

Who Decides What Value Looks Like in US Healthcare?

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When Robert Navarro, PharmD, started his career decades ago at a managed care company, healthcare as a percentage of the gross domestic product was 8% and at the time, he said, people were adamant the figure could not rise any higher.

Now, the University of Florida College of Pharmacy clinical professor noted the figure is at nearly 18% and rising, and the industry keeps having a conversation about value. Speaking at the Academy of Managed Care Pharmacy's (AMCP)'s Managed Care & Specialty Pharmacy Annual Meeting, held April 23-26, in Boston, Massachusetts, he and Ashok Vegesna, PharmD, MS, of Novartis, spoke about Visions of a Value-Based Health Care System.

Before arriving at [his proposals for a value-based healthcare system](#), Navarro encouraged his audience to think deeply about the issues affecting their businesses.

“Are you in the healthcare business or the health insurance business?” asked Navarro, one of the founders of AMCP. That was just one of many of the existential questions he asked about the role of value in population health and managed care before suggesting his view on how the issue should be approached.

For one thing, he asked, who decides the question of value? And depending on who is answering, can interests be aligned among payers, CMS, healthcare providers, patients, and society?

What if patients base their decisions on value? Would their decisions (for example, plans with no co-pays and deductibles, plans that cover all drugs) be considered good for value? Only a minority of patients consider value in terms of economic terms, he noted.

He also asked how well the health plans in the room were focused on [social determinants of health](#) (SDOH)—he surmised that the answer would be probably not very much. He held up as an example Aetna, which is working intensively on SDOH.

One of his solutions about how the drive towards value-based care will accelerate, in fact, is through competition among health plans, but only as long as they engage the patient in a meaningful way that encourage buy-in and gets them to complete actions that will help put them on the road to better

health.

Along the way, though, health plans will have to give them a reason to buy into their vision of value-based care, which will mean shedding low-value care. It may even mean rationing, or setting age limits. “Will we be okay with that?” he asked.

In Navarro's view there are 5 steps towards achieving value-based care, which are adapted from an oncology model:

- Provider collaborative partnerships and data sharing
- Develop market-specific solutions
- Invest in 'holistic' practice transformation
- Measure and integrate clinical and financial outcomes to analyze practice patterns
- Invest in transformative provider tools to track outcomes and provide feedback

To work, transformative value-based care requires total commitment, adequate funding, integrated solutions, effective technology, and quality outcome incentives.

Following Navarro, Vegesna talked about value from the manufacturer's perspective, using the example of the core activities of bringing a new pharma product to market as a manufacturer's dynamic value proposition.

In the future, he sees 2 things happening in the short term, assuming manufacturers look to demonstrate value in the future. He said they must engage early with value assessment organizations, like the [Institute for Clinical and Economic Review](#) and [Faster Cures](#), and they must develop value-based contracting opportunities, where payment is tied to outcomes.

Over the mid- to long-term, they must improve transparency and reproducibility of real-world studies, and they must embrace digital evidence.

The digital evidence piece is interesting but also one of the most challenging, due to the difficulties of working with insurance claims and electronic health record data. But with more developments in the area of health information technology, there are advantages of continuous data that allows patients to be tracked continuously outside of a medical setting. Digital evidence can help quantify the value of a drug to a patient, Vegesna said.