

03 Jan 2019 | Opinion

In Vivo's Top Alliance Of 2018: Cast Your Vote!

by **Lucie Ellis-Taitt**

It is time for *In Vivo's* 11th annual Deals of the Year contest. We've selected 18 nominees in three categories – Top Alliance, Top Financing and Top M&A – and you get to pick the winners. (It's free.)

In Vivo's editors have selected our top six picks for the most significant strategic alliance of 2018. Vote for your favorite.

1. Amazon, JP Morgan and Berkshire Pact

Details: The world's largest retailer, one of the most successful investment firms in the US, and one of the world's biggest banks banded together in January 2018 to lower health care costs and improve the quality of care for their employees. Few details have emerged yet about the collaboration between Amazon.Com Inc., Berkshire Hathaway and JPMorgan Chase & Co., but the three groups represent roughly 1.2 million employees scattered across different markets. In July, Dr. Atul Gawande, a Harvard surgeon and staff writer for *The New Yorker* magazine, became chief executive of the initiative. “My job for them is to figure out ways that we’re going to drive better outcomes, better satisfaction with care and better cost efficiency with new models that can be incubated for all,” Gawande said at an event in June.

2. Novartis and Pear’s Digital Therapeutics Deal

Details: [Novartis AG](#) and [Pear Therapeutics Inc.](#) entered an agreement in March 2018 to develop novel prescription digital therapeutics, software applications designed to effectively treat disease and improve clinical outcomes for patients. The collaboration brings together Novartis’ expertise in biomedical research and clinical development with Pear’s experience in digital therapeutics design and implementation. Pear is one of nine companies selected to the FDA’s Digital Health Pre-Certification Pilot Program to help guide the agency in defining new regulatory guidelines

for digital health products. Its prescription digital therapeutics are designed to deliver clinically proven treatments, such as cognitive behavioral therapy, to patients through mobile and desktop applications. Once approved, they may be prescribed alongside drug therapies and have the potential to be developed to treat a range of diseases. Novartis and Pear are focused on two digital therapeutics: Pear's Thrive for schizophrenia, which has been under development for a while and has already been validated in three clinical trials comprising of more than a thousand patients; and a therapeutic designed to address the mental health conditions that come along with multiple sclerosis.

3. Bristol-Myers Squibb and Nektar's Cancer Combo Collaboration

Details: Last year [Bristol-Myers Squibb Co.](#) and [Nektar Therapeutics](#) signed a clinical collaboration to evaluate Bristol's Opdivo (nivolumab) with Nektar's investigational medicine, NKTR-214, as a potential combination treatment regimen in five tumor types and seven potential indications. The deal marked one of the largest single-drug collaboration deals ever. Nektar received \$1 billion in cash up

front and Bristol agreed to purchase 8.28 million Nektar shares at \$102.60 per share, or an equity stake of just under 5% of the company. If all potential development, regulatory and sales milestones in the deal are met, the agreement could be worth more than \$3.6 billion to Nektar. Opdivo is a PD-1 immune checkpoint inhibitor designed to overcome immune suppression, the drug was the first PD-1 immune checkpoint inhibitor to receive regulatory approval anywhere in the world in July 2014, and currently has regulatory approval in 54 countries including the United States, Japan, and in the EU. NKTR-214 is an investigational immuno-stimulatory therapy designed to expand specific cancer-fighting T cells and natural killer (NK) cells directly in the tumor micro-environment and increase expression of PD-1 on these immune cells.

4. Arrowhead and Janssen's HBV Deal

Details: [Arrowhead Pharmaceuticals Inc.](#), in October 2018, entered a licensing and collaboration agreement with Janssen Pharmaceuticals (a [Johnson & Johnson](#) company) to develop and commercialize ARO-HBV against hepatitis B virus. Under the deal, Arrowhead received \$175 million upfront. Separately, Johnson & Johnson Innovation made \$75 million equity investment

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in Arrowhead. The latter is eligible to receive up to around \$1.6 billion in milestone payments for the HBV agreement. Additionally, Arrowhead and Janssen entered into a research collaboration and option agreement to potentially collaborate for up to three additional RNA interference (RNAi) therapeutics against new targets. Arrowhead is eligible to receive approximately \$1.9 billion in option and milestone payments for additional three targets.

5. Illumina and Harvard Pilgrim's Value-Based Contract

Details: In February 2018, Illumina and Harvard Pilgrim Health Care announced a major new value-based contract – one of the first of its kind between a manufacturer and a payer in next-generation sequencing (NGS) – offering non-invasive prenatal testing (NIPT) to women with average-risk pregnancies. Harvard Pilgrim agreed to cover the test in women younger than 35, or those with average risk pregnancies, in addition to older women. Many payers limit coverage of such tests to high-risk pregnancies in older women. Data will be collected over two years in the Harvard Pilgrim population and the study's analytics and data reporting will be managed by Real Endpoints, a consulting and analytics firm focused on assessing treatment value. If savings do not materialize to the extent expected, Illumina will cover Harvard Pilgrim's increased costs. The arrangement was dubbed a model for pharmaceutical companies when it comes to value-based agreements.

6. GSK's Pact with 23AndMe

Details: In July 2018, [GlaxoSmithKline PLC](#) and [23andMe Inc.](#) unveiled an exclusive four-year collaboration focused on research and development of innovative new medicines and potential cures, using human genetics as the basis for discovery. The collaboration combines 23andMe's large-scale genetic resources and data science skills, with the scientific, medical knowledge and commercialization expertise of GSK. The goal is to gather insights and discover novel drug targets driving disease progression and develop therapies for serious unmet medical needs based on those discoveries. As part of the deal, GSK made a \$300 million equity investment in 23andMe.

[*In Vivo's Top Alliance Of 2018: Vote For Your Winner*](#)