

BIOBUSINESS BRIEFS



Roles and strategies for health foundations in public–private partnerships

There has been a noticeable shift in the role that disease-focused health foundations are choosing to adopt in drug research and development in recent years, with many becoming more actively engaged in translational research. With the aim of clarifying these changes, we examined the role of a diverse set of health foundations in public–private partnerships (PPPs), and here we present the key conclusions of our analysis (see further information for the full report).

An important aim of health foundations is to maximize the use of health research evidence for the benefit of patients. Traditionally, health foundations have fulfilled this objective by investing in academic research institutes to

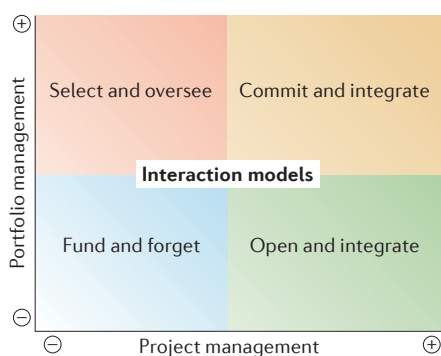


Figure 1 | Interaction models for health foundations in translational medicine public–private partnerships. Nine health foundations from four countries (United States, United Kingdom, Italy and Canada) were studied: the Leukemia & Lymphoma Society, Cancer Research UK, Breakthrough Breast Cancer, the Terry Fox Foundation, the Cystic Fibrosis Foundation, the American Cancer Society, the Michael J. Fox Foundation, the Italian Association for Cancer Research and the Wellcome Trust. Their total revenues (2012) ranged from US\$23 million to US\$925 million, and the number of research grants awarded (2012) ranged from \$4 million to \$860 million. For details on each health foundation, see Supplementary information S1 (table). Publicly available data sources included in the analysis included 50 scientific articles, and 40 annual reports, financial forms and grant-related documents.

support basic research in pathophysiology and disease progression. Many foundations have also bridged the gap between basic research and patient impact by funding translational research in academic medical centres. This traditional approach, which we call the ‘fund and forget’ model, is characterized solely by financial contribution and has been considered an acceptable one for many decades.

Pressed by donors to demonstrate tangible results, however, health foundations have started to re-evaluate their funding strategies. The efficiency and effectiveness of the ‘fund and forget’ model in facilitating the translation of health research into patient benefit is increasingly being questioned. Here, we introduce a model describing the emerging roles of health foundations, which evolved from an extensive qualitative assessment of the current project portfolios for the selected foundations, which vary in size, year of establishment, funding focus and country of origin (see [Supplementary information S1](#) (table) for details of the health foundations).

The model, shown in [FIG. 1](#), consists of two dimensions: the degree of portfolio management and the degree of project management. Portfolio management entails proactive decision-making about projects that are funded and added to the portfolio. It represents a calculated strategic direction that reflects the goals of the health foundation. Project management entails involvement in a project’s governance, development and advancement. As such, it reflects how a foundation engages with the projects that it funds.

The majority of the health foundations that we assessed have moved away from the traditional ‘fund and forget’ role, which is partly characterized by little or no direct engagement with for-profit private organizations. Although many foundations continue to award most of their available funding to academic institutes, at the same time they are positioning themselves at strategic points in the biomedical research translation continuum by engaging in PPPs.

An important point in the continuum for health foundations is the so-called ‘valley of death’ that most biotech start-up

companies face. If these small private entities cannot demonstrate proof of concept for their potential treatment modalities, then they cannot attract funding; but without the necessary capital, they cannot demonstrate proof of concept. Strategic funding of start-up companies by health foundations sufficiently de-risks promising treatment modalities and allows such companies to garner more traditional funds and development partners, especially when combined with public funding (which often comes with investment multipliers). The Leukemia & Lymphoma Society, Cancer Research UK, the Cystic Fibrosis Foundation and the Michael J. Fox Foundation have chosen to adopt this role, which we call ‘commit and integrate’, with the intention to develop and actively manage a portfolio of projects. As such, these foundations can act as true co-creators, directly engaged with public and for-profit private organizations while steering projects in line with the foundation’s key objectives.

Our assessment revealed two additional roles, which we call ‘select and oversee’, and ‘open and integrate’. In the ‘select and oversee’ role, health foundations such as the Terry Fox Foundation and the Italian Association for Cancer Research finance a portfolio of projects while taking a more distant, external advisory role (for example, troubleshooting) when necessary. The ‘open and integrate’ role is practiced by foundations such as the Wellcome Trust, which place less focus on portfolio management and more focus on a high level of engagement with for-profit private organizations in selected projects.

Each health foundation tailors its strategy to its own concerns, goals and competences, but the question disease-focused health foundations are now asking more and more is not “should we engage in PPPs?” but rather “how can we best engage in PPPs?”. Given their financing capabilities, this shift could have a major impact on expediting translational research.

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FURTHER INFORMATION
Health Foundations Facilitate Translational Research Through Public–Private Partnerships:
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SUPPLEMENTARY INFORMATION
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