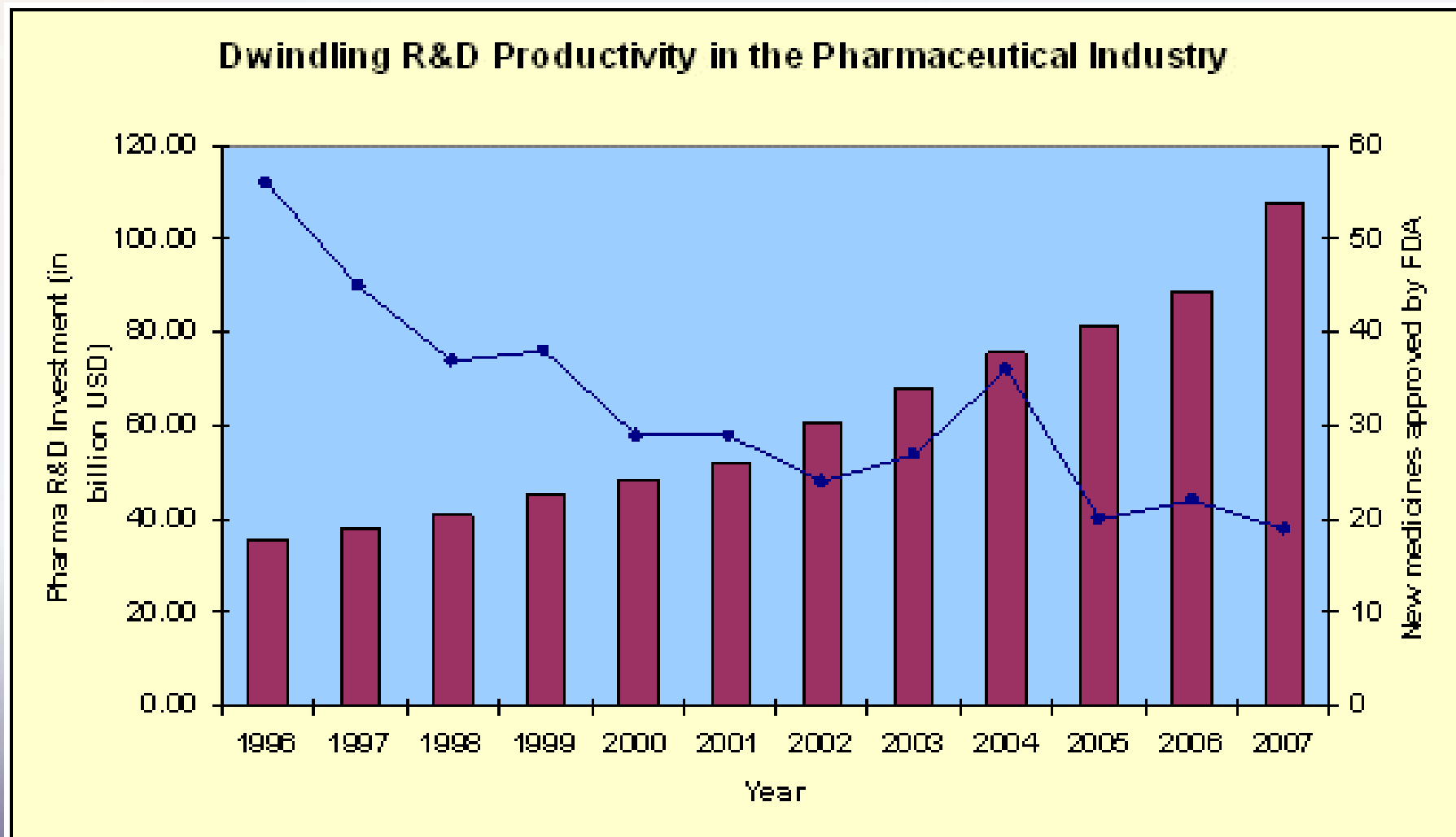
Janssen, McNeil Pediatrics, and Ortho-McNeil Neurologics



What's on Our Minds



Declining pipeline productivity



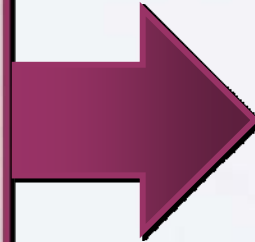
Key Considerations

- *P*olicy
- *P*ayers, providers, patients
- *P*atient Segmentation
- *P*latform Advances

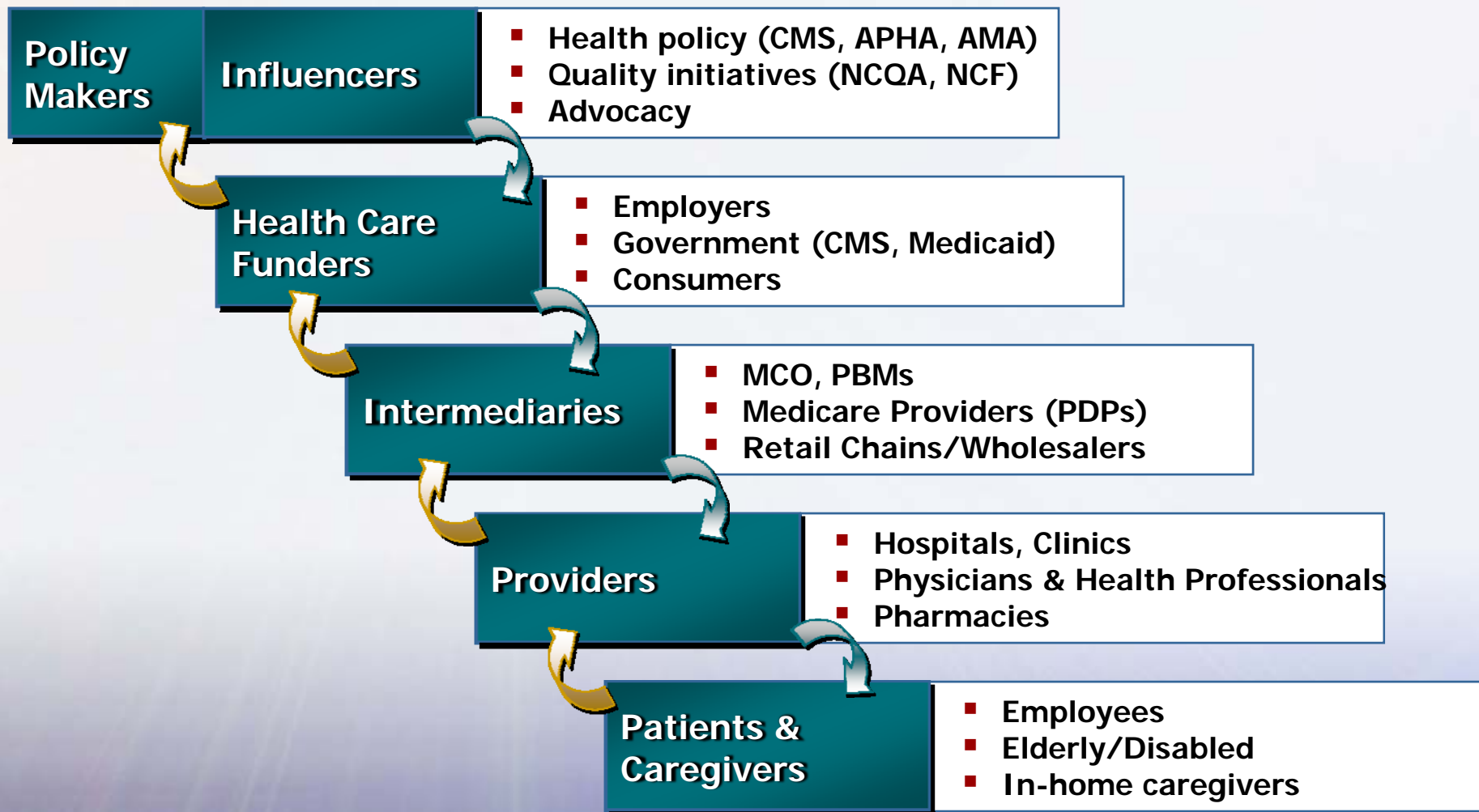
- **Healthcare Reform**
 - **Changes in Medicare/Medicaid**
 - **Value-based purchasing**
 - **Medical home model**
 - **Increased transparency**
- **Comparative Effectiveness**
- **FDA reform**
- **Patent legislation**



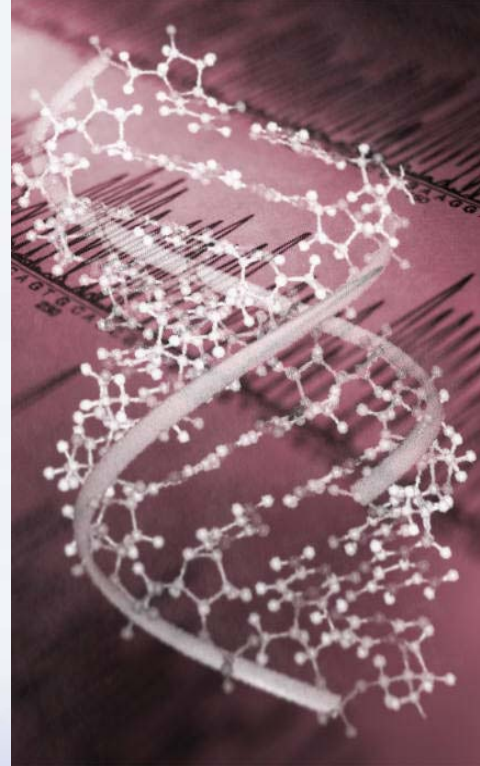
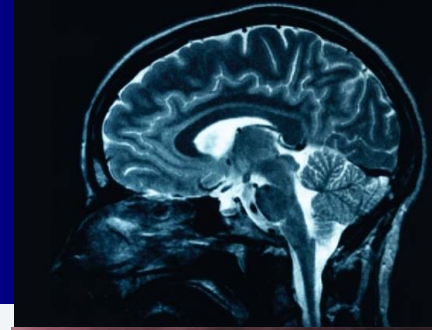
Providers, Patients & Payors



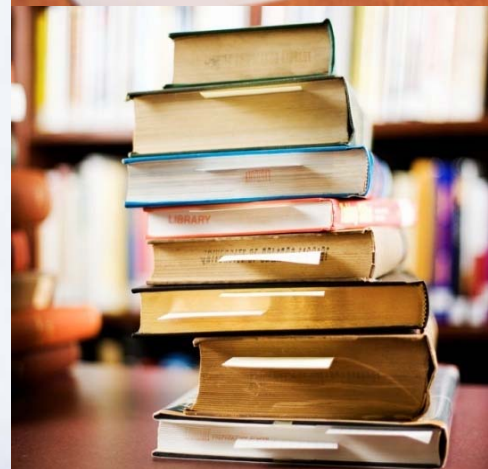
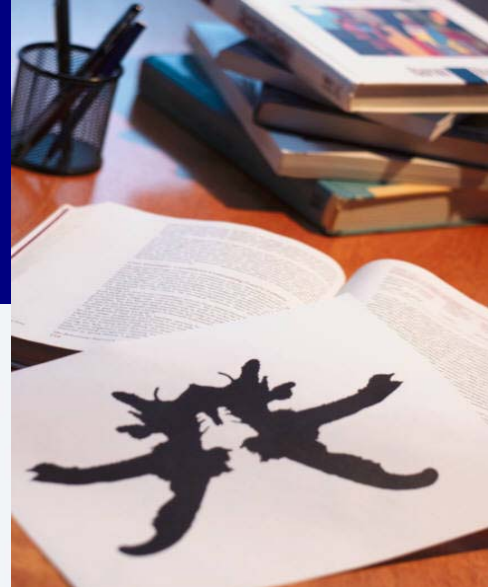
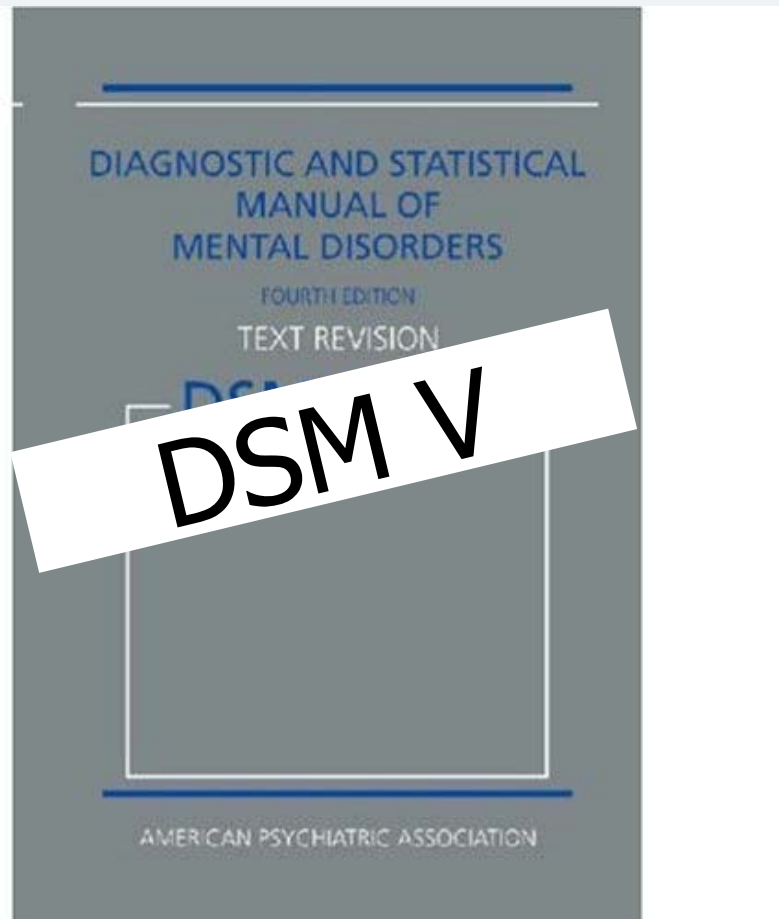
The Many Stakeholders of US Healthcare



- **Biomarkers and tools – RNAi, Neuroimaging, genetics, epigenetics, genomics, proteomics, metabolomics**
- **PGx – Personalized Medicine**
- **Stem Cell research – Neurogenesis**
- **Bioinformatics – Computational modeling, In silico clinical trials**
- **Nanotechnologies – Neuroprotection, Transport across blood brain barrier**
- **Health Information Technology**
- **Drug-Device combos**



Patient Segmentation



Key Investment Questions

- **Where are the greatest unmet needs?**
- **How can we bring true value to the market?**
- **What forces (social, scientific, economic, political) will be shaping the health care market when the medicine is approved?**
- **What are our capabilities? Where should we outsource?**
- **What can we discover/develop? What must we in-license?**
- **How are we going to use recent advances in technology to develop better drugs more efficiently?**
- **How much IP can we share... or must we share? How can we better coordinate efforts in the pre-competitive space?**
- **How do we balance long term (> 10 years) and short-term (5-10 years) investments?**
- **What is the ratio of investment toward advancing the science, public health, and our products?**



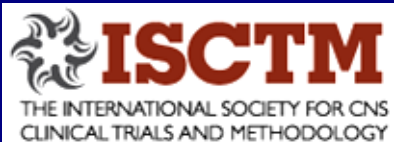
Closed Model

- Entity prioritized over ideas, technologies, and economies
- Simplistic investment model (own risk & reward)
- Siloed R&D and idea generation

Open Model

- Innovation and advancement prioritized over entity
- Co-creation and sharing of intellectual property (risk & reward)
- Wider range of expertise – merging of private and public and external industry best practices

Focus on consumer needs



Expanding Approaches to Innovation



Goldman Sachs

Research Pool



NIMH National Institute of Mental Health
Transforming the understanding and treatment of mental illness through research

FOUNDATION
FOR THE
National Institutes of Health



“The significant problems we face cannot be solved at the same level of thinking we were at when we created them.”

Albert Einstein

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