D2 Solutions - Using Technology-Based Solutions to Reduce Friction Points that Inhibit Patient Drug Adherence

Dean Erhardt
President & CEO

D2 Solutions
Https://www.d2rx.com/

Contact:
D2 Solutions
636.537.7805
info@d2rx.com

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Interview conducted by:
Lynn Fosse, Senior Editor
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D2 Solutions - Automated Solution to Accelerate Patient Onboarding

About D2 Solutions:
D2 Solutions is an innovative solution provider leveraging SaaS technology and deep consulting expertise to drive healthcare efficiency by eliminating key friction points, improving workflow for healthcare stakeholders, and attaining better patient results.

CEOCFO: *Mr. Erhardt, D2 Solutions has a new focus today. What is your current vision and why the change?* **Mr. Erhardt:** Our vision is to really bring innovative solutions to the healthcare marketplace. Solutions that address real world problems. These solutions apply to pharmaceutical manufacturers, service providers, pharmacies, long term care, hospital systems and others. Our goal is to make it easier for patients to be able to get on and stay on, particularly, specialty medications. There are many service providers today that offer such services, but they provide them manually. In contrast, D2 leverages technology-based solutions, making it more efficient for organizations to operate effectively and reach better outcomes.

Over the last 10 years, as a consulting organization, D2 has heard from our clients that their manual processes are no longer acceptable solutions – we have learned that patients are consumers who really want an Amazon-type of experience.

We have been incorporating technology to enable a more consumer-friendly service that can lower the friction regarding how patients get started on specialty medications, including educating them so they stay on those medications over the full course of therapy, effectively being able to produce the best clinical outcome for that patient.

CEOCFO: *Why is it difficult for people to stay on the medications? Why is that a challenge, or more of a challenge with specialty medications than more traditional medication?*
Mr. Erhardt: You would think that when people get on a specialty medication that may be lifesaving, or likely extending their life, that they would want to stay on it. However, many times that medication may make them feel, at least in the short term, worse than before they were taking it. Many times, it is an educational program around, "You may be sick for the first month that you are on this product, but you will ultimately feel better and get better." In many cases, it is just the opposite. They may start to feel better after a few months on the drug and therefore think they are better and therefore stop taking it- - but they haven't taken the product long enough to gain the full clinical benefit of the therapy. Alternatively, in many instances for these medications, while the disease may have stopped progressing, patients stop feeling worse, but unfortunately this leads to patients who question the value from their medication, so they stop taking it.

Much of this scenario is about dealing with feelings and emotions of a consumer (patient) as they get on new medications and helping them when they are unfamiliar with the likely outcome of taking such medications. It is difficult to fully understand what these patients will be going through and knowing how these medications may make them feel, all the while providing reassurance that they are still getting positive clinical outcomes associated with that product.

CEOCFO: *What were the challenges in coming and going from paper to technology?*
Mr. Erhardt: Let's start with the assumption that many of the organizations we have been privileged to work with have somewhat antiquated IT systems. We assess how we can create an easy-to-access

solution, or set of solutions, that are not disruptive to the existing internal IT infrastructure. It is difficult to approach organizations and proclaim "You need to make a lot of changes" -- it disrupts their business, it disrupts their workflow, and there is a risk that if something goes wrong, they could be out of business for 2 or 3 days, which is entirely disruptive to their business and is unacceptable.

As we were evolving into this model, we focused on creating a modular system that enables organizations to take advantage of different aspects of what we might be able to provide to them, without disrupting their entire IT infrastructure. We recognized that organizations are at differing levels of sophistication in their IT infrastructure. Therefore, they may consider some, but not all of the tools we offer, which is why we designed and offer a modularized tool set that enables customers to select which ones work within the construct of their workflow. They are not required to buy a full array of functionality, when in fact they only may need some of that functionality to complement what they are presently doing.

CEOCFO: *Is the system available today? Has it been in testing? Where is D2 Solutions right now?*
Mr. Erhardt: The technology platforms that we have built are available in the market today. We have more than 60 clients using all or parts of those technology platforms at this point in time. We are past the alpha and beta stage, and we are rolling into the market very aggressively.

We currently support a variety of customer types, including specialty pharmacies, long-term care environments, hospital systems, as well as pharmaceutical manufacturers. As we move forward, we will continue to add features and functions that bring significant value to the to the customers/partners that we have today, as well as the partners we will have tomorrow.

CEOCFO: *What have you learned as you have brought on these 60 companies that might have surprised you or caused you to tweak your offering? What turned out to be different than your expectation?*
Mr. Erhardt: There are a couple of things. Number one is flexibility. Every customer is a little bit different, and everyone perceives their needs a little bit differently. Therefore, the ability to have some level of flexibility, to meet them where they are, certainly is one of the keys for us to be able to move forward. Secondarily, many organizations, while they do very, very good work, sometimes are just not familiar with the direction an industry is moving, or where technology is heading.

Part of our responsibility, as a consulting organization, is helping people to get educated in terms of where the market is going, what the consumer expectation is, and how to leverage those to drive their business forward. Then the third thing is the financial impact – how to save costs, how to drive revenue, and how to drive margins. Helping our partners understand how technology can impact these three elements of their financial picture and how to discuss it and lay it out for our potential partners is key so they can say, "Okay, this makes sense for my business."

CEOCFO: *How do you get a foot in the door?*
Mr. Erhardt: The majority of the clients that we have had over the years originated via our consulting relationships and the consulting business that we have done. Over the years, our clients have needed solutions - - solutions that didn't really exist and that's when we determined that we were going to be the ones who bring new solutions to market. Therefore, the consulting side of our business, which continues to be a big, big focus for us, will continue to be the driver in understanding client needs, understanding market trends and providing the necessary insights to bring solutions to the market.

CEOCFO: *You mentioned hospitals or long-term care facilities and specialty pharmacies. Is there a customer type that recognizes the need more, or is it pretty much across the board?*
Mr. Erhardt: One of the things that is very unique is that we have built a solution set that applies a solution, depending on where the problem lies. Therefore, if you have a similar problem, and you are a specialty pharmacy, the solution set applies. If you have a similar problem and you are a hospital pharmacy, typically outpatient or hospital clinic, the solution applies. It does have applicability across a variety of different stakeholders; however, we focus on four key elements for the pharmaceutical marketplace, particularly around how the solution set can assist relative to distribution, reimbursement, patient services, and affordability. Those are really the 4 pillars that we are trying to address as we move forward in the marketplace with each partner, whether that partner be a manufacturer, a specialty pharmacy, a hub call center, or a hospital IT and environment.

CEOCFO: *Are there companies that have recognized what you are doing and looking to take on the challenge as far as being a competitor for you, or not yet?*
Mr. Erhardt: I think we have a variety of competitors, but our competitors tend to be very much, what I would call, point solution providers, which is that they bring one aspect of a solution to a problem, whereas we really try to take a look at this holistically to say, "Okay, we want to bring a solution package, and then again, enable that customer, that partner of our ours, to pick from the solution, building the pieces which will positively impact their business model and their business structure.

We work to be very holistic in terms of the solution that we are providing. Again, it also ties into our consulting business, because as consultants, we can effectively walk in and say, "We have seen this problem before and here is our experience on how others have solved for this problem." Providing that perspective also brings a lot of confidence.

CEOCFO: *When you are working with an organization and you are looking to build a solution for them, what might you notice that less knowledgeable people would not think is important? What might you consider as you are structuring the right solution?*
Mr. Erhardt: That is a great question. Beginning on the consulting side is, we will perform a gap analysis, to determine what today is working

very effectively, and what is not working so effectively. A key industry challenge is that 20 to 50% of patients prescribed specialty medications never get on the product, and another 50% drop off within the first 12 months. Therefore, we then start to analyze the issue specifically to an entity about their process that creates such a challenge and is enabling this gap to occur.

Then how, when and in what fashion do you interact with those patients to create new processes that change the dynamics of the patient experience? How do you partner with and bring value to clinics, pharmacies, call centers etc., to impact positive change? Effectively, D2 to says to a potential partner, "Now that we have identified where the gap is, how do we solve for that gap?" It really starts earlier in the process for us, to be able to go and look at where those nuances are, because I assure you, those nuances are different for almost every entity we partner with.

CEOCFO: *What are your clients hearing from their patients? Do the patients realize that they are in a new arena?*
Mr. Erhardt: Based on the patient surveys that we have done, there are a couple of things. Number one, patients are, more than ever, reactive to and expecting technology to be part of their healthcare delivery model. In fact, we see two to three times as much feedback from patients who receive technology-based outreach than those reached out to manually (i.e., telephonically). For example, again we have done a lot of analysis in this area, most call centers/hubs will tell you that they will be able attain a response from 30 to 35% of the patients that they reach out to in a 30-day period. About a third of the patients will call them back or answer the phone or interact in some way. In our experience using technology, our typical response is in the 85 - 90% range. Therefore, we attain a dramatically higher response rate because people will respond via technology, and that is irrespective of age.

The myth you hear is that older individuals do not use technology. In reality, though, we see people of every age cohort who respond to technology. I addition, we have had programs where, depending on the age group, if it is largely employed people verses Medicare where there are more retired, we can see as high as 50 to 60% response rate within a couple of hours.

It is all about how you engage the patient, how do you ask the right questions, how are you letting them know that this is coming from a trusted environment. There is a lot that goes into the process to drive the response rate. However, technology is the healthcare mechanism of the future, and what we are seeing from the patient's perspective is that they are responsive to that mechanism today.

CEOCFO: *There is always trepidation in making a change. How do you help your clients get over the concerns surrounding a new way?*
Mr. Erhardt: It is about being honest in the communication. My joke in the IT world, for years, has always been, "It always takes longer and is more expensive than you want it to be." However, when we are dealing with our customers, we are just trying to be honest, that we are going to

roll out a program, and many times we will roll it out as a pilot, before it becomes a full-grown program, and there will be nuances about that program that we are going to adjust over time.

We may figure out in the first week that we need to make an adjustment, or we may have a program that, in three or four months, we say, "You know what, if we just do this one thing differently, we will get this much more of an outcome or feedback from the patients that we are engaged with." Therefore, it is really about having an honest dialog with the entities that we are working with, about where those nuances are going to happen, and the fact that we are just going to work through those nuances as we move forward.

CEOCFO: *Would you give us an idea of how many patients are on specialty medications?*
Mr. Erhardt: Based on some recent numbers that I have read, it is estimated that 25 to 30 million patients in the US that are either on or will be on in the next 5 years, specialty medications.

CEOCFO: *Are specialty medications becoming more and more prevalent these days?*
Mr. Erhardt: They are becoming more and more prevalent, and it if you take a look at what is in the FDA pipeline, the vast majority of the products there are specialty medications. In addition, you are seeing more and more medications that are considered Orphan medications (drugs that serve fewer than 200,000 people, oftentimes for a serious or life-threatening disease) or Ultra-Orphan medications (a drug used to treat a disease with a prevalence ≤ 1 patient per 100,000 people). Drugs for ultra-orphan diseases are amongst the most expensive medicines on a cost-per-patient basis. In addition, solid gene therapies are also a big growth area for the marketplace, going forward, as it relates to the FDA pipeline.

The amount of specialty products in the market is going to continue to grow very rapidly in the next few years, and the only way that this becomes sustainable as a society, is for us to be able to figure out how to remove costs from the system, and measure outcomes for these patients. Therefore, I think genetic testing and other tools that are not being used broadly today, are going to be huge factors, moving forward, to ensure that these patients get on the right drug first, verses going through 2 or 3 or 4 drugs before they land on a drug where they have a positive clinical impact.

CEOCFO: *What, if anything, might a potential client, or maybe a potential customer, miss about D2 Solutions that should be understood?*
Mr. Erhardt: I think it is the overarching concept of how consulting and solving problems on behalf of our customers for the last 15 years has contributed to creating solutions that address issues that have not really been addressed before, via technology. Also, our broad perspective, gained from working for the last 15 years with manufacturers, specialty pharmacies, and hospitals is quite different than organizations that are more narrowly focused. We have been able to look at this from a high level and see where the gaps are, and really put together a model that

addresses those gaps, again, pretty much irrespective of entity, addressing similar problems across multiple entities.