

---

**From:** Albert Paonessa [/o=mail/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=apaonessa3]  
**Sent:** 9/27/2012 2:52:29 PM  
**To:** Charlie M Mayr [/o=mail/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=cmayr]  
**Subject:** HDMA PR Campaign  
**Attachments:** PR Proposals.pdf

Charlie,

I'm on the board of the HDMA and I just received this proposal for the board to review on Sunday at our annual board meeting. It's 81 pages and I only glanced over it. It looks like the goal is to educate the public as a response to all the closings of HDMA member distribution sites. My guess is that the HDMA wants to now get out in front of this with a campaign that they hope will get the DEA to work with the HDMA members and not against them.

I don't see an issue of Anda being a part of this initiative, but I do want to see it presented and ask some questions. Please let me know if you see any glaring issues that I should be aware of that could be an issue to Watson. Anda happens to be the only member of the HDMA that is actually owned by a manufacturer.

Thanks

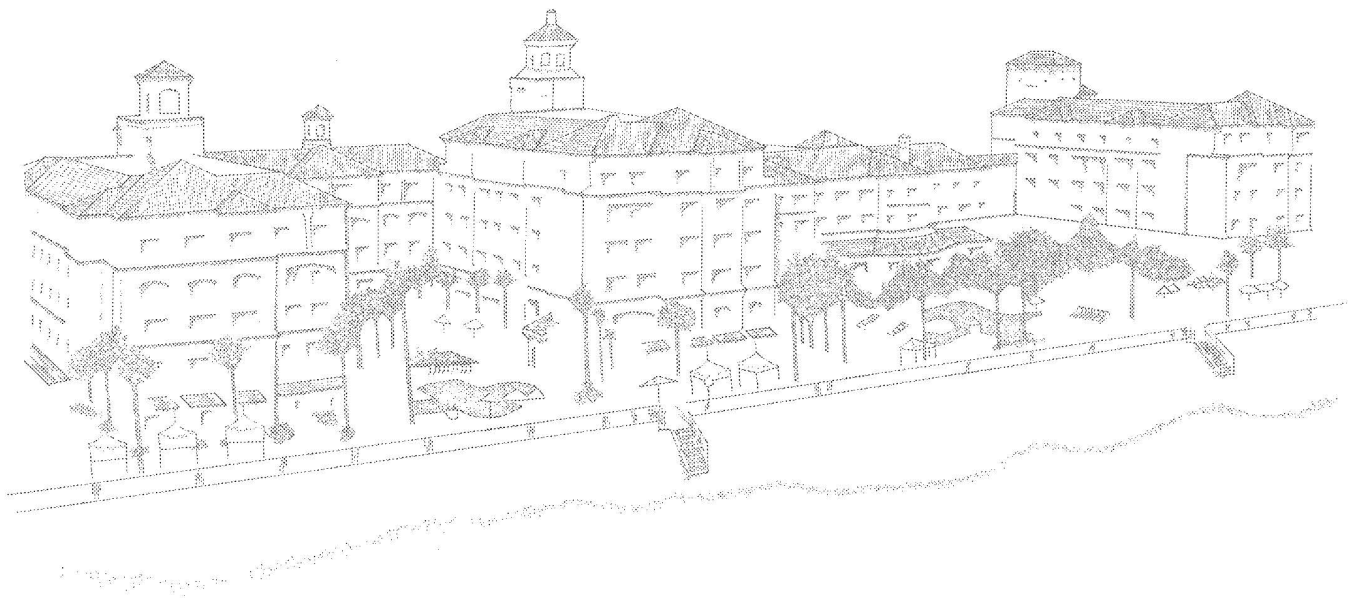
Al





HEALTHCARE DISTRIBUTION MANAGEMENT ASSOCIATION

*Annual Board & Membership Meeting*



PUBLIC RELATIONS FIRM PROPOSALS

SUNDAY, SEPTEMBER 30-WEDNESDAY, OCTOBER 3, 2012  
THE RITZ-CARLTON, PALM BEACH | MANALAPAN, FLORIDA

**MEMORANDUM**

TO: Board of Directors

FR: John Parker, Vice President of Communications

DATE: September 24, 2012

RE: PR Firm Proposals

---

Over the past several months there has been an intense national focus — from the media, to Capitol Hill, to the regulatory and enforcement agencies at the federal and state levels — on the issue of prescription drug abuse and diversion. As many of you are well aware, during this period, our industry has been thrust into the debate as either part of the problem, part of the solution, or both.

As a point of background, the CDC in November 2011 reported that prescription drug abuse had reached “epidemic” levels. During the past year, DEA also stated that its top priority was no longer fighting the illicit drug trade but addressing the misuse and diversion of legitimate prescription drugs. Coinciding with this shift, DEA launched notable enforcement activities targeting distributors and chain pharmacies. Finally, in late June the Attorney General of West Virginia filed a lawsuit against 14 distributors, inappropriately labeling them “pill mills,” and calling on the named companies to stop distributing controlled substances for non-medical purposes. The swirl of activity has resulted in significant media coverage, from *The Wall Street Journal*, *Associated Press*, *Reuters*, *Bloomberg BusinessWeek*, among others.

It is clear that the issue of prescription drug abuse is not going away. As such, HDMA, with encouragement from our members, initiated a process of identifying a strategic public relations firm to partner with us in order to more effectively inform opinion elites, policymakers and the media about who we are as an industry and what we are collectively doing to address this public health challenge. Our goal is to initiate an incremental, scalable effort that educates key audiences through the creation of strategic data-driven messages and materials, advocates for meaningful legislative and regulatory solutions and builds upon our existing third-party relationships and creates new alliances.

After interviewing four agencies in person and receiving proposals from each, HDMA staff has selected two nationally recognized, Washington-based firms – APCO Worldwide and GMMB – to present to the HDMA Board of Directors on Oct. 1. Each firm will have approximately 30 minutes to articulate why they are best suited to strategically partner with HDMA and our members on this critical issue, and to take any questions that you might have. For your review, I have attached the proposals developed by each firm as well as a PowerPoint presentation detailing the public affairs strategy that was shared at the recent HDMA GPPC/SBDC/IRC meeting in Washington.

With your input and guidance, HDMA will select one of these firms if the Board concludes that this is an appropriate and necessary action for the Association to take. The selection of a strategic



communications partner is an important step for HDMA and our industry and it is critical that we have your support to move forward. The success of this endeavor will require that the membership work together to shape, and then implement, the strategy.

If you have any questions, please contact me ([jparker@hdmanet.or](mailto:jparker@hdmanet.or) or 703-885-0216) in advance of the meeting in Florida. I look forward to seeing you on Sept. 30.



# Prescription Drug Abuse – Public Affairs Update

September 18, 2012

John Parker

HDMA, Vice President of Communications



“Pharmacies Swept Into Drug Wars”



“Prescription Drug Abuse Crackdown Hits CVS and Drug Wholesaler”

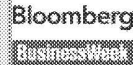


“W.Va. AG Sues 14 Pain Drug Distributors”



REUTERS

“War on Drugs Moves to Pharmacy from Jungle”



“American Pain: The Largest U.S. Pill Mill’s Rise and Fall”



“National Survey Shows Friends and Family Are Primary Sources of Abused Painkillers”



“Painkiller Sales Soar Around US, Fuel Addiction”

# CDC: Rx Abuse Now at “Epidemic Levels”

---

- 15,000 deaths in 2008 due to prescription painkiller overdoses; 3 times more than 1999
- Estimated \$72.5 billion in direct healthcare costs
- Supply of prescription painkillers has increased; 4 times larger in 2010 than 1999

*Source: “Vital Signs: Prescription Painkiller Overdoses in the US,” CDC, November, 2011.*

# DEA's Top Priority – Rx Drug Abuse

---

**DEA identifies prescription drug abuse as top priority;  
steps up enforcement efforts**

- **February 2012:** DEA actions against Cardinal Health's Lakeland, Fla., facility and 2 CVS pharmacies
- **May 2012:** N.J. USAO and DEA serve subpoenas to AmerisourceBergen seeking info on controlled substances monitoring



# West Virginia AG Takes Action



STATE OF WEST VIRGINIA  
OFFICE OF THE ATTORNEY GENERAL  
DARRELL V. MCGRAW, JR.  
CONSUMER PROTECTION DIVISION  
1-800-368-8808 or 304-558-8986

## Press Release

FOR IMMEDIATE RELEASE

Release Date: June 26, 2012

**Attorney General McGraw Launches Assault in Battle Against Drug Abuse, Sues 14 "Pill Mill" Suppliers**

**“Pill mills consist of medical providers, pharmacies and distributors that divert prescription drugs for illegitimate medical purposes. ‘These pill mill schemers are like dealers,’ McGraw added. ‘They profit from the suffering of their victims.’”**

# Battle of the Sound Bite

---

**“You can have the ostrich approach. You can stick your head in the sand and ignore blatant signs.”**

– Gary Boggs, DEA, *USA Today*, Feb. 28, 2012

**“Wholesalers and distributors just continue to ship large amounts of drugs to those pharmacies without doing their due diligence, without knowing their customer ... They [distributors] have a responsibility under the [Controlled Substances Act]. They choose not to comply with that obligation.”**

– Joseph Rannazzisi, DEA, Congressional Testimony, March 1, 2012

**“The notion put out by HDMA that somehow or another the DEA is not providing essential information to them is simply not accurate,” says Boggs. “It’s a smoke screen. It’s a step out of desperation.”**

– Gary Boggs, DEA, *BloombergBusinessWeek*, June 6, 2012

# Data Drive DEA Messages

---

The average pharmacy in the U.S. in 2011 ordered approximately 69,000 oxycodone dosage units ... Collectively, two pharmacies, located approximately 5.5 miles apart, ordered over three million dosage units during the same year.

– DEA Press Release, Feb. 6, 2012

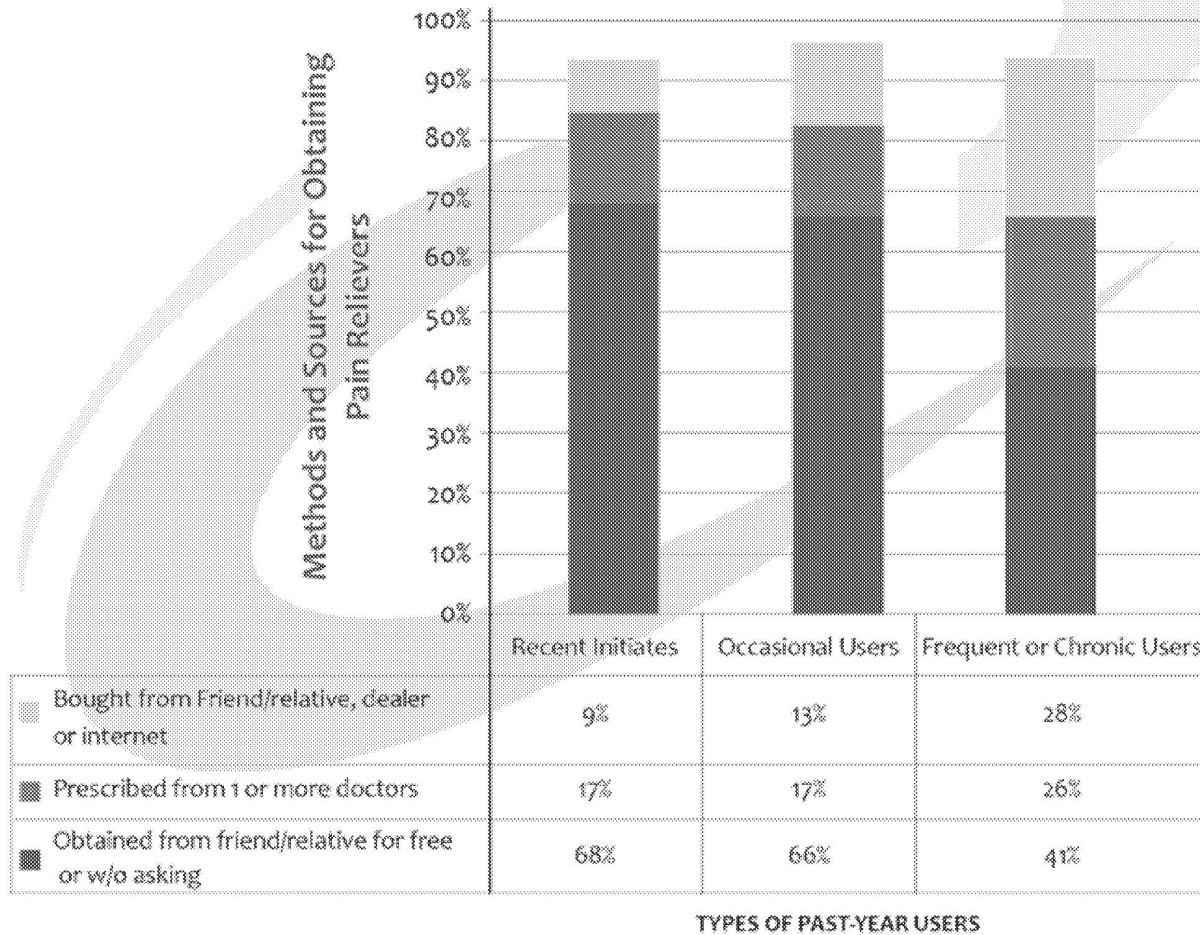
# Who We Are and What We Are For

**“I’m hoping today we can turn the dialogue to a constructive dialogue, it’s not ‘us vs. them’ but how we can work together – I think we can make a lot of progress working together.”**

– John Gray, HDMA, Congressional Testimony, March 1, 2012

The screenshot shows the C-SPAN website interface. At the top left is the C-SPAN logo with the tagline "CREATED BY CABLE". Below it is a search bar with the text "Search C-SPAN.org" and links for "Advanced Search | Video Search | Search Tips". To the right of the search bar is the text "CONGRESS, POLITICS, BOOKS AND AMERICAN HISTORY". Further right is a white box with the text "NOW AVAILABLE FOR ANDROID, BLACKBERRY AND IPHONE. IT'S FREE!". Below these elements is a navigation menu with the following items: "LIVE TV/RADIO", "SCHEDULES", "VIDEO LIBRARY", "CONGRESSIONAL CHRONICLE", "TOPICS", "SERIES", and "RESOURCES". Below the navigation menu is a banner for "VISIT: C-SPAN's Campaign 2012 website". At the bottom of the screenshot, the main content area displays the title "Hearing Discusses Prescription Drug Diversion and Abuse" and the location and date "WASHINGTON, DC Thursday, March 1, 2012".

# Telling the Other Side of the Story

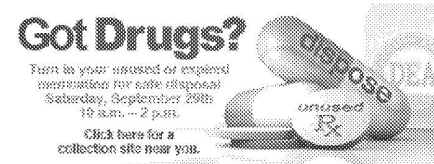
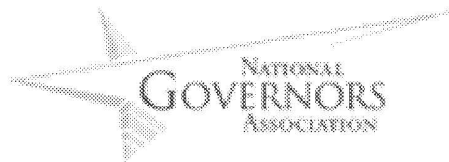


Source: SAMHSA, Center for Behavioral Health Statistics and Quality, National Survey on Drug Use and Health, 2009-2010.

# Shaping the Debate; Defining Our Role

---

- DEA may not change its approach, but we can temper their approach through education, creative solutions and strategic partners
- Need to be quicker to rebut misrepresentations (i.e., “pill mills”); opportunistic media strategy
- High profile, bipartisan nature of issues creates opportunity to lead and not just react
- Leverage existing relationships, create new ones



# Public Affairs Strategy – Key Elements

---

## EDUCATE

Reposition and rebrand HDMA and the industry; articulate who we are and what we are doing to prevent abuse

## ADVOCATE

Push for key federal/state legislative wins through integrated strategy

## CONVENE

Build alliances with like-minded organizations and potentially work toward a larger initiative

# Seeking a Strategic PR Partner

**Goal:** Identify a firm that offers sound strategic skills and policy knowledge with the ability to effectively package our external positioning and brand our industry as a leader for opinion elites/policymakers

- Met with four diverse, nationally recognized PR firms; each firm presented a detailed proposal
- Two firms will be asked to present to the HDMA Board at the Annual Board & Membership Meeting, Oct. 1



# PR Firm Proposals Overview

---

## Points of commonality:

- Internal and external stakeholder research
- Message development
- Media relations – crisis and proactive
- Educational toolkit – fact sheets, videos, infographics, etc.
- Alliance development

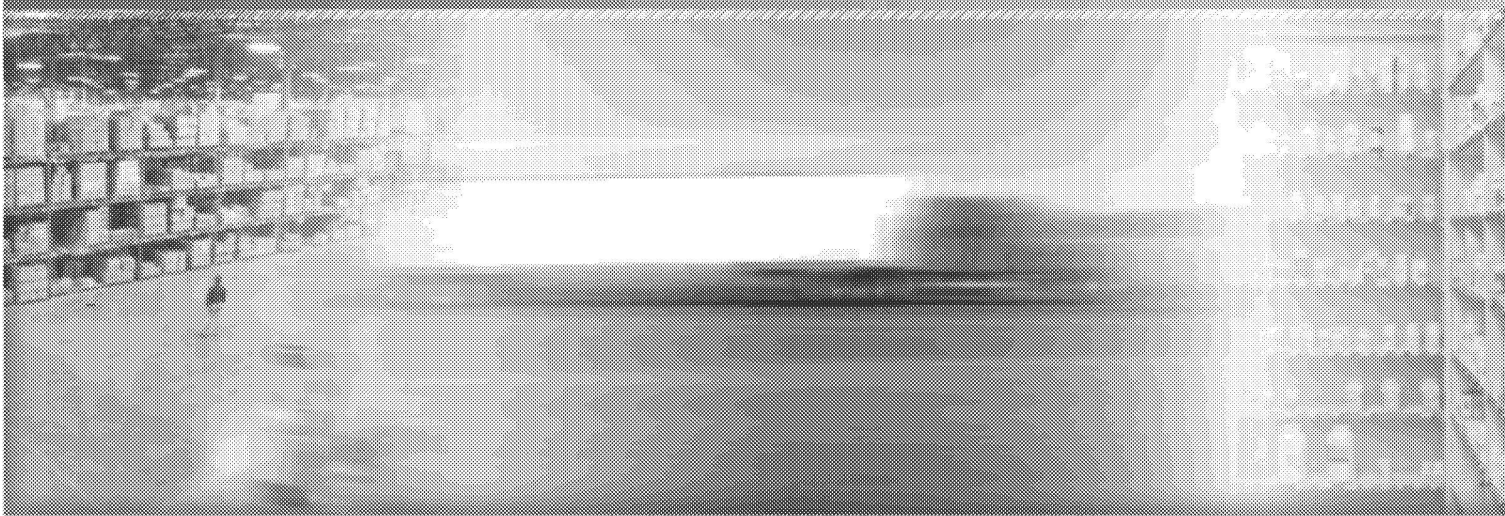
# PR Firm Proposals – Going Beyond

---

- Closed-door stakeholder summit
- Independent advisory commission
- “White-Hat” issue campaigns
- Advertising
- State and local strategies
- Website microsites; social media initiatives

# Building & *Protecting* Reputation

August 23, 2012



**APCO**  
worldwide®



**CHDMA**  
CONTRACT MANAGED  
DISTRIBUTION ASSOCIATION

Thank you for inviting APCO to submit a proposal to support HDMA and its members as you navigate through a difficult political, policy and legal landscape and continue to build and strengthen the industry's reputation.

We appreciated the opportunity to meet with you and your colleagues earlier this month and I know I speak for our entire team when I say we are enthusiastic about the prospect of working with you. APCO has deep experience in stakeholder engagement, reputation management and industry positioning, government relations, health policy, and risk and issue management. We have direct experience in your industry on relevant issues, including current engagements with the British Association of Pharmaceutical Wholesalers and the American Academy of Pain Medicine. We are confident we can be a strong partner to HDMA to ensure that critical stakeholders understand the important role that HDMA and its members serve to drive to solutions around key issues as well as the industry's overall value to society.

Since our meeting we have spent more time refining our proposed strategic framework to help you mitigate potential risks, create third-party allies and validators, and ultimately enhance your reputation. Our recommendations are based on the best thinking of experts from across our firm, including those with law enforcement and DEA-related experience, former members of Congress with jurisdiction over legal and healthcare issues, as well as our deep bench of staff with industry and issue-specific experience both in the U.S. and Europe. Should we earn the opportunity to work with you, we are confident you'll find that the team of experts we have assembled to support HDMA will consistently deliver a high level of impactful counsel and service.

We can assure you that our partnership would be truly collaborative and will build upon HDMA's current work to ensure maximum efficiency and effectiveness. Our expertise and knowledge will allow us to hit the ground running. We will develop and provoke new ideas, guide the creation and implementation of a multi-faceted campaign, and bring the full weight of our firm's expertise in media and social media, reputation management, public and government affairs and stakeholder relations.

Following you will find a more detailed strategic approach to the ideas we have already discussed. You will also find information about APCO, our people and our relevant experience. We hope the information can provide you a bit of insight into the firm, our culture and how we approach client partnerships. We would welcome the opportunity to answer any additional questions you may have at your convenience. Thank you for considering APCO—we look forward to having the opportunity to work with you.



Sincerely,

A handwritten signature in dark ink that reads "Michael J. Tuffin". The signature is fluid and cursive.

Michael Tuffin  
Managing Director, APCO Worldwide

## TABLE OF CONTENTS

Situation Overview .....	1
Strategic Approach.....	2
Two-Year Strategic Plan .....	5
Budget and Timeline .....	14
Success Metrics .....	15
About APCO Worldwide .....	17

© 2012 APCO Worldwide Inc. All rights reserved.

This proposal is provided to you for your internal evaluation purposes only. You may not reproduce or share the content hereof with any third parties outside your organization, including, without limitation, competing bidders. Upon completion of the evaluation process, you must return or destroy all copies of these materials unless you obtain written permission from APCO Worldwide to retain them.

## SITUATION OVERVIEW

The war on drugs has evolved over the last several decades. Resources and attention are being shifted away from busting drug cartels for illicit substances and redirected to fight what the CDC has declared an epidemic – the abuse of prescription pain pills. Use of prescription painkillers without medical need grew 75 percent between 2002 and 2010. Over 15,000 people died from prescription drug overdoses in 2009 alone, a staggering 109 percent increase over 2002. Lawmakers in Congress and the CDC have repeatedly called attention to the issue, and DEA officials have declared it their “number one priority and the number one problem in the U.S.”

With health advocates, government agencies, media, law enforcement officials, and state and national policymakers looking to place blame for this growing epidemic, HDMA and its members are at the center of a bulls-eye for both persecution and prosecution. Lawmakers and law enforcement already went after the drug manufacturers – a deep-pocketed member of the supply chain – for their role in this epidemic. HDMA’s top three members, AmerisourceBergen, Cardinal Health and McKesson Corporation, had revenues from drug distribution of over \$270 billion in 2011. Given the size and considerable resources of just these three companies, it is not surprising that some aggressive attorneys general and lawmakers have decided to turn their attention to the distribution industry.

DEA and state law enforcement have targeted HDMA members both large and small, negotiated settlements in the tens of millions of dollars, and suspended one company’s ability to ship controlled substances from one of its facilities for several years. Meanwhile, drug distributors face ongoing scrutiny and threat of exclusion and debarment, restraining their ability to negotiate or fight in court.

APCO understands that HDMA and its members do not just represent trucks and warehouses in the supply chain of pharmaceuticals, but a critical component in the nation’s healthcare system. Your members provide a valuable service, follow the law, and advocate for increased regulations and safeguards to ensure the safety of our drug supply and prevent drug diversion. While portrayed as “middle men,” HDMA’s members create efficiencies that save American consumers money at a time of steadily rising healthcare costs. Healthcare distributors help avert drug shortages and ensure patients have the safe, effective drugs they need, when and where they need them. APCO understands the value the distribution industry provides, but many of the stakeholders and opinion leaders that will impact the industry’s operating environment do not. A few challenges:

- Research will reveal the true state of knowledge about the industry, but our experience tells us that even informed opinion-leader audiences do not understand the pharmaceutical supply chain and the distribution industry’s role in it.
- Unlike the independent pharmacy, local physician or community hospital that interacts with patients, HDMA’s members play a behind-the-scenes role and lack a public face. HDMA does not have a direct connection point with consumers. As such, there are few allies who have an incentive to defend your industry, validate your practices, or question those who question you.
- HDMA’s largest members are massive, largely unknown and deep pocketed – a particularly dangerous combination in an era of political populism on the left and the right characterized by mistrust of big institutions. Simply put, HDMA’s members’ profits and success represent a potential untapped revenue stream for state lawmakers and regulators.

With all this in the background, HDMA has an opportunity to educate and reposition the industry in the eyes of lawmakers, law enforcement, state regulators, the media and opinion leaders. The prescription drug abuse problem is only going to assume a higher profile and HDMA’s members are very likely to become a bigger target. This proposal outlines a comprehensive, integrated three-part strategy to address both your immediate communications needs as well as your longer-term ability to build and protect the reputation of the healthcare distribution industry.

## STRATEGIC APPROACH

The challenge is to reposition HDMA and its member companies as productive and collaborative participants in the war on prescription drug abuse and to leverage this repositioning as a pivot point for the industry to emerge as a recognized, responsible and valuable contributor to the nation's healthcare system. Receiving recognition as a leader on the drug abuse issue will help redefine the industry's relationships with and support from its key stakeholders – DEA, national and state policymakers, AGs, customers (pharmacies, chain drug stores, hospitals and clinics), doctors and the general public.

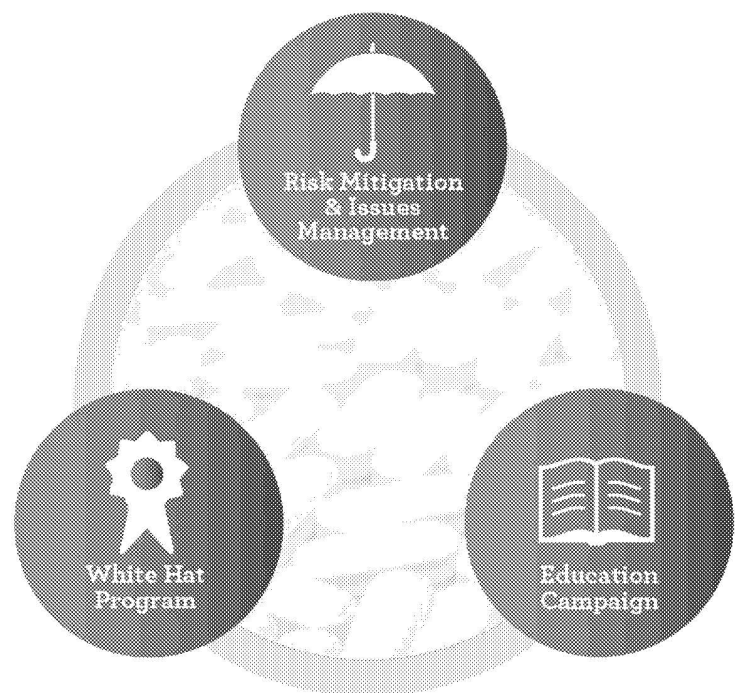
APCO recommends deliberately shifting from the current reactive posture to a more forward-looking positioning that emphasizes the strength and value of the industry as a solution provider and collaborative partner. The industry must chart a course that will transition it from the inevitable scapegoat of politically motivated, headline-seeking elected officials and law enforcement officials to an acknowledged leader on this and other issues impacting the safety, affordability and availability of prescription drugs. Our approach will begin to insulate the industry from capricious and specious attacks, demonstrate the industry's value and benefits, and ultimately seek to create a more favorable operating environment for HDMA's members.

To effect this change, we recommend creating a new narrative around the industry. The foundation for the narrative will be developed through research to identify how the industry is currently viewed by each of its key audiences, which will help crystalize your understanding of the existing perceptions of your strengths and weaknesses. The research will also identify gaps between your stakeholders' expectations of the industry and the industry's current behaviors, which will reveal potential areas for criticism. In the short term, we will focus on activities that address the criticism of distributors' role in the national drug abuse problem. Simultaneously, we will develop and implement a targeted, integrated program to educate key stakeholders about the industry's value proposition, foster collaboration with influential partners, and help HDMA establish the industry as a leader in solving problems that its stakeholders expect it to address.

### Three-Part Strategy

APCO recommends that HDMA pursue an integrated three-part strategy that will:

1. Prepare HDMA and its members for potential future crises and mitigate future risks;
2. Educate relevant stakeholders inside the Beltway and nationally on the role of drug distributors in the pharmaceutical supply chain, advancing their value proposition and inoculating them against attacks; and
3. Strengthen and protect the industry's reputation through a "white hat" leadership campaign.



In the current environment, it would not be advantageous for the industry to try and immediately take a high-profile, leadership position on drug abuse or any other issue. The stakeholders who are fostering debates, assigning blame, setting policy and driving media neither understand the role that HDMA's member companies play in the safe and secure delivery of prescription medications nor are they aware of the activities in which the industry normally engages to prevent and mitigate prescription drug related healthcare problems. For this reason it is imperative that an effort to manage the current crisis around prescription drug abuse be coupled with a campaign to educate key stakeholders on the industry's longstanding role and evolving value in the prescription drug supply chain. These two activities alone will begin to improve the industry's reputation among its key audiences, but, to effectively reposition the industry, they must be accompanied by a transformative campaign that establishes the industry as a national leader on a prominent healthcare issue. It is this reinforcing combination of aggressive issues management, educating key stakeholders and demonstrating leadership that will positively change the way your most important audiences view and interact with the industry.

### **Risk Mitigation and Issues Management: Containing the Damage and Defending your Reputation**

APCO will prepare HDMA to better respond to threats and attacks on the industry, to understand how these threats are likely to evolve over time, and to provide protection and cover for its member companies. We will also create tools to help the industry communicate around known and emerging issues to ensure that the industry speaks effectively with a consistent voice to media, policymakers and regulators, including the DEA. Industry employees are natural ambassadors, APCO will ensure that HDMA's member companies have the tools necessary to explain emerging issues to their employees and equip them to defend the industry. Finally, APCO will identify and enlist the support of key third parties who can validate the industry's position and status as a positive influence on key issues including prescription drug abuse.

Issues management, by its nature, is a defensive activity because the industry must define itself in terms of a negative issue or outcome. While it is critical to do this, it is equally important for the industry to define itself under more positive terms. In fact, the more effectively the industry defines itself, the less issues management and risk mitigation will be required. Defining the industry in more positive terms means conducting an aggressive education campaign that asserts how the industry benefits key stakeholders and contributes positively to the prescription drug supply chain and the U.S. healthcare system.

### **Education Campaign: Asserting the Industry's Positive Role and Value**

Research will tell us for sure, but we believe the greatest vulnerability the industry faces today is a lack of awareness of the value that pharmaceutical distributors add to the prescription drug supply chain. Outside of individuals and organizations that directly interact with HDMA and its member companies, there is little understanding of the role the industry plays in providing Americans affordable access to needed pharmaceuticals in a manner that is both safe and highly efficient. APCO recommends building a campaign to educate all of HDMA's key stakeholders, including policymakers, DEA, patient advocates and organizations, pharmacy groups, media and other relevant third parties. This campaign will leverage a combination of third-party and industry voices to tell a positive story of the role that HDMA's member companies play in delivering reliable and safe access to prescription medications, and demonstrate how the industry is actively contributing solutions to the nation's healthcare problems.

Defending the industry against attacks and educating key stakeholders on the value that pharmaceutical distributors add to the prescription drug supply chain will not by itself position the industry to lead on key issues that are important to HDMA's member companies. To become part of a national dialogue and to be seen as an effective partner in addressing prescription drug related healthcare issues, the industry will need to demonstrate leadership that builds on the value proposition put forth in the education campaign.



### **White Hat Program: Demonstrating Solution-Oriented Leadership**

To effectively build a long-term positive reputation for the industry, HDMA needs to focus on establishing a leadership position on one or more key national issues related to prescription drugs. It needs to lead an inclusive effort that is viewed by all of the industry's relevant stakeholders as having a clear benefit to society. This type of campaign is commonly referred to as "wearing the White Hat." While APCO will need to conduct research to identify the nature of this program, it will likely address the current prescription drug abuse problem in the United States. The program will provide positive proof points of the industry's value proposition and a platform to create relationships with and engage external stakeholders. This program will build a number of industry allies and make it less credible and costlier to single out and scapegoat the industry for complex national problems.

As the leadership campaign gains momentum, it will shape the nature and content of the education campaign by linking the role and value that the industry provides in the day-to-day delivery of prescription medicines to a positive example of how the industry can use its role and infrastructure to be a part of the solution to complicated healthcare problems. This type of proof point is the single most effective form of risk mitigation that an industry can undertake.

## TWO-YEAR STRATEGIC PLAN

Below we have outlined a strategic communications plan to help HDMA build and protect the industry's reputation. Per your request, we have provided three budget levels that we are prepared to execute based on your resources and priorities. At each level the plan is guided by, and includes elements of, the three-part strategy we have described above. While the overarching strategy remains consistent regardless of the budget, the budget will impact the scope and scale of our programs, the tactics and the speed at which they can be executed.

- **Level 1** - \$420,000 – We will provide HDMA and member companies with the tools to manage the drug abuse issue and other issues as they emerge; we will educate your most important stakeholders on the role and value of the industry; we will build a foundation for a leadership platform.
- **Level 2** - \$900,000 – We will aggressively assert the industry's value to a broader audience base and create partnerships that drive long-term reputation change; we will launch a thought leadership program that measurably moves the needle on the industry's reputation.
- **Level 3** - \$3 million+ – We will position the industry to drive a national dialogue by engaging the states and we will ensure that the industry's key stakeholders understand how the industry is demonstrating leadership on national health issues.

These budget levels provide a general estimation of what it will cost to implement the plan for the first year. We recognize that we are operating in a rapidly changing environment and that this plan may need to be adapted at any time to meet changes in the legislative, regulatory and litigation landscapes at the federal and state levels.

We believe that HDMA can make meaningful, demonstrable progress at each of these levels of investment. We do want to emphasize, however, that these levels would be expected to produce very different and non-linear results over a two-year period. We would welcome the opportunity to discuss what budget range makes the most sense for the association and its members at the current time. Following the strategic plan, we have included a breakdown of the budget and provided a general implementation timeline.

### LEVEL 1 - \$420,000 FOR FIRST YEAR

---

At this level, APCO will work with HDMA to ensure that the foundation is in place for the industry to identify and mitigate potential vulnerabilities and respond quickly and effectively to arising challenges, including litigation events, regulatory action and increased media scrutiny. We will conduct baseline level research to both inform how to answer HDMA's immediate threats as well as inform the development of a broader plan to protect the industry's reputation. The goal of Level 1 would be to arm HDMA with everything it needs to identify threats, mitigate risks, educate your primary stakeholders and build the foundation for a leadership platform.

#### Research and Messaging

APCO recommends a research-based, stakeholder-driven communications approach. Working through our opinion research arm, APCO Insight, we would begin with a primary research program that would inform each part of the three-part strategy (issues management, education and white hat program). The research will explore current awareness of the industry, uncover stakeholders' perceptions of the industry's role related to prescription drug abuse, identify gaps in current behavior and isolate recommendations for responses – including analysis of the potential impact a higher profile on these

issues would have on the public and your stakeholders. This research would also offer preliminary insights on overall perceptions of the industry and expectations for responsible behavior; these findings will inform proactive strategies for the industry beyond the immediate tactical response.

The research program would include qualitative work to understand the tone and language used by stakeholders, and smaller-scale quantitative research to provide validated recommendations to support strategy development. The research would focus on the following key stakeholder groups:

- DEA/law enforcement
- Pharmacists, including community, chain and hospital
- Hospital/clinic purchasers
- Regulators and policy influencers
- Physicians
- Manufacturers

The research would be used to inform the development of messages and an informational toolkit for HDMA and its members:

- **Message Development:** APCO will develop a comprehensive set of core messages tailored for key stakeholder audiences based on the research findings. We will develop messages that explain the industry's value in the supply chain and to the entire healthcare system – as well as issue-specific messages related to prescription drug abuse, diversion, track and trace, shortages, value and pricing, and other key issues.
- **Member Toolkit Development (Diversion and Abuse):** APCO will develop a complete toolkit of materials for HDMA's members related to prescription drug diversion and abuse. The toolkit will include messages, industry fact sheets, sample Web content, and a sample op-ed on the industry's efforts to prevent diversion that members can tailor.

### **Risk Mitigation and Issues Management**

This element of the communications plan will ensure HDMA is prepared to respond to issues and crises facing the industry in the near term. As the industry comes under greater scrutiny, it is critical that the association be prepared to respond and provide cover for members. We will also help HDMA equip its members to respond to challenges with a consistent and cohesive industry narrative.

- **Risk Analysis and Stakeholder Mapping:** APCO will begin by working with HDMA and its members to analyze the current risks and opportunities facing the company and the key stakeholders involved. To do this, APCO will arrange a series of informational briefings with leaders from a variety of disciplines within HDMA (government relations, legal, communications, etc.) We also recommend arranging similar briefing meetings with select individuals at HDMA member companies. This enables us to see the situation holistically and identify areas of strength and weakness. This process also helps build consensus among internal audiences because it ensures that our communications strategy is meeting the goals and priorities of all relevant internal audiences within HDMA and its membership.
- **Crisis Response Protocol:** Through discussions with HDMA, APCO will also review the association's current crisis response procedures and develop a set of recommendations for HDMA based on best practices. This includes helping HDMA set up a cross-functional task force that has the authority to act quickly and decisively in response to critical reputation issues.
- **Scenario Planning:** The stakeholder mapping exercise helps us to identify the most likely crisis scenarios that could face the industry. Once identified, APCO will work with HDMA to develop

detailed scenario plans for the most likely/realistic scenarios – including preparing standby statements and materials.

- **Spokesperson Training:** APCO will provide spokesperson trainings for HDMA executives and members, as needed. Trainings will help spokespeople provide general industry context as well as respond with a clear consistent message to difficult questions related to hot-button issues like diversion and abuse.
- **Third-Party Identification:** APCO will identify potential third-party validators that can be briefed on the industry and serve as validators for HDMA.

### Education Campaign

The second phase of the program is educating key stakeholders about the industry, its value to the healthcare system and its leadership in combatting diversion and abuse specifically. Using the research as a base of understanding about stakeholders' knowledge of and misconceptions of the industry, APCO will work with HDMA to:

- **Explain the supply chain**
- **Explain the value of the industry**
- **Demonstrate your commitment to and role in the solution**

APCO will focus on developing materials and engagement plans for HDMA to use to educate the following groups of key stakeholders:

- Federal and state policymakers
- Regulators (DEA and FDA) and policy influencers
- Community and chain pharmacies and pharmacists
- Hospital/clinic purchasers
- Physicians
- Manufacturers
- Patients and patient advocates
- Drug safety advocates and other relevant third parties
- Media

Specific tactics for engagement include:

- **Developing Educational Materials:** APCO will develop a suite of materials that can be used to educate key audiences, including:
  - Infographics that visually explain the supply chain
  - Fact sheets about the industry and its programs to combat diversion and abuse
    - Background material on the issues
    - Summary of HDMA's legislative agenda
    - Details on your members, their role in the pharmaceutical supply chain and how they benefit the healthcare system and consumers



- **Revising Online Content:** APCO will conduct a comprehensive review of HDMA's online presence and provide recommendations on how to maximize the effectiveness of its website as an educational tool about the industry. This will include suggested content revisions, recommendations for how and where to post content, and suggestions for site architecture that make it easier to find information.
- **Briefing Schedule:** APCO will assist HDMA in identifying a list of organizations and individuals that HDMA should target for briefings and developing a schedule for HDMA to conduct briefings. These include beltway media, Capitol Hill and federal agency contacts, and potential third-party allies. APCO will help HDMA prepare for briefing meetings.
- **Speaking Opportunity Support:** APCO will develop a calendar and conduct outreach to potential conferences, industry events and other opportunities where HDMA and/or its members can educate key stakeholder groups about the industry.
- **Op-eds:** APCO can work with HDMA to draft and place op-eds on this topic in important industry and/or D.C.-based publications. Op-eds can be authored by HDMA leaders or third-party allies.

### White Hat Program

APCO believes that HDMA has an opportunity to take a leadership position in the ongoing efforts to fight prescription drug abuse. While the industry has long advocated for new regulations that could more effectively identify and curb diversion, there are opportunities for improvement at every level of the supply chain from manufacturers down to patients. To date, there has been limited leadership from any group to coalesce the entire supply chain. Instead of being collaborative with industry, DEA has been closed off and critical, an ingrained approach that will be difficult to change. The goal of our white hat program is to demonstrate that the healthcare distribution industry is a part of the solution and is invested in working with all stakeholders to make real progress in fighting the prescription drug abuse epidemic.

We believe that the stakeholder research should be used to help guide and inform the development of the white hat program. The research will help HDMA to understand what stakeholders expect from the industry to be considered respected and responsible – these expectations should be the key drivers of the white hat program. While we will await the research before developing a concrete plan, at the base level, APCO will be able to develop a foundation for HDMA's white hat program that the industry can build upon in future years. This will include using the research to build the outline of a program and assisting HDMA in executing the program.

- **Identify and Package Current Efforts:** HDMA and its members do a considerable amount already to stop abuse and diversion both at the industry and corporate level. We would work with your members to take inventory of all existing programs and find creative, interesting ways to package this information in a way that showcases all of industry's efforts and initiatives.
- **Thought Leadership through Research:** APCO Insight can conduct original public opinion research surveys that gauge consumers' perceptions of the drug abuse problem. This information can be packaged and released to media and other audiences, giving HDMA and industry leaders an opportunity to engage in a broader dialogue and position themselves as experts on the issues.
- **Targeted Thought-Leadership Activities:** While a robust, industry-driven white hat program is beyond the scope of this budget, APCO will advise HDMA on opportunities to engage in a more targeted way to reach influential members of key audiences. Tactics might include:

- Partnering with local anti-prescription drug abuse programs in communities where HDMA might benefit from positive press and exposure.
- Identifying speaking opportunities for HDMA and leaders among its membership at forums where key issues are discussed and where the industry can assert itself as a leader.

## **LEVEL 2 - \$900,000 FOR FIRST YEAR**

---

At this level, over a two-year period, we would expect significant progress toward redefining the industry's position and reputation. While roughly twice the budget of Level 1, this level provides exponentially more benefit over the longer term. APCO will conduct additional research that clearly identifies how to leverage the industry's strengths to develop a tailored leadership program that will reshape how key stakeholders view the industry. We will launch this program in combination with increased educational outreach to a broader audience that will allow us to build new allies and partners. Additionally, because we are more proactively building reputation and broadening our educated base at this level, we will more aggressively fight our critics by leveraging new partners, third parties and industry employees.

### **Research**

APCO Insight will devise a more robust research program that will yield more detailed insights to direct development of a comprehensive plan to protect and enhance the industry's reputation. Not only will the research explore crisis response strategies, but it will provide a complete view of how the industry can effectively assert its value proposition and foster a favorable operating environment. APCO Insight has developed proprietary research techniques that decode the "reputation DNA" of an industry. This approach richly explores key stakeholders overall perceptions of the industry and its distinctive value, as well as identifies the full range of expectation for responsible behavior. The research would go beyond the Level 1 plan to include more extensive quantitative surveys that not only benchmarks attitudes and perceptions on key industry issues, but also clearly identifies the opportunities and vulnerabilities that will have an impact on overall industry image. In the end, the research will offer HDMA and its members a validated road map to follow as it pursues an industry repositioning campaign with targeted educational and leadership activities.

### **Risk Mitigation and Issues Management**

At this level, APCO will provide all of the risk mitigation and issues management tactics previously outlined, including preparation to respond to issues and crises and arming HDMA and its members with a coherent narrative. Level 2 will also include the following additional elements:

- **Rapid Response Counsel and Support:** Should HDMA face a significant crisis issue, APCO will provide all-hands-on-deck support, providing real-time monitoring, war-room staffing, media relations and any other services that HDMA may require.
- **Employee Engagement:** In addition to developing the member toolkit, APCO will work with HDMA to more actively and substantively engage HDMA and members' employees to be advocates for the industry around the diversion and abuse issues.
  - We will develop an electronic employee communications plan that might include videos, a microsite or periodic e-newsletters with information for industry employees that educates them on topical industry positions and industry-led efforts to manage relevant national issues.

- We will work with HDMA to host employee training sessions, either virtually or in person, to educate employees about their role in helping the industry protect its reputation and combat this national problem.
  - Both our Issues Management and Social Media teams will work together to create a guide for employees on the proper way to answer criticisms about the industry and talk about the positive efforts their individual companies are taking in social media on popular platforms such as Twitter, Facebook and Google+.
- **Third Party Outreach/Development:** APCO will not only help HDMA to identify third-party validators, but will directly assist HDMA in reaching out to these groups and individuals. APCO will develop briefing packets for these key audiences to educate them on the industry and what it is doing to prevent diversion and abuse.

### Education Campaign

In Level 1, we will arm HDMA and its members with an new educational materials and recommendations for website infrastructure changes. Level 2 will allow APCO to go one step further and work more closely with you as you execute on the outreach strategies we have outlined, permitting us to guide you more closely through one-on-one or larger scale briefings and enabling us to create more specific and targeted materials for dissemination. These added resources include:

- **Additional Collateral Materials**
  - Videos: APCO can develop informational videos, featuring interviews with HDMA leaders, members and other industry experts. These videos can be posted to HDMA's website, used with media and shared with policymakers. APCO has experience in developing video brochures that have been used with success with the policymaker audience.
  - APCO can also develop collateral materials for pharmacies, clinics and doctor's offices that help educate these audiences about how our drug delivery system works and how we get the medicines we need where and when we need them. These materials can also include information about how to spot and prevent diversion.
- **Website Development:** At this level, APCO can develop a custom, research-driven, new website that will become the focal point of the education campaign to showcase what the industry is doing to be a part of the solution.
- **Social Media Campaign:** APCO will work with HDMA to develop a plan to engage key stakeholders via social media channels including blogs, Twitter and Facebook. This could include helping HDMA monitor and respond to relevant discussions online or assisting HDMA in building its own social media presence.
- **Briefing Support:** In tandem with the development of a briefing schedule, APCO will provide HDMA with direct briefing support, including working on behalf of HDMA to arrange and staff briefing meetings.
- **Arrange Speaking Opportunities:** In addition to creating a calendar of speaking opportunities as described above, APCO can help secure speaking opportunities by working directly with conference/event organizers on behalf of HDMA. APCO can handle logistics and staff HDMA leaders at events, as well as prepare remarks and briefing materials for event participants as needed.

- **D.C.-Based Advertising:** APCO will also develop a highly targeted, D.C.-based advertising campaign focused on showing audiences the role and value of distributors in ensuring the safety and reliability of the national pharmaceutical supply. This ad campaign would have a specific focus on relevant stakeholders within Washington, D.C.

### White Hat Program

While Level 1 will allow APCO to conduct foundational research and prepare for a larger-scale leadership campaign, Level 2 will provide HDMA with a D.C. launch of this campaign and ongoing program support.

To accompany a leadership campaign, APCO would create white papers, a comprehensive list of D.C.-based targeted audiences, and targeted paid and earned media to support a launch. Depending on the targets and nature of the campaign, we might also recommend a website to function as the home for activities related to the campaign and, if it is a consumer-focused campaign, we would recommend a social media program that generates engagement, creates awareness and provides an opportunity to interact with media.

While details and direction of the campaign are largely dependent on the outcome of the research, this campaign could include a variety of tactics that showcase how the industry is leading the pharmaceutical supply chain in finding a consumer-oriented solution to this growing problem:

- **Coalition Building:** One of the best messages that HDMA can deliver is that it is actively working across the supply chain to find ways to solve this national challenge. One way for HDMA to assert its role as a leader is by bringing together a variety of groups into a coalition. One option to consider is reinvigorating the Pharmaceutical Distribution Security Alliance (PDSA) or creating a similar entity that can be a convening point for the entire pharmaceutical chain to develop and promote an industry-wide solution.
- **Convening Panel Discussions/Conferences:** Either individually, through the PDSA, or in partnership with a relevant interest group, HDMA could host a day-long conference with policymakers, regulators and experts from across industry to discuss solutions and new areas for collaboration. Along with HDMA's members, DEA officials and other leaders could be invited to participate in forums or panel discussions about how to address the changing drug abuse landscape.
- **White Paper Development:** HDMA can work with relevant experts/think tanks to develop white papers on relevant topics including drug shortages, drug abuse, drug enforcement, healthcare logistics, etc. The specific topics could be informed by research, but regardless, would provide opportunities for the industry to promote its expertise and leadership.
- **Paid and Earned Media:** APCO can work with HDMA to reach the D.C. audience through a variety of paid and earned media strategies.
- **Legislative Advocacy:** With PDUFA not set to expire for another five years, the industry faces an uphill battle in trying to advocate passage of any track and trace legislation. However, it is not too early to begin laying the groundwork for legislation. Through ongoing, strategic outreach to government officials, HDMA can continue a steady drumbeat of support for legislation and continue to position itself as the go-to resource on these key issues.



## LEVEL 3 - \$3,000,000+ FOR FIRST YEAR

---

Level 3 is the budget necessary to conduct a national campaign that over two years would fundamentally alter the conversation and perception of the prescription drug distribution industry, showcasing its value proposition: all of the ways you create efficiency, lower costs, and take strong leadership positions to not only ensure a safe drug supply but also to combat drug diversion and drug abuse. It would build on the national campaign launched Level 2, but would include deeper reach into selected communities including key states and consumer opinion elites. This funding would adopt a more forward-leaning leadership program and would generate significantly more media and awareness of the industry's activities through a combination of national media and paid advertising targeted at your key audiences.

### Research

APCO Insight would continue to build upon the qualitative and quantitative research plans outlined in Level 1 and Level 2 by tracking shifts in the current opinion environment, awareness of HDMA and its key members and evaluate the impact of HDMA messages. The objectives would be achieved through conducting periodic tracking surveys with local, national and inside-the-Beltway audiences, and would leverage investment in comprehensive benchmark reputation research.

### Risk Mitigation and Issues Management

We recommend being prepared to take a more aggressive approach should lawsuits, negative media and scrutiny continue. As the industry association, HDMA can be more aggressive in defending its members than its members can be. Depending upon how bold members want HDMA to be, the association can take a more aggressive position in responding to DEA, AGs or other officials that are unfairly targeting the industry.

The goal of a bolder campaign is to send a message to policymakers that the industry will not stand idly by and become a scapegoat for a national problem. This problem will not be solved by coming after distributors – to solve the problem you need to stop attacking us and start working with us. How many industries ask for more regulation? We are actively seeking a solution, yet being wholly blamed for a problem that is beyond our industry's control.

- **Putting Critics on Defense:** This campaign can be conducted by HDMA directly or through surrogates and allies. We recommend working to engage third parties that can credibly deliver the message. Specific tactics include working with third parties to place op-eds in business and industry publications and finding opportunities for third parties to discuss these issues with media and policymakers. Potential third-party allies that can more aggressively confront DEA and state AGs include:
  - Former DEA leaders – “Blaming the middleman is not the way to solve this problem.”
  - Patient groups - “This is politics, if this were about solving the real challenge the AGs and DEA would be asking for x,y,z...”
  - Academics, think tanks, pro-business columnists, tea party commentators - “This is yet another example of government essentially extorting the private sector.”
- **Responsive Targeted Advertising:** Also included in a Level 3 issues management campaign is ability to respond to key issues with immediate targeted advertising. Ads could be placed in critical inside-the-beltway publications like *National Journal* and *Politico*, or in key state news outlets, or be micro-targeted at your most critical audiences online.

## Education Campaign

The primary enhancement of a Level 3 educational campaign is targeted state and local outreach and education. While APCO will have already created toolkits and an array of educational materials, Level 3 would allow us to identify specific stakeholders in key states – pharmacies, clinics, hospitals, law enforcement – and create targeted advertising and educational campaign materials for use with these entities. This could include:

- Targeted online and local paper advertising in state capitals and other key districts or cities.
- Prescription drug abuse awareness kits for parents of teenagers to be distributed at selected community pharmacies and clinics.
- In office or in-store advertising in pharmacies and clinics.

## White Hat Program

Levels 1 and 2 will allow APCO and HDMA to develop thought leadership positions and create a significant, consistent and unique voice for the industry on how it combats prescription drug abuse. Level 3 would include a sustained, targeted opinion leader advertising program and on-the-ground, state-by-state outreach and implementation.

APCO would take what we have learned in the qualitative and quantitative research and map out your stakeholders by local and state communities, targeting them with online, print and in-person advertising. Many of the tactics from Level 2, including media, panel discussions, white papers and coalition building would remain, but the size, scope and scalability would be greatly enhanced. For example, at this level we could achieve:

- **National visibility:** This large-scale campaign will allow the industry to garner significant recognition by individuals, groups, policymakers, regulators, and the media at the local, state and national level.
- **Significant engagement:** We will engage communities one by one, partnering with local law enforcement or healthcare providers to increase awareness of your industry's efforts to combat prescription drug abuse.
- **Strategic partnerships:** At this level, we will be able to create strategic partnerships with local law enforcement, drug safety advocates, communities, schools, doctors, pharmacists and countless others that will demonstrate the industry's leadership while allowing these local, on-the-ground entities to pursue their own efforts.

We will seek to ensure that your critical role in this problem is understood at every level so that in the event future crises occur, or the prescription drug epidemic continues to worsen, you will not be faceless trucks in the supply chain, or a perceived cog in the wheel, but rather will have entire groups of constituencies who better understand HDMA, its members, and their essential role in the nation's prescription drug system. Level 3 will allow HDMA to have a maximum impact on this issue, and maximum visibility, with the goal of fundamentally altering the conversation and perception of the industry.

## BUDGET AND TIMELINE

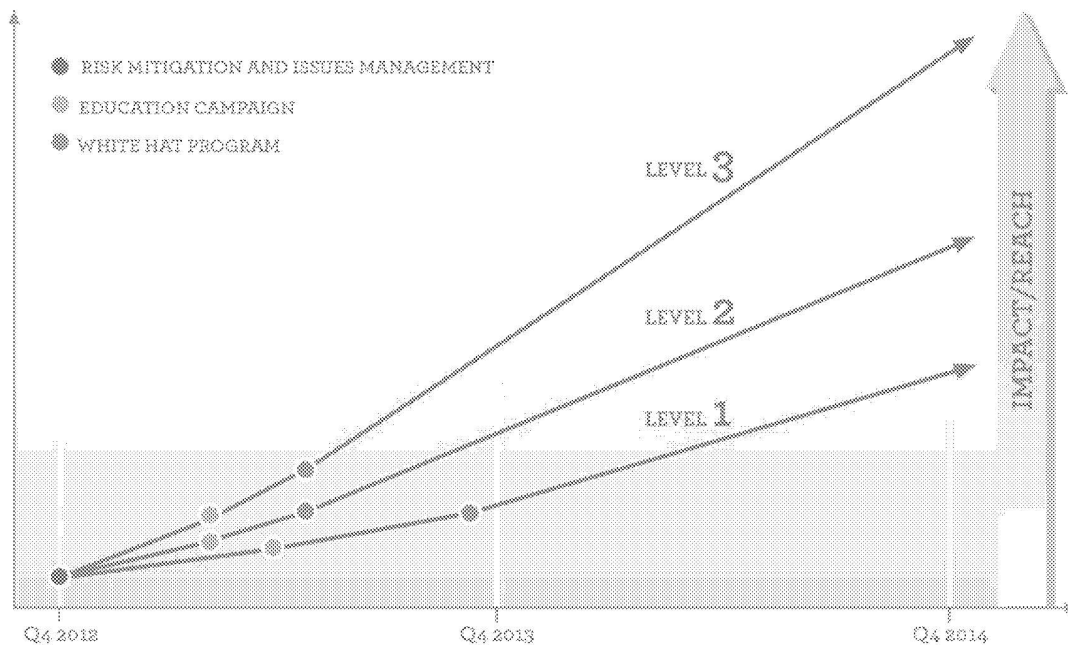
The budget chart below provides a general estimation of how resources would be broken down for each part of the plan within the first year. The budget levels are flexible and can be adjusted based on HDMA and its members' priorities or in consideration of how the business, policy and legal environments evolve over time.

At this stage it is difficult to estimate with precision what a second year budget might be, as it will vary based on a number of factors. For general budget planning purposes, we can anticipate that year two will have a similar budget as the first year, recognizing that some activities would be front-loaded in the first few months, while some elements of the program would begin later in year one and propel forward in year two.

	Level 1	Level 2	Level 3
Research and measurement	\$85,000	\$335,000	\$460,000
Risk mitigation & issues management	\$80,000	\$100,000	\$120,000
Education campaign	\$150,000	\$240,000	\$920,000
White hat program	\$105,000	\$225,000	\$1,500,000
<b>FIRST YEAR ESTIMATED TOTAL</b>	<b>\$420,000</b>	<b>\$900,000</b>	<b>\$3,000,000</b>

The timeline below illustrates how the plan will roll out at each level over time. You will see that many of the initial, foundational activities like research will occur in the same time frame at every level, while for the education and white hat programs, more resources will enable us to quicken the pace of activities.

On the vertical axis, we have plotted how the campaigns' impact would be amplified based on the level of funding. At every investment level, HDMA can make progress in managing reputational threats, educating relevant stakeholders about the value of the industry, creating allies and building its profile as a leader in the fight against prescription drug abuse. Increasing resources will increase the scope and geographic reach of the program. For example, in the education campaign at Level 1, we can help HDMA conduct effective and targeted outreach to key stakeholders in Washington, D.C. With more resources, the education campaign can reach more stakeholders faster and with more frequency – amplifying the impact of our program nationally.



## SUCCESS METRICS

We understand that a favorable operating environment for distributors, enhanced by a more general understanding and more positive perception of the industry, is the ultimate measure of success for APCO's collaboration with HDMA. Still, APCO strives to provide measurable results to our clients. From shifts in policy to increasing sales, the goals of campaigns vary depending on the specific needs of the client. And often, measurement is complicated by unpredictable and noisy messaging landscapes, changes in the operational environment and other unforeseeable factors. APCO finds that extensive preparation, situational awareness and regular communication are critical to ensuring positive results.

As the industry commits to executing and funding the strategy at various levels, the outcomes can be realized at increasing scale. Specifically:

By executing the Level 1 strategy:

- **We will have a clearly defined message strategy that corrects the record and neutralizes potential crises to law enforcement, media, influencers and stakeholders.** The industry-wide crisis response strategy will be reflected in changing action from law enforcement, as well as in the way issues are articulated in media coverage. Others in the industry or supply chain will adopt similar language when addressing issues of prescription drug abuse and drug diversion.
- **We will have a consistent message to explain the value of the industry as it relates the prescription drug crisis that can be asserted by HDMA and individual companies.** To date, there has been no industry-wide response to the issues. These new messages can start the targeted spread of themes about the industry's role and will extend the reach and impact of existing HDMA leadership activities.
- **We will have greater ability to recruit allies to support the industry.** At this level of investment, the industry will begin building stronger relationships with critical constituencies who can help amplify HDMA's messages.

Moving forward into Level 2:

- **We will have developed a credible and sustained positioning platform that establishes the industry's value – primarily at inside-the-Beltway and national levels.** Going beyond reactive messages, this platform will provide a ground-breaking, industry-wide communications approach to transform perceptions of the industry. The messages will be identifiable in media coverage, as well as in changing behaviors in legal and regulatory spheres.
- **We will have helped turn the tide of approval in the public record.** Critical stakeholders, like law enforcement and policymakers, will be more educated about the industry's value proposition. This effort will give your allies tangible examples of those benefits in terms they can understand and use.
- **We will have a robust mechanism to defend the industry against attacks.** A well-seeded message campaign, that is reinforced by member companies as well as third-party allies, will effectively blunt criticism, positively assert the value of the industry and inoculate against potential issues. By setting the record straight, the industry will much more effectively fend off criticism through affirmation of its clear and valuable role.

- **We will have built third-party allies who will be willing and able to defend the industry.** Through this campaign, the industry will build stronger relationships that can help shape legal and regulatory decisions through effective engagement and dialogue and open the door to greater collaboration.
- **We will be able to demonstrate tangible, quantifiable success against the awareness and reputation metrics we identified.** By engaging in periodic tracking surveys, we will be able to show the overall effectiveness of the communications platform and the correlation between the awareness of the campaign efforts and the reputation of the industry.

Over a multi-year engagement, Level 3:

- **We will have raised the profile of the industry among all stakeholders.** Our campaign will reach all audiences nationally — customers, interest groups, policy makers and perhaps even a cohort of very well informed consumers — helping build the industry's profile and assert its value in maintaining a safe prescription drug supply and combatting abuse and diversion. We will have secured significant earned media and ensured that our target audiences have been reached through paid media.
- **We will have added significant scale and dimension to the stakeholder engagement by deepening deployment of the campaign into targeted markets.** The resonance of the campaign will be registered at stronger levels at the national level, while local market impact will also be readily detected.
- **We will have exerted significant pressure on national policymakers.** As Level 3 informs the conversation around the drug distribution industry, national policymakers will be more likely to hear, and understand, why the industry has been urging federal pedigree and traceability legislation. The campaign, and its supporters, will exert more pressure on lawmakers to consider these legislative proposals in PDUFA VI.
- **We will have positioned the industry as a thought-leader in the drug supply chain.** By educating stakeholders and increasing their awareness of the industry's role in the pharmaceutical supply chain and drug diversion efforts, the media, policymakers, and regulators will begin to look towards the industry as a thought leader in not only combatting drug abuse and diversion, but with issues of drug shortages, and the overall safety and efficiency of the supply chain. White papers, partnerships, and national media visibility will all help contribute to this enhanced reputation.

At the outset of our engagement, we would work closely with the HDMA team to develop clear and mutually agreed-upon benchmarks of success for each element of the three-part plan. We would agree upon the necessary metrics and tools to evaluate the impact and success of each program element, including specific, tactical measures. A successful comprehensive positioning strategy must be consistent in its overall objective, while being flexible to adapt to rapidly changing circumstances in Washington or state capitals. Accordingly, while this proposal includes a number of specific program ideas and tactics, it is designed to accommodate fluidity in the environment.

There is no one-size-fits-all approach to measuring success. APCO has a long history of valuable and effective reputation and stakeholder engagement programs whose successes are as varied as our clients. We would work closely with HDMA to articulate a shared vision of success, identify clear goals and metrics, and periodically review and revise our tactics as appropriate.

## APCO WORLDWIDE

### Why APCO?

**We get the substance.** We know federal and state legislative and regulatory processes, and we have experience interacting with all the players in these environments. We know how to develop messages and information to influence policy issues, and we know the right ways to deliver these messages. We have extensive experience with online engagement, and we can help you to use online resources in the most effective way.

**We have the right people.** We possess a broad range of experience, with experts in health policy, crisis and litigation, coalition building, trade associations, media relations and government relations. All of our resources are available to our clients, and we will draw upon the years of experience we possess globally to get you the best strategic counsel and positioning.

**We know the players.** We have worked with all of the stakeholders in your business. We have connections with pharmacies, pharmaceutical manufacturers and law enforcement. In addition, we have strong ties to the FDA and the DEA, as well as insight into organizations such as the American Academy of Pain Medicine and the National Association of Attorneys General. In the United Kingdom, we have worked with the British Association of Pharmaceutical Wholesalers (BAPW) for several years helping them navigate regulatory and reputational challenges. Our experiences will be a valuable tool which we will leverage in order to serve your best interests.

**We have done this before.** We have identified and pursued satisfactory solutions to issues much like yours in the past. We have offered ongoing support to major pharmaceutical clients facing litigation worldwide, including litigation communications, media outreach and corporate responsibility services. We have also served as communications support for a broad base of pharmaceutical clients facing the threat of exclusion from government programs because of allegations of off-label marketing. This experience has provided us a practical understanding of the issues that affect a company facing exclusion. Our government relations team has been involved in issues from a wide swath of industries, and is highly skilled at identifying the best approach to interacting with federal and state governments and regulators.

### About APCO

Client service not only drives us, it defines us. At APCO Worldwide, we address clients' interests and objectives through communication and public affairs consulting that combines a global perspective with local expertise to understand the issues, events and trends that impact businesses and organizations around the world.

Clients value our ability to help them navigate the complex and often converging worlds of business, industry and finance; media, public opinion and society; and government and public policy. APCO helps clients anticipate what's next and smartly manage reputational, communication and business opportunities and challenges that affect their organizations, products, services or brands.

Our diverse and hands-on global team of over 600 experts comes from the environments our clients need to reach – we are former elected leaders, journalists, ambassadors, business and nonprofit executives, government officials, market researchers, and communication and Internet experts. APCO creates and implements strategic and tailored solutions to advance clients' objectives.

APCO is committed to ensuring that strong strategy and proactive thinking guide our work. We deliver our best minds in support of the client's objective in order to direct and deliver the right level of support for implementation. Our client-focused approach is characterized by:

- **Removing barriers** in order to bring the best resources of the firm to complex accounts. We have a single bottom line and a flat organizational structure, allowing project managers free access to tap any member of the firm with no prior approvals and regardless of their reporting structure or office location.
- **Creating unique strategic advisory teams** so that each project manager is supported by an advisory team comprised of a relevant set of senior practitioners. These advisors do not play a role in the management of the account; their role is to bring experienced thinking and new ideas in support of the project manager as needed. Since they do not have a role in execution, their impact on the program budget is very limited.
- **Incorporating proactive thinking** into all of our account management so that we can move beyond current activities to consider anticipated changes and trends, consequences and resulting issues. This allows us to remain ahead of the communication curve on behalf of our clients.

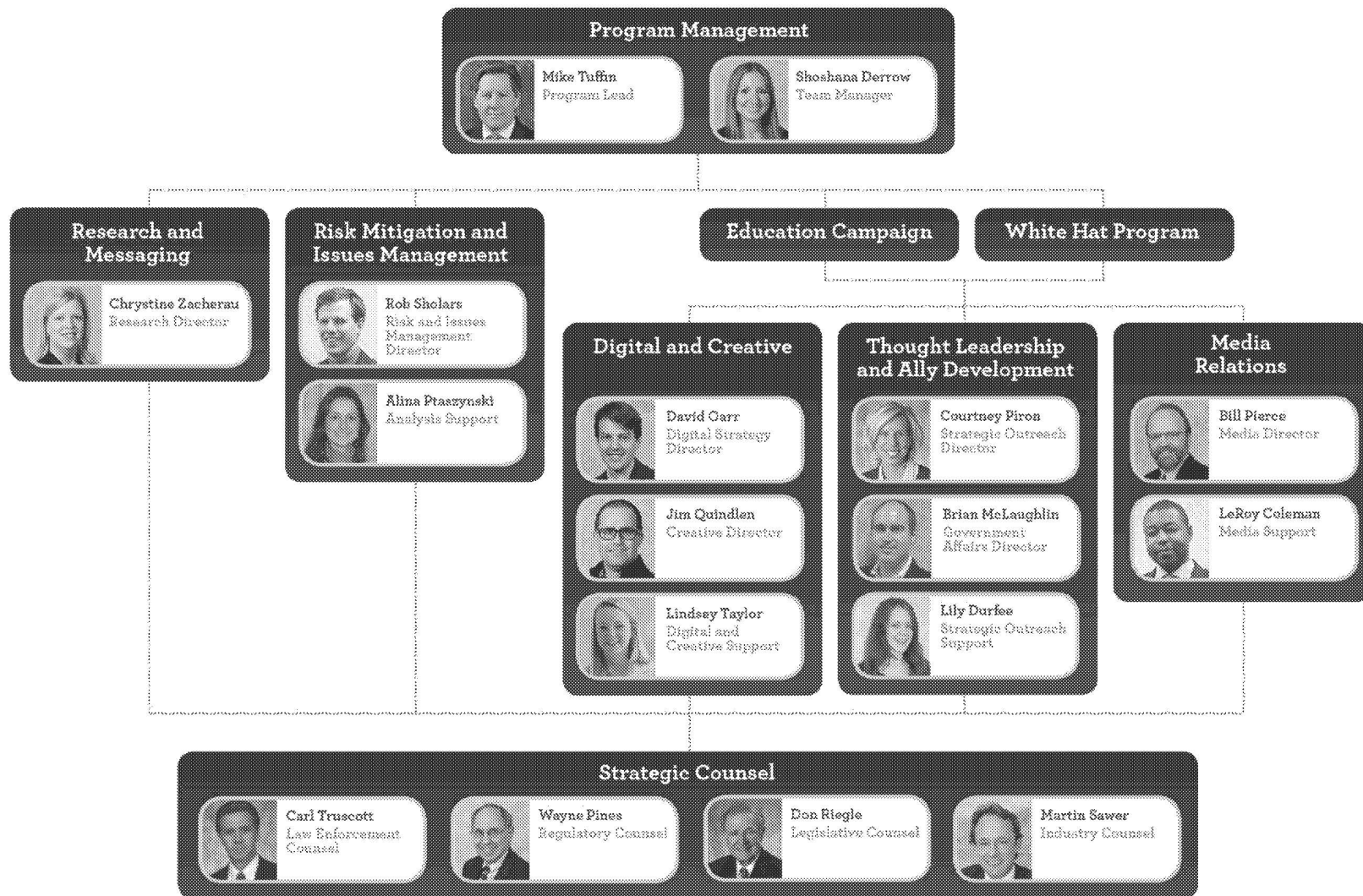
APCO has in-depth knowledge of the specific issues facing your organization, and we will leverage our collective experiences to provide you with the right solutions and opportunities.

#### **The APCO Team**

Our core team would include an overall program lead, an APCO team manager, and specialized communications experts to deliver advice and program implementation in a seamless and integrated way. This core team will also be supported by strategic counsel from experts from across the firm, and can be built out based on project needs as work is underway. Our team structure anticipates any needs that may arise throughout the campaign, but the structure of the final team will be adjusted to correspond with the approach HDMA chooses.

An organization chart and biographies for APCO's program team are outlined below.

# APCO Team Organization





## Biographies

### Michael Tuffin Program Lead

---



Michael Tuffin, managing director of APCO Worldwide's Washington, D.C., office, is an accomplished strategist with extensive experience in public policy, healthcare and national politics. He previously served as executive vice president at America's Health Insurance Plans (AHIP), where he led public affairs strategy for the industry at the center of the national debate on healthcare reform. Mr. Tuffin's responsibilities included communication, advertising, media relations, new media, grassroots advocacy and management of AHIP's Center for Policy & Research. He also represented the health insurance industry on a wide range of national news programs.

Prior to joining AHIP, Mr. Tuffin served as a vice president at APCO, where he helped launch a flagship pharmaceutical industry prescription assistance campaign and directed a major retirement security initiative backed by a broad-based coalition of leading national business associations. As a consultant, he periodically appeared on BBC television and radio, offering insights on American politics to a global audience. Mr. Tuffin previously served as senior director of strategic communications at the Pharmaceutical Research and Manufacturers of America (PhRMA).

Earlier in his career, Mr. Tuffin worked on a wide range of political campaigns, holding key positions on two presidential bids. In 1996, he directed communications for the successful referendum campaign that enabled the NBA's Miami Heat to build the American Airlines Arena. From 1993-1995, he worked on legislative staffs in the U.S. Senate and U.S. House of Representatives, focusing on economic and fiscal issues.

Mr. Tuffin holds an MBA with a finance concentration from the Owen Graduate School of Management at Vanderbilt University and an economics degree from Providence College.

### Shoshana Derrow Team Manager

---



Shoshana Derrow, director in APCO Worldwide's Washington, D.C., office, specializes in advising clients on health policy issues. Shoshana previously served as counsel and legislative assistant to Senator Joseph Lieberman where she guided his priorities throughout the year-long debate on healthcare reform and counseled him on all issues affecting healthcare, welfare, military and veterans' health.

Shoshana began her policy career on the Hill as a legislative assistant for Representative Marion Berry for whom she worked on several pieces of legislation related to pharmacy issues in addition to managing the bipartisan Congressional Community Pharmacy Caucus.

She is an attorney at law having received her juris doctor from The Ohio State

University and completed her undergraduate degree in English at the University of Michigan. Shoshana initially began her career in finance working in private wealth management for Goldman, Sachs & Co. and Smith Barney, and later in mutual fund sales for JP Morgan Fleming Asset Management.

**Chrystine Zacherau**  
**Research Director**



Chrystine Zacherau, director for APCO Insight in Washington, D.C., provides opinion research and analysis in the healthcare sector. Ms. Zacherau manages APCO Insight's global healthcare research offering that helps clients better understand the needs and expectations of healthcare practitioners and build stronger ties with stakeholders. Her healthcare expertise combines experience and education as both a research professional and a licensed registered nurse.

Ms. Zacherau is a specialist in advanced quantitative methods and discrete sampling methodologies for hard-to-reach populations, particularly among healthcare stakeholder audiences. Her expertise in complex sampling and data collection has helped clients significantly improve communication and thought leadership through the use of rigorous opinion research. She has conducted numerous public opinion studies used for public release on pressing healthcare issues ranging from physician engagement to drug importation.

Ms. Zacherau is also a BSN, licensed registered nurse who worked the front lines of healthcare delivery. She was privileged to serve patients as a staff nurse for a national hospital corporation. Ms. Zacherau is passionate about women's health issues and maintains her nursing credentials, which allows her to continue providing direct patient care.

Ms. Zacherau has conducted opinion research projects for many of the nation's best-known research organizations, including Voter News Service, The Marist Institute for Public Opinion and the Center for Survey Research and Analysis at the University of Connecticut. She also served as a research analyst at the Roper Center, America's leading academic institution for opinion research, where she helped establish the world's largest archive of public opinion data for journalists, academicians and business leaders.

Earlier in her career, Ms. Zacherau previously served as senior research manager at Behavior Research Center, an opinion research firm working in public polling, customer satisfaction research and corporate branding. And, she was a senior research analyst at AdvancePCS, where she conducted qualitative and quantitative research in the pharmaceutical and healthcare sectors. Her groundbreaking work there helped develop protocols for point-of-care solutions that use handheld technologies for prescription writing.

Ms. Zacherau holds a Bachelor of Arts in political science from Marist College, a Bachelor of Science in nursing from George Mason University and a Master of Arts in survey research methodology from the University of Connecticut.

**Rob Sholars**  
**Risk and Issues Management Director**

---



Rob Sholars is a director in APCO Worldwide's Washington, D.C., office, where he provides counsel to businesses and other organizations dealing with critical communication challenges that affect their valuation, corporate reputation or ability to achieve business objectives. He has significant experience in litigation communication and crisis management.

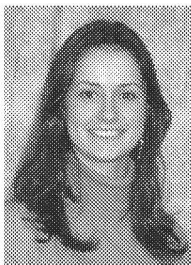
Prior to joining APCO, Mr. Sholars was an associate at Brunswick Group, where he managed a team responsible for BP's communication initiatives related to the Deepwater Horizon accident, including official accident inquiries, criminal and civil government investigations, multi-district litigation and settlements. Prior to his work at Brunswick, Mr. Sholars handled communications for McKinsey & Company's Social Sector Office, which addresses challenges in economic development, public health, education and philanthropy.

Mr. Sholars started his career at APCO and also held summer positions with U.S. Senator Barbara Boxer, Abernathy MacGregor and Citigroup's Political and Economic Strategies Group.

Mr. Sholars holds a master's degree in international economic policy from Columbia University and a bachelor's degree in international affairs from Lewis & Clark College.

**Alina Ptaszynski**  
**Risk and Issues Management Support**

---



Alina Ptaszynski, consultant in APCO Worldwide's Washington, D.C., office, provides clients with strategic counsel in the areas of litigation and crisis communication, grassroots advocacy and issues management. She has experience providing communications counsel and assistance to clients facing a number of business and regulatory challenges including class action litigation, government investigations, product recalls, and mergers and acquisitions.

Ms. Ptaszynski has experience designing and executing strategic communication and media relations programs for *Fortune* 500 companies, trade associations and nonprofit organizations in a variety of sectors including technology, healthcare, financial services, and transportation and infrastructure. Ms. Ptaszynski works with clients to develop compelling messages and media strategies to promote positive coverage. Her experience has resulted in high-profile coverage for clients in national media outlets including *The Wall Street Journal* and *The Washington Post*.

Ms. Ptaszynski graduated with honors from the University of Maryland with a Bachelor of Arts in communication.

**David Oarr**  
**Digital Strategy Director**



David Oarr, director, digital strategy in APCO Worldwide's Washington, D.C., office, has more than 10 years of professional experience leading the design and development of software applications. He has worked in all areas of the software system life cycle, including system analysis, requirements definition, design and implementation.

Mr. Oarr has managed the development of several of APCO's flagship products including the Advocacy Interaction Manger (AIM), APCO's proprietary contact management system and APCO's propriety online survey system. He leads a team of developers and Web content specialist, currently servicing more than 40 client projects. These projects include Web sites, intranets, surveys, audits, online communication outreach and information monitoring.

Mr. Oarr managed a ground-breaking study and report sponsored by the Malaria Vaccine Initiative (MVI) to determine the level of funding governments, nonprofits, research institutions and private enterprises were giving towards the research of malaria vaccines. The study consisted of managing complex funding and financial data as well as overseeing the studied scientific research aspects for hundreds of international organizations and their involvement in the malaria disease community.

Prior to joining APCO, Mr. Oarr worked for the Henry M. Jackson Foundation, where he served as both a protein chemist and primary technology manager for his laboratory section. He set up intranet Web servers, installed and configured Web-accessible databases, developed custom scientific software applications and created technology solutions to increase the intra-laboratory information sharing as well as streamline laboratory processes.

Mr. Oarr has demonstrated experience and formal training in software development languages and systems. His specialty is developing database-driven Web-based applications. Specifically, he is an expert in Oracl8i,9i, SQL Server 2000,2003 and MySql. He has experience in many software languages, including JavaScript, ASP, Visual Basic, Perl, JAVA, C and Cold Fusion.

Mr. Oarr holds his Bachelor of Science in Life Sciences from the University of Maryland and a Master of Science in Biotechnology/Bioinformatics from Johns Hopkins University.

**James Quindlen**  
Creative Director

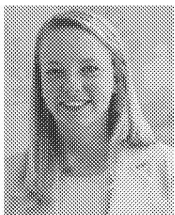


Jim Quindlen, creative director of digital for APCO Online, where he leads the team's digital creative efforts, focusing on strategy, concept and creative execution. Mr. Quindlen brings a broad range of skills in experience and graphic design, digital strategy, identity development/branding and front-end Web development. With more than 10 years of experience in digital marketing, he has a comprehensive understanding of the unique communication opportunities available through interactive platforms and the social Web. In recent years, he has focused on developing creative executions for strategic social Web engagements and has developed strategic design solutions for a diverse array of clients including issue advocacy, government, B2B and consumer brands.

Prior to joining APCO Worldwide, Mr. Quindlen was an interactive art director at Ogilvy Public Relations Worldwide. As part of Ogilvy's 360° Digital Influence team, he used social media, digital marketing and new technologies to help clients build and sell their brands. His efforts to create engaging experiences online resulted in measurable improvements in brand awareness, loyalty and advocacy for a number of high-profile companies, such as IBM, the Lance Armstrong Foundation, LG, Unilever, MedImmune, Nestlé, CDC and FEMA.

Earlier in his career, Mr. Quindlen was an art director for Washington, D.C.-based Mindshare Interactive, where he directed a team of designers and produced award-winning interactive projects for large issue advocacy campaigns including The Business Software Alliance, The Bill and Melinda Gates-funded Ed in '08 Campaign, Easter Seals and UNICEF. He also previously served as the lead Web and multimedia director for The Sutter Group, Inc., where he headed projects for high-profile clients in the automotive industry. He led the development of multiple flash-based projects and interactive campaigns for clients such as Land Rover, Jaguar and The Ford Motor Company.

**Lindsey Taylor**  
Digital and Creative Support



Lindsey Taylor is a project consultant with APCO Worldwide's digital strategy team. She works closely with clients to develop and execute integrated online campaigns, especially focusing on online community building and social media counsel. Lindsey recently earned her Master's degree in Interactive Media from Elon University, where she also received her Bachelor of Arts in strategic communications.

**Courtney Piron**  
**Strategic Outreach Director**

---



Courtney Piron, senior director in APCO Worldwide's Washington, D.C., office, specializes in advising clients on health policy issues. Ms. Piron has more than 15 years experience in health policy, government relations and crisis communication.

Ms. Piron has extensive background in policy development and strategic communication for the healthcare sector. Prior to joining APCO, Ms. Piron served as a director in the economic policy research group, a division of corporate affairs at Pfizer Inc. At Pfizer, Ms. Piron's primary areas of responsibility included health system reform, policy communication, the industry's economic contribution to states and U.S. regulatory policy issues. Ms. Piron has extensive knowledge about pharmaceutical and biotech policy issues, healthcare reform, Medicare coverage and reimbursement, disease management, and Food and Drug Administration regulatory policy. She was a frequent speaker on public policy issues facing the pharmaceutical industry and served as a source to the media on issues related to the field.

Before joining Pfizer in 2001, Ms. Piron was director of health policy for Wyeth. During her five-year tenure she was responsible for analyzing federal health policy related to the pharmaceutical business and developing policy positions. Ms. Piron previously worked as a communication consultant with Burson-Marsteller in its lobbying and crisis management departments in both Washington, D.C., and New York. Ms. Piron also worked on Capitol Hill and in the U.S. Food and Drug Administration's Office of the Commissioner.

Ms. Piron holds a Bachelor of Arts in Political Science from Dickinson College and a Master of Public Administration in Public Policy from the University of Pittsburgh.

**Brian McLaughlin**  
**Government Affairs Director**

---

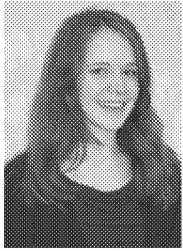


Brian McLaughlin, associate director in APCO Worldwide's Washington, D.C., office, manages policy development, international relations, and mergers and acquisitions strategies for governments, corporations and associations.

Prior to joining APCO, Mr. McLaughlin worked for Sen. Richard Durbin as a staffer with the Senate Governmental Affairs Committee. He was responsible for developing policy positions on government oversight, first responders, the Census and the District of Columbia. In addition, he organized committee hearings and prepared the Senator for his duties as subcommittee chairman of the Oversight of Government Management, Federal Workforce and District of Columbia Subcommittee. Mr. McLaughlin was actively involved in the creation of legislation creating the U.S. Department of Homeland Security and the Directorate of National Intelligence.

Mr. McLaughlin graduated from the University of Maryland with a bachelor's degree in government and politics.

**Lily Durfee**  
**Strategic Outreach Support**



Lily Durfee, consultant in APCO Worldwide's Washington, D.C., office, supports the policy and regulatory goals of healthcare clients by performing research, developing policy toolkits and identifying key stakeholders. Her efforts often contribute to guidance on messaging and positioning. Ms. Durfee's clients include leading biopharmaceutical companies, insurers and other related organizations.

Prior to joining APCO, Ms. Durfee assisted with science policy research and writing at the Potomac Institute for Policy Studies. She was primarily responsible for performing analyses of healthcare and regulatory science issues, drafting reports on science policy research and assisting with final messaging in documents for publication. She was involved in projects related to controversial FDA regulatory decisions, classification of scientific information and the responsibility of the media in communication of scientific principles. Ms. Durfee also has three years of pharmacy experience, through positions at Walgreen's Pharmacy and Denver Health and Hospital Authority.

Ms. Durfee holds a Master of Science in Biomedical Science Policy and Advocacy from Georgetown University and a Bachelor's degree in Molecular, Cellular and Developmental Biology from the University of Colorado at Boulder.

**William Pierce**  
**Media Director**



William Pierce, senior director of APCO Worldwide, joined the firm in 2005. Mr. Pierce specializes in providing strategic advice and counsel, tactical execution and representation to healthcare clients and those in other industries. He helps clients develop strategies and tactics that combine media relations, policy, advocacy and alliances in campaigns to achieve definable objectives. He also provides crisis communication counsel.

Prior to joining APCO, Mr. Pierce served as the deputy assistant secretary for public affairs at the Department of Health and Human Services (HHS). At HHS, Mr. Pierce was senior spokesman for the department and the secretary, and provided public affairs counsel to HHS and its agencies including the Centers for Medicare and Medicaid Services, the Food and Drug Administration, the National Institutes of Health, the Centers for Disease Control and Prevention, and the Office of Global Health Affairs. He also worked with HHS secretary Tommy Thompson on the HHS's diet and exercise campaign.

Prior to HHS, Mr. Pierce served as the director of public affairs for the Blue Cross and Blue Shield Association, and before that worked first as a press secretary for Congresswoman Olympia Snowe (R-ME), then Congressman Bill Thomas (R-CA). Before working on the Hill, Mr. Pierce was director of communication for the National Taxpayers Union, an account executive for Hill & Knowlton and a research associate with Government Research Corporation.

He began his career in Washington as a research analyst for the National Republican Senatorial Committee.

Mr. Pierce holds a bachelor of arts in political science and English and a master's degree in international relations from the University of Pittsburgh. He also holds the designation of Professional from the Academy for Healthcare Management. In 2000, he became a founding member of the George Mason University Mercatus Center's Advisory Council for Capitol Hill Programs – a center providing educational programming on a wide variety of issues to Capitol Hill staff and members of Congress.

Mr. Pierce is an adjunct professor at The Johns Hopkins University Advanced Academic Program, where he teaches classes in media relations and crisis communication.

### LeRoy Coleman Media Support

---



LeRoy Coleman, consultant in APCO Worldwide's Washington, D.C. office, serves on the government relations and issues management team. Mr. Coleman has extensive experience in offering counsel on message development, crisis communication and media relations.

Mr. Coleman most recently served as the director of communications for the Chris Dudley for Governor of Oregon campaign, where he oversaw the development and implementation of the campaign's communication strategy. Prior to the campaign, Mr. Coleman served as director of media affairs and regional press secretary for the Republican National Committee, where he managed media relations and developed strategic communication plans promoting committee initiatives and candidates to national and local media.

Before working for the RNC, Mr. Coleman served as director of communications for U.S. Senator Norm Coleman (R-Minn.), where he oversaw all press inquiries and spoke on the record with national and local media. Mr. Coleman also served as spokesman for the U.S. Senate Permanent Subcommittee on Investigations, where he developed a national media strategy for investigations that exposed government waste, fraud and abuse.



**Martin Sawer**  
**Industry Counsel**



Martin Sawer is a senior director based in APCO Worldwide's London office. Mr. Sawer left Whitehall to join the public affairs industry in 1987, having previously worked for nearly three years at 10 Downing Street in the private office of the then Prime Minister, Margaret Thatcher. A founding member of APCO's UK operations, Mr. Sawer is APCO's senior adviser for clients working with officials in UK government departments, having now provided policy development advice for more than 17 years.

Mr. Sawer has particular experience working in regulated sectors. For example, in the telecommunications sector, Mr. Sawer worked with several service providers as they sought to define the regulatory shape of their market, while latterly advising the Ofcom Director-General and his board on its positioning as it evolved into Ofcom. He has also advised FT Top 100 Companies as they responded to investigation and mergers and acquisitions decisions from the competition authorities.

In the healthcare field, Mr. Sawer has created strategies for a number of clients, including Roche, Lloydspharmacy and the British Association of Pharmaceutical Wholesalers (BAPW). He has also run high-profile campaigns for patient groups such as the Multiple Sclerosis Society and the learning disability group "Rescare."

In addition, Mr. Sawer has worked alongside trade associations during most of his career. Most recently, he worked with the British Phonographic Industries, which represents the UK's record companies. Mr. Sawer also currently acts as the executive director of the BAPW.

Mr. Sawer has developed APCO's charitable partnership with Connection at St. Martin's, a central London-based charity, which tackles homelessness in the area of London in which APCO's office is situated.

In July 2006, Mr. Sawer was named UK Consultant of the Year, by Public Affairs News, an award voted on by his peers in the industry.

**Carl Truscott**  
**Law Enforcement Counsel**



Carl J. Truscott, senior vice president of ASERO Worldwide, is the former director of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and a former head of presidential protection and assistant director of the U.S. Secret Service. Mr. Truscott works with APCO to advise clients on strategic plans for security preparedness and law enforcement issues.

Mr. Truscott has 26 years of federal law enforcement experience, having provided strategic and operational leadership in uniquely challenging situations at two of the most prestigious and multifaceted federal law enforcement agencies in America. He has an exceptional background and experience in all

phases of law enforcement, counterterrorism strategies, and integrated security planning and solutions.

Mr. Truscott was appointed by the attorney general to serve as ATF director, a role he held from 2004-2006. Under Mr. Truscott's leadership, the bureau reduced violent crime to an historic 30-year low, expanded its role in explosives investigations, developed a National Center for Explosives Training and Research and constructed a new training academy. Most importantly the 5,000 men and women of ATF were able to make effective contributions to the Department of Justice's highest priority – the prevention of terrorism – through intelligence sharing, investigations, regulation, training, laboratory services and an expanded international presence.

As an assistant director with the Secret Service, Mr. Truscott was responsible for the investigative and protective intelligence, threat assessment activities, technical security, information technology and emergency preparedness. Prior to his term as assistant director, he served as the special agent in charge of the Presidential Protective Division, where he had primary responsibility for supervising all protective matters relating to the president, the first family, and the White House. During a period of unprecedented global threat and terrorist activity, Mr. Truscott implemented a strategic approach to security structure, functions and operations. During his Secret Service tenure, Mr. Truscott was also assigned to the New York and Los Angeles field offices, he was detailed as a professional staff member to the U.S. Senate Appropriations Committee in the 105th Congress and he served as the Secret Service coordinator for the 1996 Republican National Convention in San Diego. He began his law enforcement career in 1980 as an investigator for the New Jersey Department of Law and Public Safety.

Mr. Truscott received a Bachelor of Science in Criminal Justice from the University of Delaware. He attended executive programs at The George Washington University and Harvard University and participated in the Director of Central Intelligence's Intelligence Community Senior Leadership Program. He has lectured at the University of Pennsylvania's Department of Criminology and at Harvard University's John F. Kennedy School of Government. Mr. Truscott serves on the Cal Ripken, Sr. Foundation Board of Directors and the National Law Enforcement Exploring Committee, and he is a member of ASIS International. Mr. Truscott also served on the Executive Committee of the International Association of Chiefs of Police and on the Board of Directors of the National Center for Missing and Exploited Children. Mr. Truscott's numerous honors throughout his law enforcement career include the Presidential Rank Award as Meritorious Executive in 2003.

**Wayne Pines**  
**Regulatory Counsel**



Wayne L. Pines, member of APCO Worldwide's International Advisory Council and president of regulatory services and healthcare for the consultancy, provides strategic counsel to clients facing crises or media, legislative, regulatory or marketing challenges.

Mr. Pines has worked on healthcare and regulatory issues; litigation; product approvals; advertising issues; recalls; and congressional issues involving the regulation of pharmaceuticals, medical devices and food.

Mr. Pines served 10 years in senior positions at the United States Food and Drug Administration (FDA). He was FDA's chief of consumer education and information, chief of press relations and associate commissioner for public affairs. He was the chief media spokesman for the FDA for seven years and also was the founding editor of FDA consumer magazine. In 2004, Mr. Pines was named the FDA's Alumnus of the Year. He has authored or edited 10 books about crisis communication and the FDA.

Mr. Pines is chairman of the board of the Medstar Research Institute, which oversees research at eight hospitals in the Washington-Baltimore area; and is a member of the boards of Scolr Pharma Inc., The Patient Channel and the FDA Alumni Association. He is president of the Alliance for a Stronger FDA, a coalition of 180 organizations seeking more appropriated funding for FDA. He was previously a member of the Public Health Service's first Task Force on AIDS Education, executive vice president of a large international public relations agency and chairman of a market research firm.

Mr. Pines has published a number of books on the crisis management, the FDA and public affairs including: FDA Advertising and Promotion Manual; FDA: A Century of Consumer Protection; A Framework for Pharmaceutical Risk Management; How to Work With the FDA; Making Your Case to the FDA: Strategic Communication Before, During and After Your Drug's Approval; A Practical Guide to Food and Drug Law and Regulation; and Communicating in a Health Care Crisis.

**Don Riegle**  
**Legislative Counsel**



Don Riegle, former United States senator, serves as chairman of APCO Worldwide's government relations team and helps develop and direct client strategy for governments, companies, associations and various nongovernmental organizations. With more than a decade of executive-level communication agency experience, Senator Riegle brings to clients a proven ability in crafting and executing complex public affairs programs and government relations initiatives. He also serves as a strategic counselor to chief executive officers and other senior executives on business strategy.

With 28 years of congressional service, 18 in the United States Senate and 10

in the United States House of Representatives, Senator Riegle brings expert knowledge of the inner workings of government and the shaping of public policy. Having served as both a Republican and a Democrat, he enjoys excellent relationships with his colleagues in both parties on Capitol Hill. During his three terms in the United States Senate, he served six years as chairman of the Senate Banking Committee, leading several major financial restructuring bills to enactment. He also served on four other major Senate committees: Finance, Commerce, Labor and Human Resources, and Budget. Additionally, he chaired several key subcommittees, including Health Care, Securities, and Science and Space. He was the lead Senate sponsor of the successful Chrysler Loan Guarantee Bill.

Senator Riegle has also served on the boards of directors of two New York Stock Exchange listed companies, WellPoint, Inc. and the Stillwater Mining Company. He is widely experienced in all areas of corporate governance.

## Case Studies

### PARTNERSHIP FOR PRESCRIPTION ASSISTANCE

#### The Challenge

Improving access to medicines is part of the pharmaceutical industry's overall commitment to the health of all people. That's why many of America's pharmaceutical companies have patient assistance programs that make medicines available to low-income, uninsured or underinsured consumers for free or nearly free. Unfortunately, many prescription assistance programs – both public and private – are underused simply because millions of people who may qualify for assistance are not aware that help exists.



Partnership for  
Prescription Assistance

#### The Solution

Launched in April 2005, the Partnership for Prescription Assistance (PPA) is the largest-ever, private-sector effort to help qualifying patients who lack prescription coverage get the medicines they need through the public or private program that's right for them.

Through a toll-free (1-888-4PPA-NOW) number and user-friendly Web site ([www.pparx.org](http://www.pparx.org)), the PPA offers a single point of access to more than 475 public and private assistance programs, through which patients can access more than 2,500 brand-name and generic medicines.

Working in tandem with its strategic partners, APCO developed the following objectives for the PPA's awareness and education campaign:

- Raise awareness of and boost enrollment in public and private patient assistance programs;
- Drive people who may be eligible for assistance with their prescription medicines to a national clearinghouse of all public and private programs; and
- Demonstrate the sustained commitment of the pharmaceutical industry and its partners in healthcare to improving access to healthcare, including prescription medicines.

APCO, in coordination with its strategic partners, developed and implemented a multi-faceted communications strategy in order to achieve these objectives. The strategy involved the recruitment of more than 1,300 local and national organizations, including the American Academy of Family Physicians, Easter Seals, National Alliance for Hispanic Health, National Urban League, NAACP and United Way of America. The approach also consisted of identifying ways to engage local and national media in order to raise awareness of the PPA among target audiences.

*Key outreach tactics include:*

- An aggressive national and paid and earned media campaign;
- A 50-state grassroots education and mobilization program targeted at consumers, healthcare providers and policymakers;
- The "Help Is Here Express" – a bus tour traveling to hundreds of cities to spread the word; and,
- Integration with pharmaceutical employee and partner organization outreach efforts.

## The Result

The Partnership for Prescription Assistance has been extremely successful. Specific metrics include:

- *Media Coverage:* The PPA has garnered more than 7,500 positive and on-message media clips over the last year in national and local outlets across the country. These clips include print, broadcast and online media.
- *Patients Helped:* Since its launch in April 2005, the PPA has helped connect more than 2.5 million patients to at least one patient assistance program that likely meets their needs. This represents an impressive match rate of more than 70 percent of the more than 3.5 million people who have contacted the PPA, highlighting the success of our targeted communication strategy.
- *Satisfaction:* According to KRC Research, a full-service market research firm hired to survey people who used the program, awareness of the PPA has been driven through a variety of communications channels, including television advertisements, television news, friend or family and doctors' offices. Satisfaction with the PPA is high (70 percent), with more than 80 percent finding the program to be a "very useful public service."
- *Award-Winning Campaign:* In September 2005, the PPA was recognized by the Arthur Page Society, an organization of the most senior public relations and corporate communications professionals. The PPA was awarded the annual Page Principles Award in recognition of a program that exemplifies the principles of the Page Society: Tell the truth; Prove it with action; Listen to the customer; Manage for tomorrow; Conduct public relations as if the entire company depends on it; and Realize a company's true character is expressed by its people.

## ADVAMED

### The Challenge

AdvaMed is the world's largest trade association representing medical device manufacturers, makers of medical equipment and medical software and supplies. AdvaMed was faced with a billion dollar plus problem. The Center for Medicare and Medicaid Services (CMS) was proposing changes to the way and amount that hospitals were paid that would directly impact/reduce the reimbursement its member companies received for their products.

Adding to the challenge was the fact that when APCO was asked to assist AdvaMed in its campaign to change this proposed rule, it had already been made public and the timeframe for making changes was less than 90 days. Finally, the impact on AdvaMed member companies was not a direct one. The rule itself, which was very technical in nature, actually determined which hospitals were reimbursed for all their services including the use of medical devices and technology. It was through the hospitals that device manufactures got paid, making the impact even harder to understand for the average member of Congress and certainly the public.

### The Solution

APCO's strategy was to simplify the issue so that a member of Congress not paying attention to the issue in general would take notice and see how this proposed change might negatively impact his/her constituents, specifically seniors. We used the same strategy on members of the media to simplify and help them understand what was at stake for the industry. We also wanted to make sure that members of Congress and CMS officials who were working on the proposed rule saw the key messages as often as possible through advertising, letters and e-mails from people who worked in the medical device industry and media stories.

**Strategic objectives:**

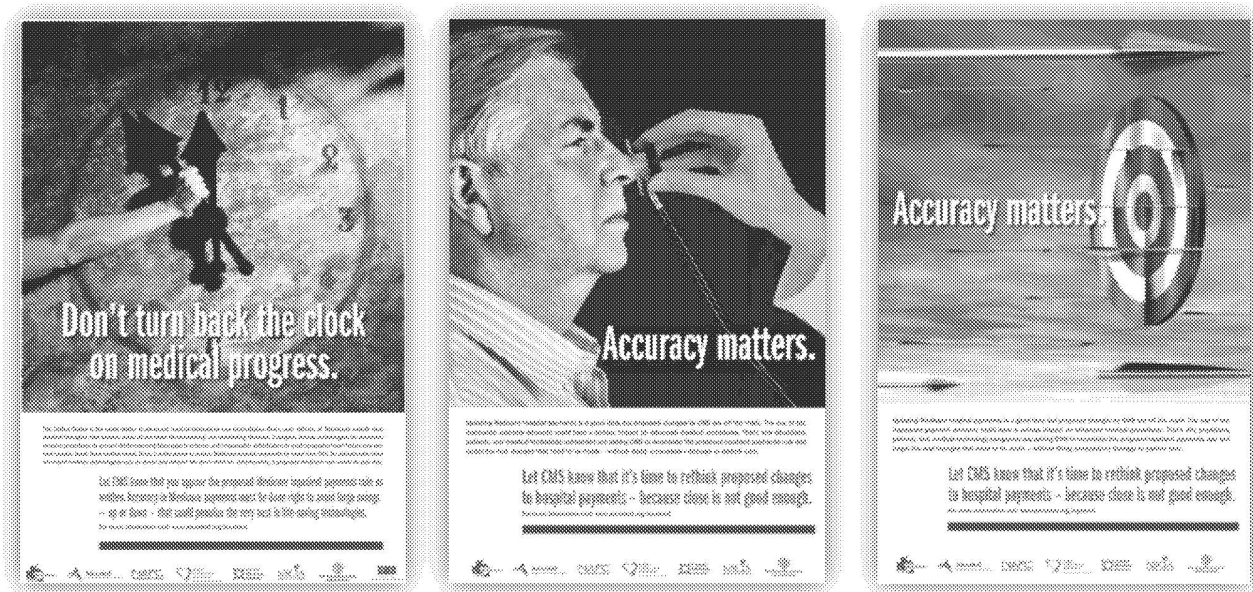
- Communicate with key decision makers about AdvaMed and the industry's concerns over the proposed rule
- Communicate with key media
- Broaden the concerns of the medical device industry to include related allies who rely on devices and technology for better health
- Modify the rule so that the major changes were either withdrawn or phased in over time

**Tactics:**

We assisted AdvaMed in creating an alliance designed to educate policymakers and other influential audiences about the pitfalls of certain reforms to the medical device reimbursement process. This included coalition building, print and online advertising and key media outreach. AdvaMed was able to communicate their concerns to key policymakers and get CMS to reconsider the proposed reforms. APCO developed a series of three advertisements that ran in key publications, including *Roll Call*, *The Hill* and *National Journal's Congress Daily*. They ran over a six-week period, right up to the close of the public comment period. APCO also organized two major media briefings; helped to develop the press materials used at the briefing; created an internal website (and developed most of the materials on the website) designed for AdvaMed members to use to take action such as writing letters to members of Congress, the media and submitting op-eds. APCO maintained a steady contact with media throughout keeping them informed of the progress and status of the rule, written comments, new members of the coalition, etc.

**The Result**

CMS modified the proposed rule to the satisfaction of AdvaMed and its members companies, potentially saving them billions of dollars in lost revenue. The campaign was noted in a major news publication, *The New York Times*, as being successful and innovative.



## PARTNERSHIP TO FIGHT CHRONIC DISEASE (PFCD)

### The Challenge

Despite the fact that it accounts for 75 percent of healthcare costs in the United States, the issue of chronic disease was not resonating with large segments of the public and policymakers as an issue of concern prior to the 2008 elections. Data showed that the uninsured and healthcare costs stood out as the two healthcare issues that Americans most wanted their politicians to focus attention on over the 2008 election cycle. Chronic disease as a healthcare issue was also largely unexplored by public and private initiatives.



### The Solution

APCO brought together hundreds of patient, provider, community, business and labor groups, and health policy experts to form a national and state-based coalition dedicated to raising awareness of chronic disease. The Partnership to Fight Chronic Disease launched in 2007 to challenge policymakers from both parties to make this *the* central focus of U.S. healthcare reform efforts – and still continues to make this issue a priority in the media and on Capitol Hill.

APCO's activities included:

- Creating a diverse national coalition of healthcare stakeholders to raise awareness of the crisis, develop a policy platform, and advocate for change;
- Recruiting distinguished healthcare experts to lead the effort;
- Launching a grassroots campaign in the most politically important areas to the media, policymakers, and the national debate, *i.e.*, early primary and battleground states, and Washington D.C.;
- Garnering national and state media, and reaching out (via media and direct outreach) to campaigns and policymakers; and
- Developing a policy platform and supporting research on the issue and proven solutions in chronic disease prevention and management.

### The Result

APCO helped the Partnership to Fight Chronic Disease:

- **Build an unparalleled network of influence on this issue:** With more than 120 national partners, representing diverse national organizations and hundreds of state partners in the 17 states in which it is active, the group is one of the largest, most active and influential healthcare coalitions in existence.
- **Generate unprecedented attention among the media for the value of wellness, prevention and disease management as common-sense solutions in health reform.** Nearly every major national newspaper and magazine has written about chronic disease as part of the health reform movement. Major outlets that have run articles on chronic disease, PFCD stories, op-eds, and LTEs over the past three years include:
  - *Every major broadcast media outlet:* CNN, ABC, FOX, MSNBC, NPR, CBS News
  - *Major dailies and wires:* USA Today, Washington Post, New York Times, Wall Street Journal, Boston Globe, Chicago Tribune, LA Times, AP, Reuters
  - *Major newsmagazines:* TIME, U.S. News & World Report, Newsweek, Reader's Digest, Forbes



- *"Inside-the-Beltway" publications:* POLITICO, Congressional Quarterly, Roll Call, The Hill, National Journal, Kaiser Health News, CQ Healthbeat
- *Blogs:* The Huffington Post, Daily Kos, A Chronic Dose, The Health Care Blog
- **Succeed with influencing the political debate** and discussions of healthcare:
  - President Obama, director of the White House Office for Health Reform Nancy-Ann DeParle and HHS Secretary Kathleen Sebelius all publicly stated that improving management of chronic disease is a critical component of healthcare reform.
  - Many of the top-tier candidates **from** both parties in the 2008 elections (Clinton, Romney, Obama, Huckabee) issued statements praising the PFCd for its work.
  - Both the Democratic and Republic party platforms featured extensive language about prevention and disease management.



**We all want it.**

But we can't get it unless we control what's behind  
75% of health spending: costly chronic disease



PARTNERSHIP TO FIGHT  
CHRONIC DISEASE

## AIR TRANSPORT ASSOCIATION

### The Challenge

To reduce the federal deficit, the White House proposed raising taxes and fees on the airline industry and its customers. The impact of the additional taxes would result in massive job losses, service reductions and increased costs. To protect the airline industry from suffering this major blow, the Air Transport Association (ATA) needed to educate members of Congress – and specifically, members of the Super Committee about the negative economic impacts the taxes would have, and rally support against the proposal. Additionally, they sought to garner support from employees and consumers of airlines.

### The Solution

ATA partnered with APCO Worldwide to formulate an issues advocacy campaign to defeat the proposal. A dedicated website, StopAirTaxNow.com, was created to educate the public about the impact of the proposed tax and garner support. From the site, supporters could directly email the White House and their congressional representatives or send them “tweets.” The information could also be easily shared through Facebook, either from the microsite or from a campaign Facebook page.

The site was promoted heavily through print and online advertising in publications that reach members of Congress and their staff. Additional placements on Facebook targeted travelers and airlines employees and urged them to “like” the Stop Air Tax Now page. Additionally, APCO worked closely with ATA to provide materials for its members that they, in turn, could send to their customers. This included sample letters and emails for use in newsletters and employee communications, banners that could be placed on airlines’ websites, posters that airlines placed in their offices and other collateral.

The president of ATA handed out branded air sickness bags during a speech to the International Aviation Club of Washington that illustrated the association’s opposition with the headline, “Sick of taxes?” The bags received extensive media coverage from earned media in local and national outlets. Later, a team of ATA representatives handed out the branded bags to flyers at Reagan National Airport. The air sickness bags were also featured in a full-page print ad that ran in *USA Today*.



### The Result

ATA’s outreach and promotions have generated overwhelming support in opposition to the taxes. Since the campaign’s launch in late September, the StopAirTaxNow.com site has generated more than 20 million ad impressions (print and online), and sent more than 140,000 letters to the White House and Congress from nearly 20,000 citizens. The Facebook page has more than 40,000 “likes,” and more than 4,000 air sickness bags were distributed at D.C.-area airports. Earned media is also significant, with stories in major news outlets, including *The Hill*, *Fox Business*, the *Houston Chronicle*, *Politico*, *CNN* and in leading industry publications, including *Hemispheres* (United) and *US Airways Magazine*.

## LEHMAN AND MF GLOBAL – BANKRUPTCY LITIGATION

### The Challenge

Following two of the largest bankruptcies in U.S. history – Lehman Brothers in 2008 and MF Global in 2011 – the Court appointed Hughes Hubbard & Reed LLP partner James W. Giddens as the Securities Investor Protection Act (SIPA) Trustee responsible for overseeing the liquidation of the brokerage units of the two defunct financial firms. In both instances, the Trustee's role was as the customers' advocate with a mission to identify, recover and return assets to the rightful owners. The confounding and unique circumstances of these bankruptcies made it clear from the beginning that recovery of all customer assets, if possible, would be a complex and timely ordeal.



While the Trustee's work was primarily under the jurisdiction of the Bankruptcy Court and included complex legal actions, non-legal stakeholders showed significant interest in his efforts, including: former customers, the media, regulators, government officials and financial analysts. The priorities of these groups differed, and at times, the Trustee faced a hostile environment as he attempted to administer the liquidations fairly and efficiently. Both bankruptcies were covered continuously by major media in the U.S. and the UK, and the Trustee and his efforts became an integral part of the story as these bankruptcies unfolded. APCO Worldwide was retained in both liquidations to develop and implement a long-term strategy for communicating with all interested parties.

### The Solution

APCO served as the worldwide spokesman for the Trustee, developed all media statements, managed all media relationships, and provided around-the-clock availability to reporters. Both bankruptcies were covered by major financial media – including the *Wall Street Journal*, *New York Times*, Dow Jones, Bloomberg, Reuters, Associated Press, *Financial Times*, CNN, CNBC, and Fox Business – on a regular and ongoing basis. In addition, the MF Global bankruptcy was covered by political media due to the involvement of former New Jersey Senator and Governor Jon Corzine.

To communicate with the former customers of the brokerages, who were eager to learn how and when they would receive their assets, APCO developed and managed websites that included:

- Regularly updated messages to customers from the Trustee
- Court filings
- Claims forms and claims filing instructions
- Answers to frequently asked questions

Following the MF Global bankruptcy, the Trustee was asked to testify at three Congressional hearings. APCO prepared the Trustee and his counsel for the testimony and served as the Trustee's government relations advisor on all Congressional inquiries.

### The Result

APCO implemented a program for communicating to the wide range of stakeholders that was consistent with the Trustee's legal strategy and regulatory duties. Through this program, the complex actions taken by the Trustee, as well as the sensitive situations faced by the Trustee, were clearly defined and explained in the context of the Trustee's customer-first mission. Through both strategic and tactical engagement, APCO supported the Trustee's SIPA obligations while managing relationships with all stakeholders.

## Thank You

Thank you again for giving APCO this opportunity to help HDMA to further build and protect the industry's reputation. We would be happy to provide any additional information or to answer any questions that you may have at your earliest convenience. We look forward to working with you.

For more information, please contact:

Michael Tuffin  
Managing Director

APCO Worldwide  
700 12<sup>th</sup> Street, N.W.  
Suite 800  
Washington, D.C. 20005

(202) 478-1246  
[mtuffin@apcoworldwide.com](mailto:mtuffin@apcoworldwide.com)



cause the effect

# HDMA: Delivering Your Story

A Partnership Proposal  
August 27, 2012

## INTRODUCTION

An elderly woman receives her arthritis medication in the mail. A heart surgeon prescribes pain medication following bypass surgery. A mother drives through a CVS pharmacy window to fill a prescription for her son who is fighting a strep infection. Every day millions of prescriptions, over-the-counter and related health products conveniently reach consumers who need them—and no one gives a thought to what has taken place behind the scene to make this possible. The system works. The network of primary health care distributors that HDMA represents remains a largely unknown, yet essential link in the nation's health care system. It has been a comfortable level of anonymity for HDMA members.

But the health care landscape is changing. An ongoing and often tumultuous public debate about the future of the nation's health care system has people feeling anxious and frustrated. Advances in life saving drugs—and their occasional recalls—have heightened awareness and attention to drug safety. Prescription drug abuse is rampant and being met with an aggressive White House National Drug Control Strategy in partnership with the DEA. Drug shortages have tripled since 2005. And as HDMA members know firsthand, industry news coverage more often than not seeks to scare rather than inform. These issues are not going away soon.

It's against this backdrop that the HDMA must decide how it wants to be known. You have a positive story to tell about the impact of your industry on people's lives and the vital role you play in our health care system. Being a relatively unknown industry is a luxury in this day and age, yet it offers HDMA a blank canvas to position the industry and demonstrate your leadership and value. You need to proactively tell your story in your voice and on your terms. Until you do, you remain vulnerable, allowing others to define you.

GMMB would like to be your partner in this endeavor.

## OVERVIEW

We recommend developing a proactive, positive positioning strategy for HDMA that focuses on two objectives:

1. Effectively communicating who you are, what you do, the value you provide for the nation's health care system and the people it serves.



---

HDMA: Delivering Your Story

2. Building a reservoir of support among opinion leaders, policymakers and other stakeholders like the DEA.

### Strategic Imperatives

- **Define who you are so others cannot do it for you.** You are trying to reach and build understanding and goodwill among opinion leaders and policymakers who are predisposed to skepticism. HDMA has an opportunity to position the industry as more than a “vital link between manufacturers and providers.” You need policymakers to recognize your impact on people’s lives, your value to the nation’s health care system and to view you as forward-thinking leaders.
- **Build a strong industry positioning platform and supportive messages.** Positioning is a fundamental communications building block. It will provide messages and tools to meet HDMA’s immediate needs and underpin public affairs, advocacy and communications strategies so there is a consistent voice. It will also serve as a foundation for future campaigns and initiatives.
- **Actively engage HDMA members.** We anticipate that HDMA members will have different points of view on positioning the industry—whether it is needed, how it is done, when it is done and what will be the return on investment. Without their buy-in and support, any positioning effort will fall short. Your members are the keepers of the stories we need to develop and will be the frontline messengers. It’s essential that we seek their insights and ideas, gain their trust and engage and bring them along in the process.

### POSITIONING

At GMMB, we believe in order to create real and lasting change, organizations must first be able to clearly articulate their story—mission and values brought to life. Then, they must share, promote and defend it, in order to build a firm and ongoing *belief* from your audiences in what you do. Every organization has a brand—a perception in the minds of the public—whether they manage it or not. So, when brand stories are attacked and challenged, it becomes imperative to continuously re-tell your story in a wide variety of content, wherever and whenever your audience finds your brand.




---

HDMA: Delivering Your Story

Typically when you can't articulate your story:

- Confusion arises about your organization's role and purpose
- Your organization's point-of-view is lost among competing stories
- Your organization's culture and values become diffused and weakened
- Your mission becomes vague and open to re-definition
- Your ability to defend your position is weakened by opposing narratives

We will examine HDMA's story and purpose and how it is being told by your members, the key opinion elite (influencers on policy and regulation), the media and your partners. We will ask several key questions to get to the foundation of your brand and craft messages so your industry can proactively tell its story—and take control of your story when someone tries to re-define who you are and what you stand for.

Collectively, we will sharpen HDMA's story by asking:

- Where do you come from? (organization origins)
- Why do you exist?
- What value do you provide?
- Where is your world going? (the landscape, competitive and future trends)
- What is your community and what values do you share? (who you are for)
- How do you behave? (your actions as a company in your community)
- What do you fight for? (what you oppose, what you stand up for)
- What is your positioning? (the defining story)

Throughout this process we will help you clearly articulate the benefits and value of HDMA and how your organization improves people's lives.

## PHASE I: DISCOVERY

To get to HDMA's story, we will use primary and secondary research to gather existing stories (perceptions, attitudes and opinions) from three target audiences—HDMA, member company leadership and the opinion elite (influencers). We will conduct a variety of activities, including:

- **HDMA Leadership Research:** In-depth interviews (IDIs) with senior leadership at the HDMA and the leaders of HDMA member companies. We anticipate conducting 6-9 IDIs. Depending on feasibility and timing, we recommend conducting the IDIs around key meetings or events for efficiency.




---

HDMA: Delivering Your Story



- **Communications Audit:** An audit of a representative sample of HDMA's internal and external communications materials, including but not limited to annual reports, brochures, website, social media, newsletters, member communications, speeches, testimonies and press releases to assess how you currently tell your story and the channels you use.
- **Media Scan:** A benchmark landscape of the HDMA brand, key issues and trends in trade, national and target state media and social media. The outcome will be a comprehensive audit of the stories being told about HDMA, categorized and prioritized to highlight threats and opportunities for the organization that will serve as a benchmark for future media efforts.
- **Opinion Elite Research:** In-depth interviews (IDIs) with influencers at think tanks, foundations and associations, manufacturers, physician and health care organizations, congressional aides, Health and Human Services, the FDA, etc. We anticipate conducting 12-15 IDIs.

Again, the main goal of "Discovery" is to produce building blocks of intelligence to inform your communications plan and longer-term campaigns and initiatives you may create. GMMB will share the findings and insights from the IDIs, media scan and communications audit with HDMA and use the findings to inform the development of a positioning platform.

## PHASE II: DEVELOPMENT

The next step is to develop a communications plan and materials to explain who you are, why you exist and what the benefit of HDMA is to the public.

### Programmatic elements may include:

- A branded slogan for your industry, to be used throughout your communications to help build your positive reputation around one main idea
- A strategic message framework, or brand story, that articulates who you are, what you do, and why it matters in a single page. This would be built off of any existing elements you have
- A consistent and noticeable look-and-feel for all of your materials

### Communications tools may include:

- Website language and content
- Videos
- Infographic
- Stump speech and recommended speaking opportunities




---

HDMA: Delivering Your Story

- Talking points tailored to various audiences
- Leave-behind materials for Government Affairs staff
- Events and convenings
- Targeted advertisements

One additional channel we will explore is social media. As part of the communication audit we will look at HDMA and your members' use of social media—which on first blush appears minimal. Based on the findings, we will create a digital engagement plan to help you tell your story to opinion leaders and policymakers—many of whom are active in social media and have staff dedicated to monitoring these channels and engaging on key issues daily.

### **PHASE III: DISSEMINATION**

When HDMA's story is ready to be told it will be rolled out to internal and external audiences.

#### **Internal Communications Strategy**

Introducing the strategic messaging framework to HDMA's internal target audiences is a critical first step towards making this initiative a success. The Executive Committee, Board and Association Staff will become the primary messengers of the information, but extending to the broader member companies through appropriate channels will also be important whether or not they play a frontline role in telling the story.

Through the IDIs in the Discovery phase, we will have engaged HDMA member companies in the process to inform the new positioning and message framework. Because the new message framework will guide many activities and be woven into all internal and external communications, HDMA senior staff and member companies should be trained and motivated to incorporate the new framework into their work—ideally, an initial presentation on the message framework will take place prior to any external communications efforts. GMMB will work closely with HDMA's leadership to ensure that these key audiences understand the rationale for the new framework and positive positioning, and that uniting under the new message framework will amplify and strengthen HDMA's voice with policymakers.

We recommend the following internal communications process:

#### ***A. Develop Framework Education Materials***




---

**HDMA: Delivering Your Story**

In order to prepare to roll out the new message framework to HDMA leadership and staff, we recommend developing the following materials:

- **Framework guide.** This guide would include HDMA's refreshed positioning and messaging for how to communicate the information, providing guidance on how to incorporate the new framework into existing resources and activities. It would also contain a question and answer document about the framework.
- **Talking points.** A stand-alone document to serve as an easy reference tool for HDMA and its members.
- **Audio-visual presentation.** This presentation would be used at staff/member trainings to communicate the new framework.

### ***B. Educate the Board and Senior Leadership***

Our first task will be to unveil the new framework and its components to those at the highest levels within the organization—board members and senior staff—in order to get them excited and invested. It is important that HDMA's leadership publicly demonstrates its support of the effort and make it clear that staff members are expected to follow accordingly. We recommend, for example, that HDMA conduct a framework unveiling session, via webinar prior to the external rollout.

### ***C. Briefing Calls with Communications/Government Affairs Executives***

We highly recommend organizing briefing calls/webinars with the Member companies—at a minimum the big three companies—and targeting the communications and government affairs executives within the companies. It will provide an opportunity to discuss the importance of the positioning, the elements of the new framework and the strategies for communicating the framework moving forward. If schedules allow for an in-person meeting prior to the external rollout of the framework, that would be ideal. However, at a minimum, we recommend a briefing call(s) to bring this important group of executives together to discuss the plan.

### **External Communications Strategy**

We envision the refreshed positioning and message framework will be incorporated into HDMA's overarching communications plan and supported by a variety of communication tools.



---

**HDMA: Delivering Your Story**

Of particular interest and importance will be HDMA's media relations, crisis communications and policymaker outreach strategies.

#### A. Media Relations

HDMA must be ready to engage in a strategic, aggressive and effective media relations strategy. Instead of primarily playing defense, we recommend HDMA seek opportunities to tell its positive story that will reach key policy makers and stakeholders. Once the core messages are developed, proactive outreach can begin. We would suggest the following approach:

- *Create an HDMA Speakers Bureau.* Identify a core set of spokespeople who are easily accessible, knowledgeable and effective that represent a broad group within the Association (e.g. distributor owner, supportive health care provider, HDMA CEO, HDMA issue experts) so more than one perspective can be shared with a reporter if needed. Ensure that they are trained on the new message framework.
- *Engage a variety of media and outlets.* Engage reporters to request desk side meetings, offer experts for radio programs, build positive clips in regional newspapers, and engage select bloggers covering aspects of the issues (e.g. health care, prescription drugs).
- *Offer "behind the scenes" access.* Consider offering one or two key reporters behind the scenes access to get firsthand experience of what wholesale distribution actually looks like.
- *Engage editorial board writers.* By engaging editorial board writers and requesting editorial board meetings, HDMA can proactively frame the narrative and get ahead of stories.
- *Seek targeted opportunities to engage.* Respond to press coverage on the industry, pitch op-eds and letters to the editor.
- *Conduct press events for targeted activities.* Press events could happen via conference calls with key spokespeople (e.g. release of new research) or by hosting physical events (e.g. launch of a future campaign or initiative).

#### B. Crisis Communications

When the national news headlines focus on fake pharmacies, drug shortages and lawsuits against distributors, it's important that HDMA has a rapid response system in place to quickly assess the seriousness of the threat and determine the course of action to take. If it does not



---

HDMA: Delivering Your Story

already exist, GMMB recommends creating a formal crisis communication team that includes the main spokesperson for HDMA who will be the “on camera” industry representative, the communications director who can be reached by reporters at all times, public affairs representatives for coordination of government affairs, an issue-specific expert, legal counsel, and an executive-level manager who can make quick and real-time decisions.

Some key actions in dealing with a crisis communications situation include:

- *Develop a set of response protocols based on an assessment.*
  - Level 1: Serious; immediate attention and action is need;
  - Level 2: Moderate; There is time to see how the issue unfolds; it may or may not need action; and
  - Level 3: Low; Monitor the situation.
- *Develop a set of crisis communication tools that can be quickly customized based on the crisis (e.g. public statement, talking points, Q&A, industry data points, images/b-roll footage) that are approved by senior leadership.*
- *Immediately establish HDMA’s role as an expert and provider of timely, accurate and credible information regarding the issue to reporters.*
- *Correct all misinformation and stay on message.*

### C. Policymaker Outreach

As HDMA knows from experience, policy makers are barraged with information from a wide-range of industries. A majority of important policy conversations and communications are with Congressional staff, who are normally juggling multiple issues and have limited time. And it can take an extraordinary number of times before a message breaks through and “sticks.”

The refreshed positioning and message framework provides HDMA an opportunity to introduce, and, in some cases, re-introduce itself to policy makers in Washington. We will work with HDMA’s government and regulatory affairs representatives to determine what type of communication tools would be the most effective in support of their efforts to engage policymakers. We recommend developing materials targeted toward policymakers that share the new message framework in a visually friendly format such as an infographic that can function as a leave behind and digital engagement tool.



---

HDMA: Delivering Your Story

## D. Partnerships

As part of HDMA's story and message framework, we anticipate there will be an opportunity to talk about your current partnerships and their impact. For example, highlighting your involvement in Partnership for Safe Medicine, Rx Response, and The Partnership at Drugfree.org's "Wake Up to Medicine Abuse" campaign that is rolling out in September of this year. These partnerships provide a low-risk opportunity for HDMA to begin proactively showcasing your leadership and commitment to helping address some of the serious issues from counterfeit drugs to emergency preparedness to prescription drug abuse.

The research we conduct during the Discovery phase will also provide insight into issues and partnership areas where key stakeholders expect to see you and where they would like to see your involvement, as well as initiatives and campaigns conducted by individual member companies, which will inform future coalition and partnership engagement.

We will also look for additional low-risk engagement opportunities to explore short-term that could provide HDMA visibility and build your reputation but require minimal time and resources such as the Acetaminophen Awareness Coalition's *Know Your Dose* campaign and the National Consumers League, *Script Your Future* campaign.

### PHASE IV: ASSESSMENT

Our mantra, Cause The Effect, means we care about results. We propose focusing on both short and long-term change in key metrics to measure how we're doing.

In the short-term, we will measure internal adoption and use of the positioning, messages and materials. We believe it is vitally important for maximum effectiveness to engage your member companies. That will serve as a critical, initial metric.

We will also look at the uptake of HDMA messages in news stories against the initial media analysis. We expect to see greater incorporation of our messages and more positive reporting as the result of our work.

We will rely on reporting from your government relations team for the degree to which policymakers comment or feedback our messages. While this is anecdotal, it is an extremely important piece of the puzzle in gauging our impact.



---

HDMA: Delivering Your Story

In the long-term, “After-Action Performance Reviews” in a communications crisis are also part of a sound long-term tracking study to assess and improve performance during unpredicted events.

We will look for a greater digital presence. We expect to increase visits to your website and greater engagement with all digital platforms. We will track the online “share of voice” for HDMA and its member companies on the key issues we are addressing.

Finally, should you agree to do targeted advertising, we will track the online advertising portion of the work for click-throughs and engagement with your digital ads. These analytics are essential to managing your media buy and measuring its effectiveness.

For bottom line evaluation, we suggest that HDMA benchmark and track association and industry reputation through annual or bi-annual surveys. This could be done very efficiently by purchasing questions on existing omnibus surveys such as the Harris Beltway Influencers Survey. We have included first-year benchmarking in the budget for this proposal.

#### **LOOKING AHEAD: POTENTIAL ISSUE CAMPAIGNS**

Depending on the outcomes of our Discovery phase, we may recommend a more robust communications effort on specific issues. Below are three areas where we see potential.

##### **Drug Diversion Campaign**

The issue of drug diversion has become so strong in the minds of your opinion leader audience that it may warrant a focused effort to shift perceptions in the short term. Without pre-judging the research, we think packaging the industry’s work on this issue into a campaign could be powerful. We would build the campaign from your brand story, but concentrate our focus on your existing efforts to combat this issue in particular. You’re doing the work, but just not getting enough credit for it.

We would package a collection of your current efforts, such as “suspicious orders” monitoring, into a branded campaign with a dedicated communications strategy and creative material. This campaign’s purpose would be to demonstrate your proactive stance on the issue – that you take it seriously and that *you’re having a positive impact*.



---

**HDMA: Delivering Your Story**

It would likely include a campaign name, a dedicated web site, speaking engagements, paid advertising and potentially a 2-5 minute video that provides a more emotional and robust storytelling platform for the campaign. This video would live online, but also be an effective, emotional tool to kick off live events or any in-person meetings. All of these creative elements are designed to reach your most important audiences in a variety of ways.

Building a specific campaign around one issue presents another opportunity to keep others from defining you. Just as a particular product can define a company like Apple – positively or negatively – a particular issue can define a trade association. A specific, focused issue campaign “pushes back” against attitudes about you being shaped by others, and gives you another way to take control of your story.

### **Prescription Drug Abuse**

Prescription drug abuse is not new, but it’s become a focal point for the CDC, White House, DEA and other stakeholders as the numbers have soared to epidemic proportions. It’s an issue HDMA as an industry leader is already heavily invested in addressing throughout the supply chain operations including support for suspicious order monitoring technologies, uniformity of pedigree standards, and serialization of products at the unit level.

As noted earlier, “Wake Up to Medicine Abuse” expands HDMA leadership beyond business and operations to direct-to-consumer education. It’s an important step. Given that the majority of new or occasional nonmedical users of prescription pain relievers obtained the drugs from family or friends, according to the Office of National Drug Control Policy, we believe another step HDMA could consider is to join in a new campaign with others to promote drug safety. HDMA could convene a group of its choosing to ask the question, “How can we help consumers, family and friends with knowledge and tools to use drugs safely?”

Some possible allies, many whom you know well already, include:

- National Consumers League
- Consumer’s Union
- AARP
- American Cancer Society
- American Academy of Family Physicians
- American Academy of Nurse Practitioners
- Oncology Nursing Society
- National Association of Chain Drug Stores




---

**HDMA: Delivering Your Story**



Keeping in mind our target audience, HDMA would not conduct consumer outreach, but work with these groups who already have direct consumer and patient contact. In so doing, HDMA would:

- Demonstrate its commitment to promoting safe drug use
- Engage allies who can testify to HDMA's work in this area
- Direct attention to drug abuse solutions that are not limited to street drug issues

HDMA can play a role of its choosing, including providing resources and materials or support and coordination for such a coalition. Whether and when to take this approach would depend on the research and development as the work unfolds.

### Drug Shortages

Looming drug shortages grabbed the headlines earlier this year as experts warned the nation was running low on medicines critical to managing chronic disease as well as antibiotics and oncology drugs. It's a complex issue. There isn't one entity that is responsible for shortages or one who alone can fix it. As a guardian of America's drug supply pipeline, HDMA could take this on as an issue in the public arena and promote what you are doing that goes beyond support for policies like uniform pedigree. HDMA members are continually seeking ways to improve communication within the supply chains and members play an important role in helping to coordinate and share information when shortages arise. These efforts present HDMA with an opportunity to create a special communications campaign to promote the voluntary industry guidelines you developed on improving communications between supply chain partners in the event of a product shortage.

While we don't know the form this would take—or its viability—pending our internal research and Discovery phase, such an effort can help define and demonstrate the value of HDMA to the health care system and the nation as a whole.

### CONCLUSION

What is the HDMA? What do the HDMA's member companies do? How do they do it? What value does the industry provide for the American health system, and the people it serves? How is it addressing key issues like drug diversion and prescription drug abuse? Our target



---

HDMA: Delivering Your Story

audiences will know the answers to these questions as a result of our work together. This is the minimum that must be achieved to put HDMA into a better position with the opinion leaders and policymakers who can affect the ability of its member companies to succeed in the marketplace.

We will have strengthened the ability of the industry to communicate with a unified voice. Each member company can play an important part in creating a better policy and media environment for the industry. We need to engage and support those resources.

We will have built a better crisis communications and response capability inside the HDMA and member companies. The result will be better, faster, easier reaction when needed.

We will have gone from a defensive footing to a proactive footing telling our story and defining the industry.

If the research bears it out, we will have taken the work of the trade association and its member companies on drug diversion and packaged them into a more powerful platform to demonstrate how the industry is *leading* on the issue. We want people to recognize HDMA's leadership, not criticize its lack of action.

We can achieve each of these objectives. We know how to get it done. We have done it before for other trade associations and industries. We hope we have the chance to do it for HDMA.

## TIMELINE

There is a need to get your positive story out to target audiences and begin defining who you are on your terms. Because of this, we recommend an aggressive timeline to complete our discovery process and refresh your current positioning in order to better communicate your value. We recommend HDMA roll out the strengthened positioning in the first quarter of 2013, as the new Congress convenes in January and the Administration – new or not – resets. Below is a proposed schedule, however we expect and look forward to working with HDMA to further refine it based upon competing schedules and internal processes not accounted for here.

## PART I: TELLING YOUR POSITIVE STORY

Discovery: September – November 2012




---

HDMA: Delivering Your Story

- Communications Audit
- Media Scan
- Policy and Key Influencer IDIs
- Internal Stakeholder IDIs
- Brand Positioning Presentation

#### **Development: December 2012 – January 2013**

- Strategic Message Framework
- Campaign Positioning
- Additional Communications Materials
  - Website revisions
  - Video
  - Infographic
- Audience Outreach Strategies and Materials

#### **Dissemination: February 2013 - Ongoing**

- Internal Rollout
- External Outreach Begins

#### **Assessment: Begins December 2013 and through Year 2**

- Media Scan
- Biannual Benchmark Surveys

### **PART II: POTENTIAL ISSUE CAMPAIGN – DRUG DIVERSION**

This campaign can begin development as soon as the Discovery has been completed in Part I, if needed. We recommend this campaign begin in the second quarter of 2013. However, we will work with you to determine the right time for the launch of this campaign.

To give you a better sense of schedule, our creative process typically follows the schedule below for development of positioning campaign elements:

- Strategic Brief: **One to two weeks**
- Creative Platform Development: **Two to four weeks**
- Additional Communications Vehicles/Content (to begin development when the Creative Platform is complete):
  - Key Messages: **One week**
  - Op-eds: **One to two weeks**
  - Two-minute positioning video: **Four to eight weeks**
  - Campaign website: **Three to six months**
  - Flash banner ads (2-3) for DC policymaker paid advertising campaign: **Two to three weeks**



HDMA: Delivering Your Story

## BUDGET ESTIMATE

Below we have prepared a budget for GMMB staff hourly fees and expenses for the work outlined in this proposal. We have made some assumptions in generating this budget (including numbers of interviews conducted, materials reviewed, communications pieces developed, etc.) to best fit our recommended process.

We are ready and looking forward to working with you to develop a budget that fits your needs. Should we be selected to work with you on this project, we will work closely with your team to develop a detailed Scope of Work and budget based on clearly defined goals and deliverables. GMMB will bill HDMA only for hours worked and expenses incurred on a monthly basis, with payment due within 30 days.

## PART I: TELLING YOUR POSITIVE STORY

- |  |                     |
|--|---------------------|
| <b>A. Discovery</b>  | <b>\$129,400.00</b> |
| <i>Includes policymaker and opinion elite/influencer interviews (12-15), internal stakeholder interviews (6-9), benchmarking survey with opinion elites, communications and materials audit, media scan and brand positioning presentation to leadership</i> |                     |
| <b>B. Development</b>  | <b>\$156,700.00</b> |
| <i>Includes development of strategic message framework, core messages, strategic brief, outreach strategies for specific audiences, 2-3 minute positioning video, infographic and website recommendations</i>  |                     |
| <b>C. Dissemination</b>  | <b>\$212,000.00</b> |
| <i>Includes internal rollout deployment, support for policymaker outreach, ongoing earned media outreach for one year, media monitoring and ongoing crisis communications support for one year</i>   |                     |
| <b>D. Assessment</b>   |                     |
| <i>Recommend evaluation begins in year two.</i>  |                     |

## PART II: POTENTIAL ISSUE CAMPAIGN – DRUG DIVERSION

- |   |                             |
|---|-----------------------------|
| <b>A. Creative Platform and Campaign Name</b>   | <b>\$32,700.00</b>          |
| <i>Includes developing the core values, positioning statement and campaign name based on findings from Discovery in Part I.</i> |                             |
| <b>B. Earned Media and Policymaker Strategy, Materials Development and Outreach</b>   | <b>\$80,000 - \$120,000</b> |



HDMA: Delivering Your Story

*Includes development of Key Messages, Talking Points, and other media materials to use to promote campaign with targeted media*

- C. Positioning Video** **\$50,000 - \$75,000**  
*Includes development of two- to three-minute campaign positioning video*
- D. Campaign Website** **\$150,000 - \$200,000**  
*Includes development of dedicated campaign website including content development, design, build and launch*
- E. Speaker Engagement Strategy** **\$16,000.00**  
*Includes identifying opportunities for HDMA to engage with key audiences, speaker preparation as needed*
- F. Paid Advertising Creative Development** **\$15,000.00**  
*Includes development of 2-3 flash banner digital ads for use in a paid search and contextual digital advertising campaign targeting policymakers and opinion elites in DC. Does not include cost for media planning and placement.*
- G. Paid Media** **\$125,000**  
*Includes media planning and placement for a highly-targeted, DC opinion elite media buy utilizing paid search and contextual targeting*




---

**HDMA: Delivering Your Story**

## YOUR TEAM

GMMB builds a team for each of our clients that combines the right mix of skills and experience. We are pleased to present the following accomplished team of professionals who will serve as your core strategists and account managers.

**David Mitchell**, senior partner, will oversee the HDMA account and provide ongoing strategic communications counsel. **John Gundlach**, senior vice president and creative director, will lead the HDMA positioning development. **Joel Johnson**, senior vice president and strategic planner will lead the research. **Christine Glunz**, vice president, will manage account activities and conduct national earned media strategy and outreach. **Ashley Middleton**, account supervisor, will manage the development of communications materials.



## DAVID MITCHELL

David Mitchell is a senior partner at GMMB. After several years in broadcasting, David has spent more than 30 years as a strategic communications consultant. He guides many of GMMB's cause and issue activities, particularly those related to health care and public health.

David brings a 360-degree perspective on health and health care policy. He has advised and produced media for Johnson & Johnson, America's Health Insurance Plans, Kaiser Permanente, Abbott Nutrition, Novo Nordisk, the American Academy of Family Physicians and the Campaign for Tobacco-Free Kids.

David guided GMMB's work with Visa to create a new corporate reputation platform—*Currency of Progress*. He has advised Visa on its financial inclusion work in this country and around the world. He provided counsel to the Bill & Melinda Gates Foundation's Global Development Program as it was launching its Financial Services for the Poor activities, focused on promoting safe places to save.

David played a key role in the development of the *Click It or Ticket* campaign, which increased seat belt use in the United States from 61 percent to 82 percent. He led GMMB's work on the Air Bag & Seat Belt Safety Campaign, which is credited with reducing child deaths from air bags by more than 95 percent. The National Transportation Safety Board called the shift to keep kids out of the front seat "one of the most remarkably successful changes in societal behavior in recent decades, rivaling changes in attitudes toward smoking and drunk driving."

He led GMMB's work on a global advertising campaign for the Save Darfur Coalition in support of sustainable peace and an end to the genocide in Darfur. The ads increased worldwide public pressure to help the people of the region.

Prior to GMMB, David spent eight years with the United Auto Workers, where he was director of public relations and publications. He holds bachelor's and master's degrees from Michigan State University.

## JOHN GUNDLACH

John Gundlach, senior vice president and group creative director, brings over 19 years of experience in product and issue advertising, as well as extensive experience in brand building.



HDMA: Delivering Your Story

John oversees creative development for GMMB, covering event, digital, television, print, radio, interactive, and branding, delivering a true sense of campaign integration to all creative efforts. As a brand strategist, John leads the development of positioning and creative elements from initial research through final execution, helping to find a strong voice for issues, organizations and campaigns.

- Brand and advertising leadership for the FINRA Foundation's *SaveAndInvest.org* financial literacy campaign, the American Cancer Society's Cancer Action Network, CTIA – The Wireless Association, Blue Cross and Blue Shield Association's *Walking Works* fitness program, Visa's *Currency of Progress* campaign, SHRM's *We Know Next* campaign, The Mott Foundation's *Make It Stick* campaign,
- Brand development for The Global Fund, The Nature Conservancy, Mothers Against Drunk Driving, the Dave Thomas Foundation for Adoption, Washington and Vermont's health exchange, and Conservation International.
- Creative development for AARP's *You've Earned A Say* campaign on Medicare and Social Security, the USDA Food Stamp Program, Robert Wood Johnson Foundation's *Cover the Uninsured Week*, the Campaign for Tobacco-Free Kids

John began his career as an art direction at McCann-Erickson, working on GMC Truck. He then moved to Young & Rubicam, developing advertising campaigns for Lincoln Mercury, Brita, the Detroit Tigers, The Salvation Army, and a new brand launch for Ford Motor Company: Visteon. He then helped establish a new creative department in Y&R's San Francisco office. After several years on the west coast, he joined in the Internet revolution, taking a senior art director position at Digitas, working for Charles Schwab and new brand identities for several Internet start-up companies. John graduated from the University of Michigan with a Bachelor of Arts in Spanish, followed by the Center for Creative Studies in Detroit, where he received a Bachelor of Fine Arts. He also teaches as an adjunct professor at Georgetown University.

## JOEL JOHNSON

Joel R. Johnson joins GMMB as Director of Strategic Planning leading the positioning and research process with nearly 13 years of experience brand strategy in social marketing and advocacy.



HDMA: Delivering Your Story



Joel has a long career developing holistic marketing campaigns for purpose-driven brands, agencies, and non-profits. He has led brand strategy for many top health care brands including Merck, Sanofi, American Stroke Association, and Johnson & Johnson. Previously, he was EVP, Director of Strategic Planning at Porter Novelli NY, Director of Digital Strategy at Sapient Nitro and Managing Director at Spike DDB.

Joel is a pioneer in the discipline of branded documentary, having produced films that highlight the social causes of Skype, Ford, and Sanofi among others. In his spare time he writes about his fly fishing adventures and blogs about marketing at [Think See Do Differently](#). Follow him on Twitter at joelrjohnson.

### CHRISTINE GLUNZ

Christine Glunz, Vice President, has over 12 years of strategic communications experience in a wide variety of public policy issues, including health care, higher education, energy, veterans' health, child support and the environment. She has spent a significant amount of time in politics and government, having worked in the White House for Presidents Obama and Clinton, on Capitol Hill, for the State of Illinois and on several high profile political campaigns. She has provided strategic counsel to elected officials, developed policy initiatives from the ground up and has helped to manage national and statewide organizations.

### ASHLEY MIDDLETON

Ashley Middleton joined GMMB in 2005, bringing excellent communication and writing skills to the firm. As an account supervisor, she has helped her clients expand their online presence, generate media coverage, build relationships with allied organizations, plan events, and develop communications tools ranging from talking points and toolkits to program videos and tradeshow exhibits.

Ashley has provided support to a variety of associations, social advocacy, public health, faith-based, global health and development groups. Accounts have included the American Beverage Association where she led partnership development, the Episcopal Relief and Development's initiative *NetsForLife*, Mothers Against Drunk Driving's *Campaign to Eliminate Drunk Driving*, the



---

HDMA: Delivering Your Story

Dave Thomas Foundation for Adoption, the American Academy of Ophthalmology, and UNAIDS.

Most recently, she has provided earned media support to the Communications Workers of America to develop a digital strategy and has provided communications support to the Charles Stewart Mott Foundation's education initiative, *New Day for Learning*.

Ashley graduated cum laude from Duke University in 2004 as English major. She is a native of Charlottesville, Va.



---

HDMA: Delivering Your Story