
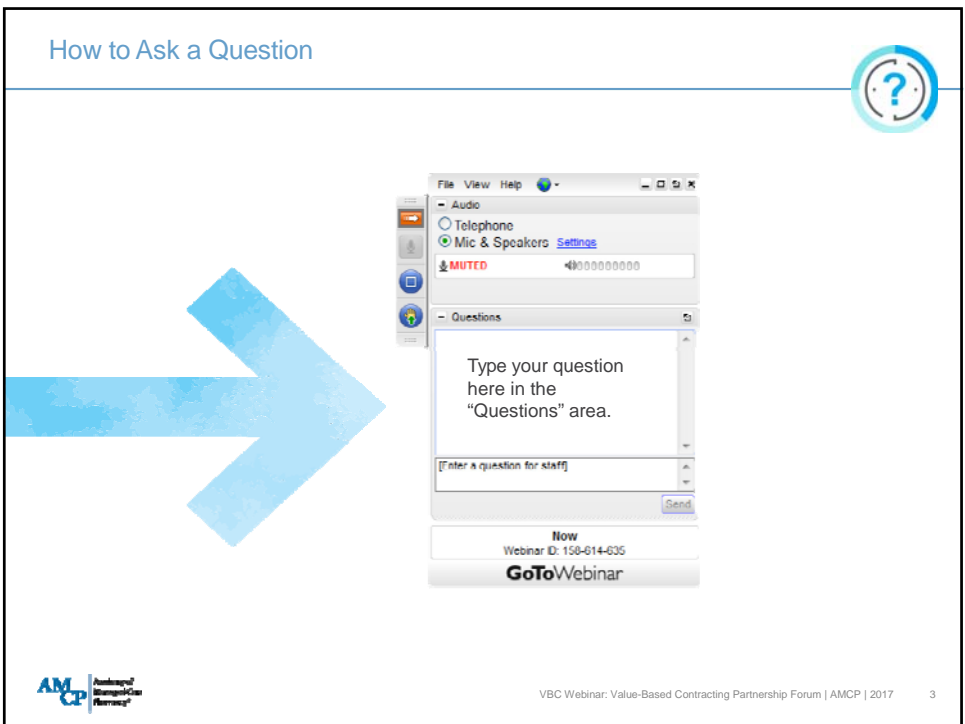





Organizations may not re-use material presented at this AMCP webinar for commercial purposes without the written consent of the presenter, the person or organization holding copyright to the material (if applicable), and AMCP. Commercial purposes include but are not limited to symposia, educational programs, and other forms of presentation, whether developed or offered by for-profit or not-for-profit entities, and that involve funding from for-profit firms or a registration fee that is other than nominal. In addition, organizations may not widely redistribute or re-use this webinar material without the written consent of the presenter, the person or organization holding copyright to the material (if applicable), and AMCP. This includes large quantity redistribution of the material or storage of the material on electronic systems for other than personal use.


How to Ask a Question



VBC Webinar: Value-Based Contracting Partnership Forum | AMCP | 2017 3







Today's Presenters

		
AMY DUHIG Vice President Xcenda	ROBIN TURPIN Value-Evidence Lead Takeda	CHARLIE DRAGOVICH Vice President AMCP









VBC Webinar: Value-Based Contracting Partnership Forum | AMCP | 2017 4

Today's Agenda

-  AMCP Partnership Forums: Overview and Accomplishments
-  Value-Based Contracting (VBC) Forum
-  Results from our Membership VBC Survey
-  Forum Findings and Recommendations
-  Next Steps and Action Items
-  Time for Q&A



-  AMCP Partnership Forums: Overview and Accomplishments
-  Value-Based Contracting (VBC) Forum
-  Results from our Membership VBC Survey
-  Forum Findings and Recommendations
-  Next Steps and Action Items
-  Time for Q&A



What are AMCP Partnership Forums?

Forum brings together a diverse group of health care stakeholders to discuss key issues facing managed care pharmacy and collaboratively help shape the changing health care landscape.

Conclusions and recommendations:

- Shared via webinars
- Proceedings published in the Journal of Managed Care and Specialty Pharmacy
- Drive AMCP strategic initiatives



VBC Webinar: Value-Based Contracting Partnership Forum | AMCP | 2017



What are AMCP Partnership Forums?

Previous Forum Results/Accomplishments





- Advanced preapproval and post-approval communications policies (Preapproval Information Exchange and FDAMA Section 114)
- Addiction Treatment Advisory Group
- MTM Advisory Group
- Biologics and Biosimilars Collective Intelligence Consortium (BBCIC)




VBC Webinar: Value-Based Contracting Partnership Forum | AMCP | 2017










2017 AMCP Partnership Forums

-  **Advancing Value-Based Contracting**
June 20 - 21, Arlington, VA
-  **Patient Reported Outcomes – The Missing Link in Defining Value**
October 19, Dallas, TX
-  **Driving Value and Outcomes in Oncology**
November 14 - 15, Arlington, VA
-  **Managing Care in the Wave of Precision Medicine**
December 7 - 8, Arlington, VA

 Academy of Managed Care Pharmacy®

VBC Webinar: Value-Based Contracting Partnership Forum | AMCP | 2017 9

-  AMCP Partnership Forums: Overview and Accomplishments
-  **Value-Based Contracting (VBC) Forum**
-  Results from our Membership VBC Survey
-  Forum Findings and Recommendations
-  Next Steps and Action Items
-  Time for Q&A

 Academy of Managed Care Pharmacy®

VBC Webinar: Value-Based Contracting Partnership Forum | AMCP | 2017 10

VBC Goals and Objectives



Define Value-Based Contracting

Explore Value-Based Contracting Opportunities and Hurdles

Create an Action Plan




VBC Webinar: Value-Based Contracting Partnership Forum | AMCP | 2017

11

VBC Forum Participants

30+ participants from health plans, integrated delivery systems, pharmacy benefit managers, employers, data and analytics experts, and biopharmaceutical companies

<ul style="list-style-type: none"> Aetna Amgen Blue Cross Blue Shield Association Bristol-Myers Squibb CareFirst BlueCross BlueShield Deloitte Consulting DLA Piper Eli Lilly and Company Essentia Health Evolut Health Harvard Pilgrim Health Care Healthgen Outcomes, Division of Aetna Healthcare Consulting Heritage Provider Network Kaiser Foundation Hospitals Magellan Rx Management Massachusetts General Hospital 	<ul style="list-style-type: none"> Merck & Co. Milliman National Health Council National Pharmaceutical Council Network for Excellence in Health Innovation (NEHI) Novo Nordisk Pharmaceutical Research and Manufacturers of America Predictive Health Premier Inc. Prime Therapeutics PriorityHealth Rampy Northrup LLC RxAnte Takeda University of Utah College Xcenda
--	--



VBC Webinar: Value-Based Contracting Partnership Forum | AMCP | 2017

12

Thank You to Our Forum Sponsors!



AMCP Partnership Forums: Overview and Accomplishments



Value-Based Contracting (VBC) Forum



Results from our Membership OBC Survey



Forum Findings and Recommendations



Next Steps and Action Items




Time for Q&A



AMCP Membership Survey






Academy of
Managed Care
Pharmacy®




Survey: Objective and Method

To better understand payer and manufacturer experiences, perceptions, and readiness to implement outcomes-based contracts (OBCs).

Participants (n=65) completed a brief online survey between May 12 and June 4, 2017



35 Payers



30 Manufacturers

Current and planned experience with OBCs


Measures included in OBCs

Availability of OBC-applicable resources (payers only)

Barriers/limitations to OBC implementation

Importance of specific elements to successful OBC implementation

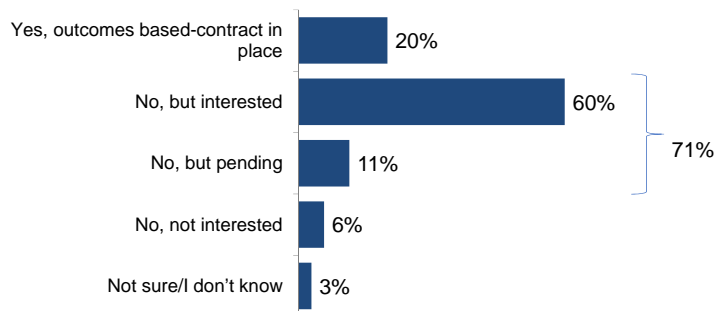
A variety of factors were rated on their (a) impact, (b) ease of implementation, and (c) level of urgency



VBC Webinar: Value-Based Contracting Partnership Forum | AMCP | 2017 16

Payer Insights: Presence of OBCs

While only one-fifth of payers currently have an OBC in place, most are interested in instituting them in the future or have one pending.

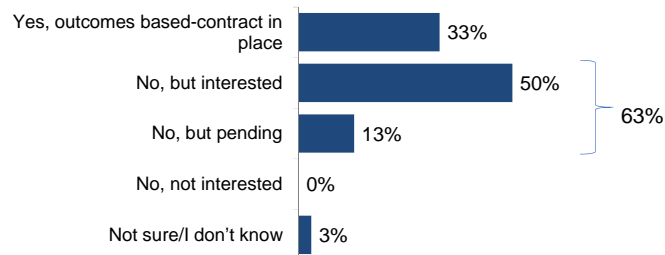


Base: Total payers (35).^a Caution: Small base
 Q1. Does your organization currently have an outcomes-based contract for one or more products in place with a manufacturer?



Manufacturer Insights: Presence of OBCs

One-third of manufacturers have an OBC in place and almost an additional two-thirds have one pending or are interested in instituting one in the future.

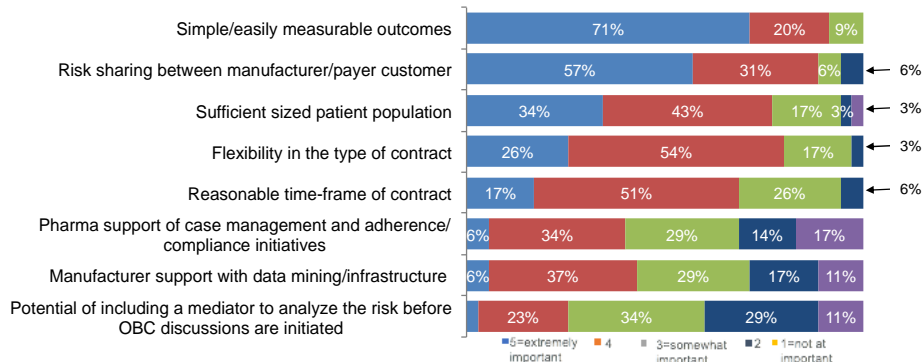


Base: Total manufacturers (30).^a Caution: Small base.
 Q8. Does your organization currently have an outcomes-based contract for one or more products in place with a payer?



Payer Insights: Elements of Successful OBCs

Successful OBCs include measurable outcomes, risk sharing with manufacturers, sufficient patient population, contract flexibility and reasonable time-frames.

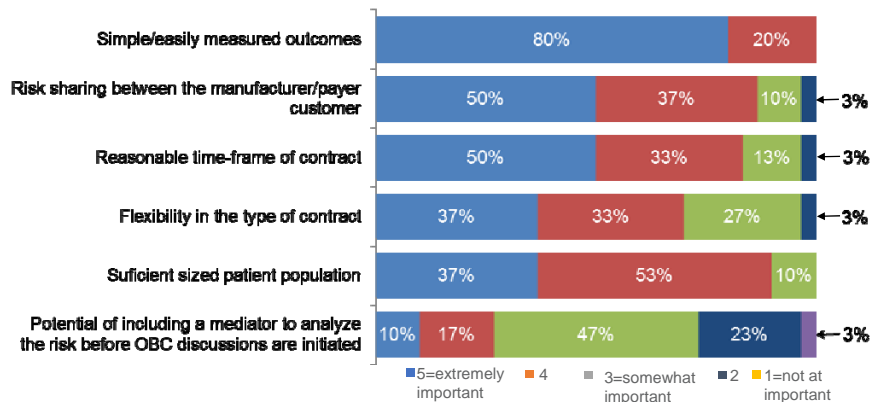


Base: Total Payers (35) *Caution: small base
 Q.7 On a scale from 1 to 5, please rate the importance of the following elements in establishing successful outcomes-based contracting?
 (1=not at all important; 3=somewhat important 5=extremely)



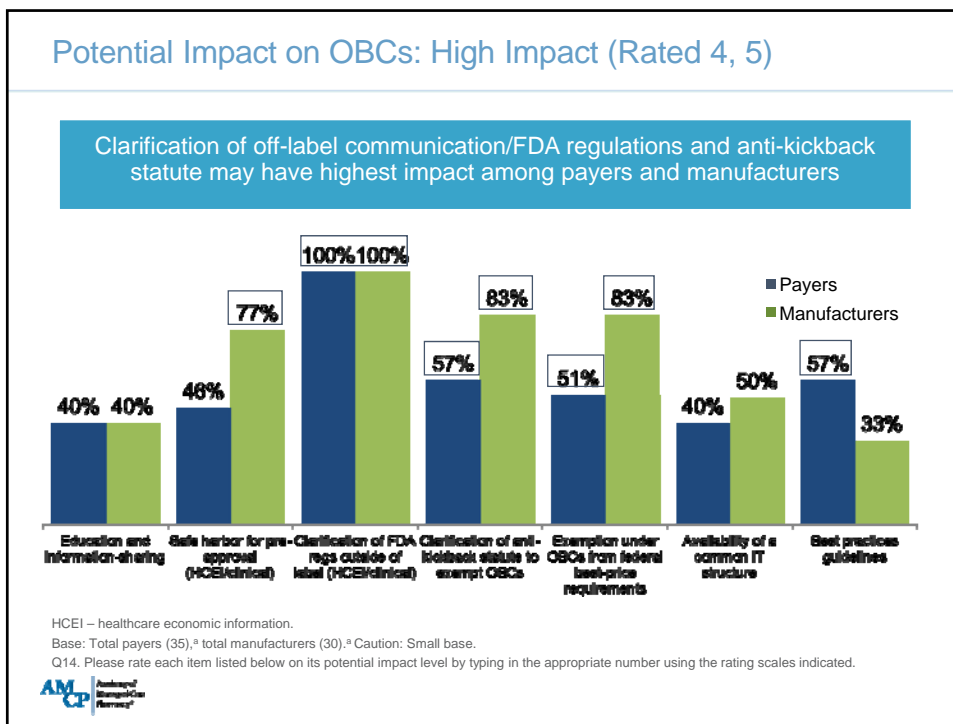
Manufacturer Insights: Elements of Successful OBCs

Successful OBCs include measured outcomes, risk sharing with payer, sufficient patient population, and reasonable time-frames.



Base: Total Manufacturers (30)*Caution: small base
 Q.13. On a scale from 1 to 5, please rate the importance of the following elements in establishing successful outcomes-based contracting.











Survey Summary


- Per survey results, implementation is low but interest is high, reinforcing the need for a path forward
- There is a tremendous amount of activity going on in this space, but stakeholders may believe there is little happening
- Different needs should be addressed depending on the stakeholder, but commonalities exist
- Multi-stakeholder collaboration will be essential for progress

Poster presented at AMCP Nexus Conference
 Survey published in JMCP late October/ early November

AMCP | Academy of Managed Care Pharmacy®

VBC Webinar: Value-Based Contracting Partnership Forum | AMCP | 2017 22

	AMCP Partnership Forums: Overview and Accomplishments
	Value-Based Contracting (VBC) Forum
	Results from our Membership VBC Survey
	Forum Findings and Recommendations
	Next Steps and Action Items
	Time for Q&A

 Association of
Manufacturers
Partners

VBC Webinar: Value-Based Contracting Partnership Forum | AMCP | 2017 23



Forum Findings and Recommendations

Participants assembled into 4 working groups representing a variety of stakeholder perspectives.

Each group presented their findings to the entire group for additional input. Forum consensus was reflected in final proceedings.



DEFINE

Participants needed to develop a value-based contract (VBC) definition for the purpose of facilitating discussion with key policy-makers and regulators.



The definition and debate was thorough!

Value-Based Contract vs Outcomes-Based Contract?

What is an outcome?

VBC vs OBC?



Participant Consensus Definition

“A value-based contract is a written contractual agreement in which the payment terms for medication(s) or other health care technologies are tied to agreed-upon clinical circumstances, patient outcomes, or measures.”

Guiding Principle Considerations



- Definition should be flexible to allow for innovative value-based contracting approaches that have yet to be developed
- Must be shared accountability for outcomes and costs
- Outcomes should be designed to engage patients and improve their health outcomes
- Definition should evolve to align and engage all relevant parties to achieve optimal outcome
- Definition does not include contracts that are based on volume or share
- Terms and outcomes included in the contract are pre-determined



EXPLORE

Participants looked at a variety of key considerations that further defined VBC while helping to align with provider incentives and measure outcomes.



Contract Types



Risk Sharing

Charge less for suboptimal outcomes



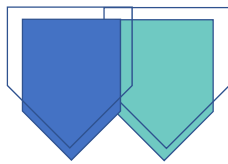
Coverage with Evidence

Liability or upside based on real evidence outcomes



Shared Accountability


Incorporates services to optimize and support outcomes (registries, active surveillance, claims)



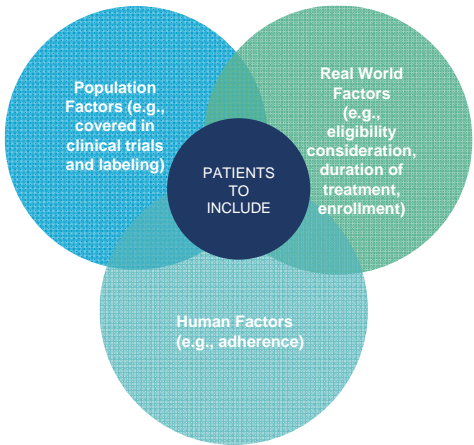
Bundled Services

Additional services offered to patient on the product(s)

Work Group Insights



Which patient populations should be included in a VBC?



Population Factors (e.g., covered in clinical trials and labeling)

Real World Factors (e.g., eligibility consideration, duration of treatment, enrollment)


PATIENTS TO INCLUDE

Human Factors (e.g., adherence)

AMCP | Academy of Managed Care Pharmacy

VBC Webinar: Value-Based Contracting Partnership Forum | AMCP | 2017 31

Work Group Insights



What considerations need to be made regarding the capacity to collect and analyze data?

- Data sources: How it will be collected, validated, analyzed
- How to define patient populations that are included in the data analysis
- How to ensure that a patient's diagnosis and treatment is aligned with the data needed for the contract
- Process for aggregating and analyzing the data in a HIPAA-compliant manner
- Infrastructure development

AMCP | Academy of Managed Care Pharmacy

VBC Webinar: Value-Based Contracting Partnership Forum | AMCP | 2017 32

Work Group Insights



What should the contract duration and timeline be?

Most patients enrolled with payers on an annual basis, but...

- Many VBCs have outcomes that take longer than 6-12 months to emerge
- Some expensive single-use medications have long-lasting benefits

Surrogate and escalating endpoints could be used to align outcomes with allotted time period

- Surrogate endpoints are short-term markers that are a valid proxy for a clinical endpoint
- Escalating endpoints build upon each other over multiple time periods

Explore VBC alignment with alternative care and payment models



Work Group Insights



Do we need to demonstrate a reduction in the total cost of care?

VBC is not for circumstances where the goal is to reduce the cost of the drug regardless of any impact on outcomes. That's what volume and share contracts do.

VBC is focused on value, which adds a new dimension (did the drug work or not) to the three payments:

- Payment for MD diagnosis and write Rx
- Payment to the PBM for processing the claim
- Payment to the pharmacy for product/service





CREATE AN ACTION PLAN

Participants assessed the regulatory and legal environment and identified an action plan to mitigate barriers.



Work Group Insights



Regulatory and Legislative Environment

FDA-specific federal rules and regulations need to be revised to enable payers and manufacturers to engage more broadly in VBCs.

Specifically:

- Anti-Kickback Statute
- Medicaid Best Price
- 21st Century Cures Act

Work Group Insights



Anti-Kickback Statute

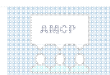
Long term changes to federal fraud, waste, and abuse laws and regulations are necessary – near term, a new safe harbor for VBCs or clarification on existing federal rules is needed.

Medicaid Drug Rebate Program - Best Price Requirement

Exemption for VBCs that include 100% price discount from Medicaid Best Price Rule.

21st Century Cures Act

Payers and manufacturers allowed to have limited but necessary pre-approval communication via The Pharmaceutical Information Exchange (PIE) Act of 2017 (H.R. 2026).



AMCP Partnership Forums: Overview and Accomplishments



Value-Based Contracting (VBC) Forum



Results from our Membership VBC Survey



Forum Findings and Recommendations



Next Steps and Action Items



Time for Q&A



Next Steps and Action Items



Help the marketplace understand how to implement and work with VBCs

- Policy and advocacy efforts to reduce VBC barriers
- Communications strategy to urge VBC definition adoption
- Webinars and informational sessions at AMCP live meetings
- Comprehensive training tools for VBC fundamental and advanced learning
- Research and pilot programs to promote VBC adoption
- Value and innovations network to promote VBC discussions

Next Steps and Action Items




JMCP Publication







- Forum Proceedings
- OBC Survey

Nexus Poster

- OBC Survey

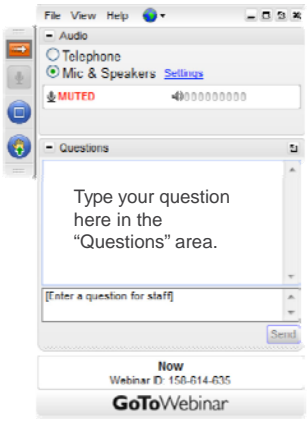







	AMCP Partnership Forums: Overview and Accomplishments
	Value-Based Contracting (VBC) Forum
	Results from our Membership VBC Survey
	Forum Findings and Recommendations
	Next Steps and Action Items
	Time for Q&A

VBC Webinar: Value-Based Contracting Partnership Forum | AMCP | 2017 41

Refresher: How to Ask a Question



Now
Webinar ID: 156-614-635
GoToWebinar



VBC Webinar: Value-Based Contracting Partnership Forum | AMCP | 2017 42

