



Partnering for the Future



302 Panel: Integrating Prescription Drug Expenditures in New Payment Models: Challenges and Successful Strategies

Welcome



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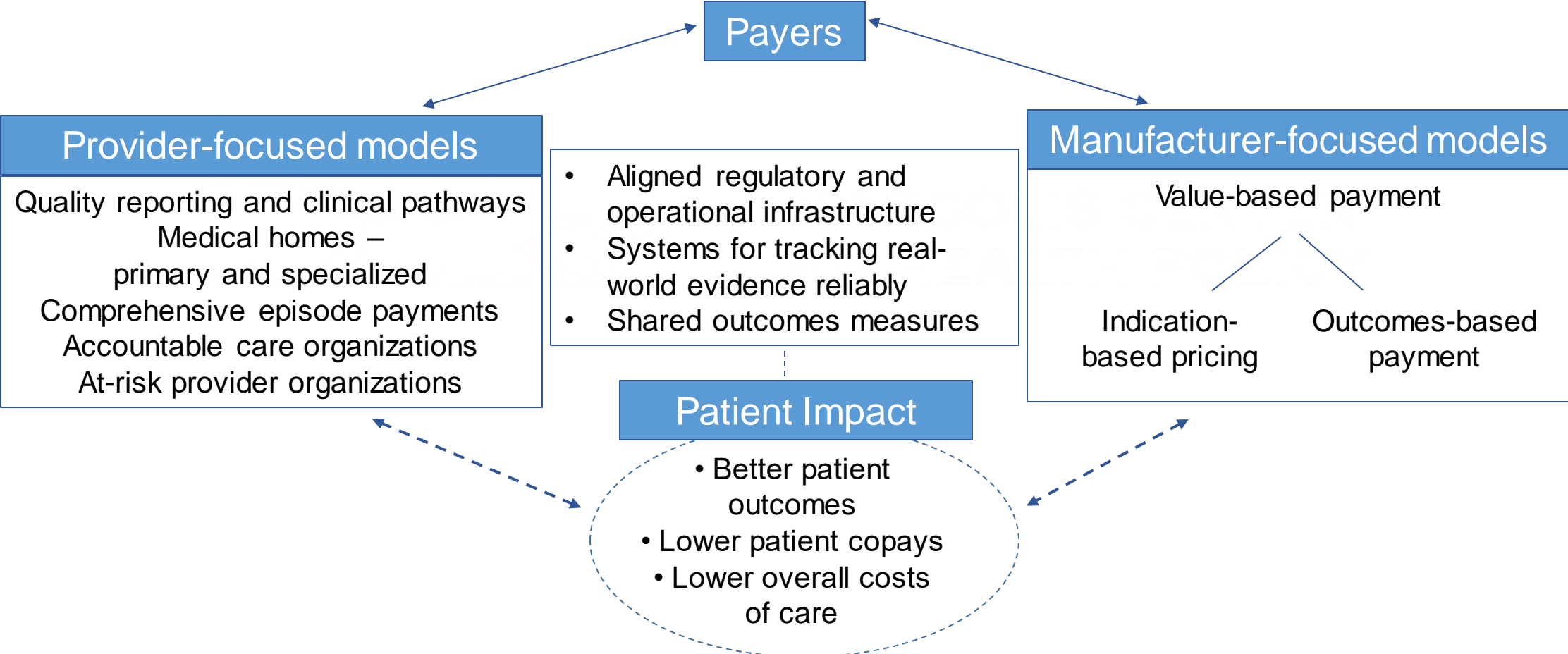
“Value-based” payments for drugs

- **Evidence-based price contracts** link the price of a product to existing evidence of effectiveness and potential value for specific uses of that product.
- **Outcomes-based contracts** link payment for medical products to that product’s actual performance in a patient or a population. The arrangements can potentially allow payers, manufacturers, providers and health systems to align their financial stakes directly with the real-world outcomes of the medical product.

Conceptual Framework for Value-Based Payment Arrangements for Medical Products with Select Examples

	Evidence-Based Price <small>Tied to expected value</small>	Outcomes-Based Contracts <small>Tied to patient/population outcomes</small>	
Category 1	Category 2	Category 3 <small>Limited shift from FFS</small>	Category 4 <small>Substantial shift from FFS</small>
<p style="text-align: center;">FEE-FOR-SERVICE</p> <ul style="list-style-type: none"> • Vast majority of CV drug volume • Low co-pay generics (e.g. statins, diuretics, ACE inhibitors) • Formulary tiers and utilization review to target use of more costly drugs 	<p style="text-align: center;">LINKED TO PRIOR EVIDENCE</p> <ul style="list-style-type: none"> • Indication-specific pricing based on available evidence for new products • Entresto – Novartis/Cigna and Aetna • Effient – Eli Lilly/ Humana 	<p style="text-align: center;">3A: LIMITED OUTCOME-BASED REBATE</p> <ul style="list-style-type: none"> • Symbicort - Astrazeneca/UPMC • Repatha - Amgen/Harvard Pilgrim • Repatha - Amgen/CVS • Praluent - Sanofi-Regeneron/ Cigna <p style="text-align: center;">3B: MEANINGFUL OUTCOME MEASURES</p> <ul style="list-style-type: none"> • May include measures such as clinical and cost outcomes 	<p style="text-align: center;">4A: PARTIAL POPULATION-BASED</p> <ul style="list-style-type: none"> • May include partial PMPM tied to performance for a population • None <p style="text-align: center;">4B: FULLY POPULATION-BASED</p> <ul style="list-style-type: none"> • May include a subscription model: PMPM linked to outcomes across a population

Aligned provider, manufacturer, and patient value-based payment arrangements



Implementation Challenges for New Payment Models for Prescription Drugs

- Defining “Higher Value”
- Alignment
- Administrative/Operational
- Regulatory
- Uncertainty and Risk
- Supporting Evidence

Panel Speakers



Surya Singh

*Vice President &
CMO for Specialty,
CVS Health*



Peter Juhn

*Vice President,
Global Value-based
Partnerships,
Amgen*

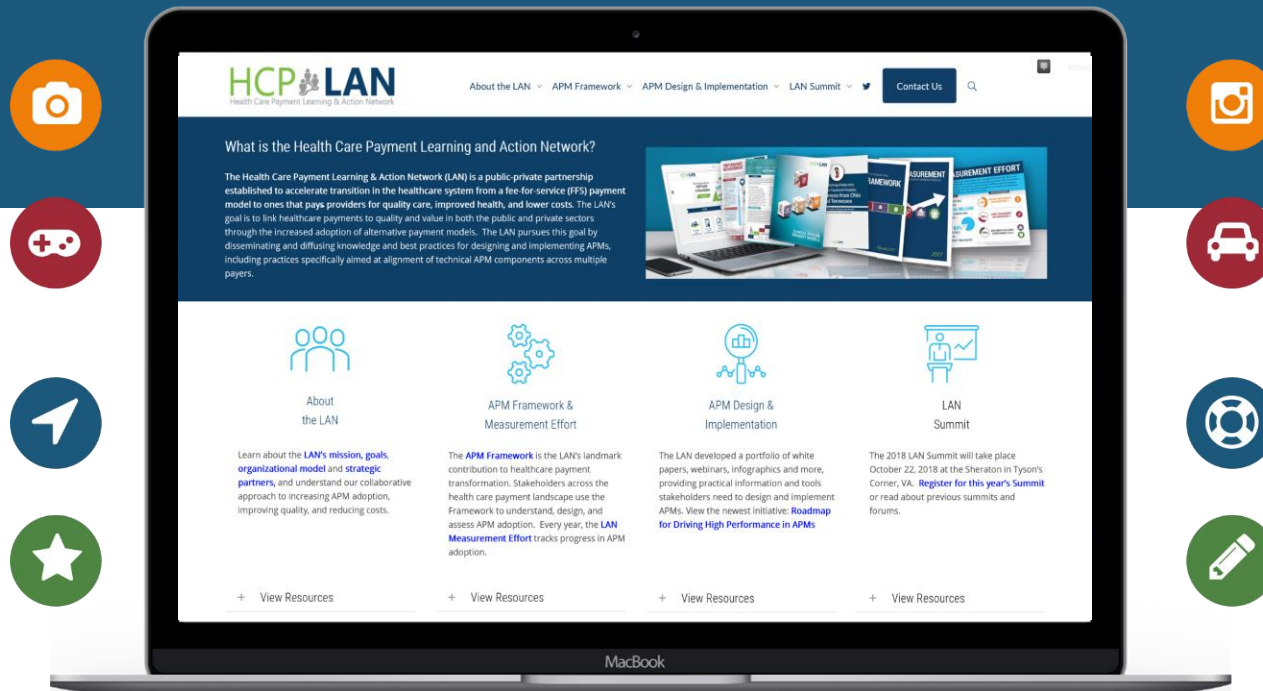


Donna Cryer

*President & CEO,
Global Liver Institute*

Visit the LAN Website for our Resources

<https://hcp-lan.org/>

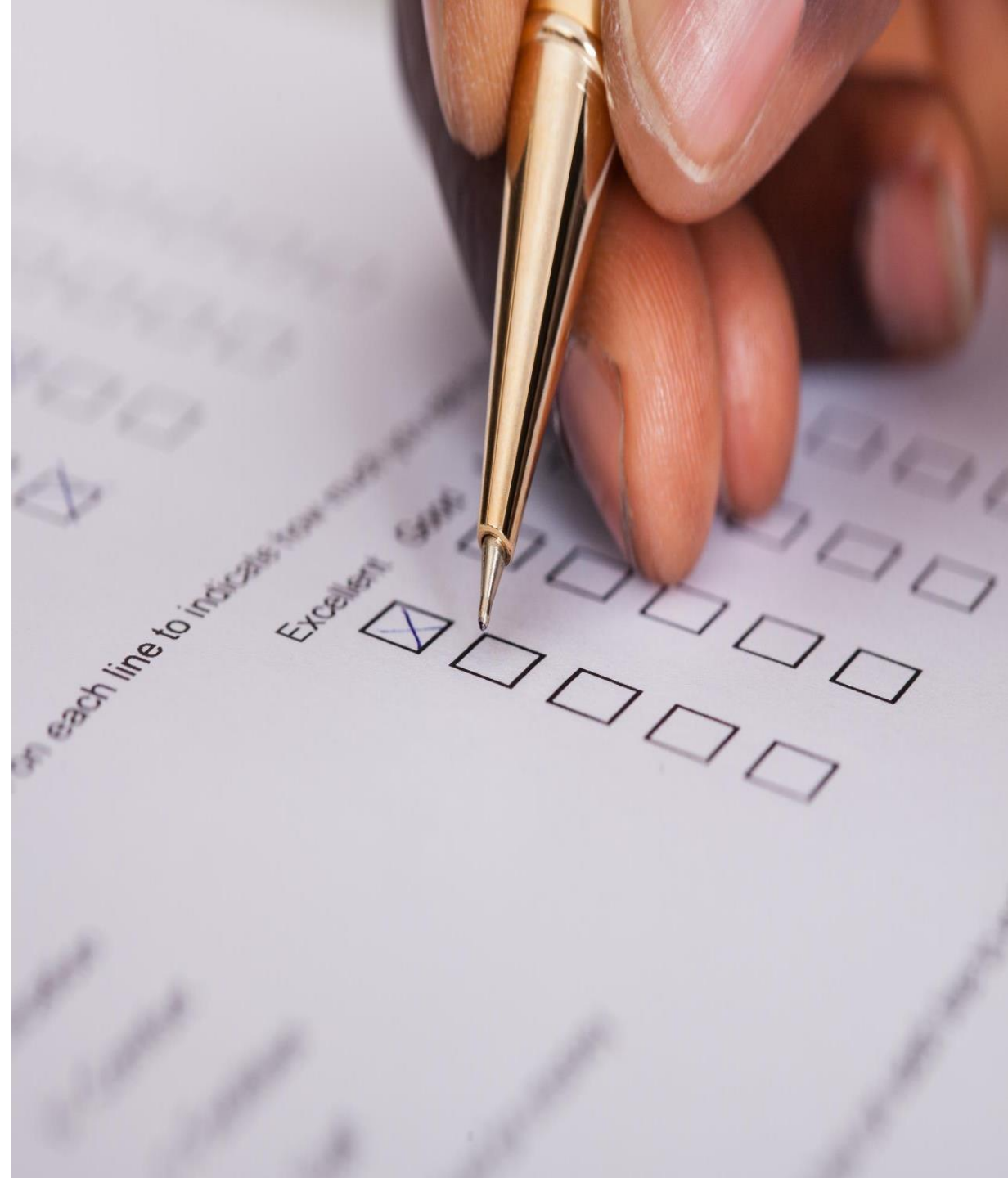


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Exit Survey

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Thank You!