COMPETITIVE MARKETPLACE\textsuperscript{1}

Background:

The competitive health care marketplace allows purchasers (which can include payers of health care as well as patients) to choose the coverage and cost solution that best suits their needs. Because payers and patients naturally demand the highest quality health care at the most affordable price, the dynamics of the competitive marketplace incentivize innovation in health care delivery while applying downward pressure on increasing health care costs. Operating within a competitive marketplace environment, managed care organizations have been able to design effective health benefits programs that meet the various needs of their patient populations, are clinically sound, accessible and affordable.

AMCP Position:

The Academy of Managed Care Pharmacy (AMCP) believes that a health care delivery system that is based upon an open and competitive marketplace will provide greater value to patients and payers than a system that is one-size-fits-all and relies on centralized governmental controls and regulatory mandates.

Talking Points:

- **Choice** – A competitive marketplace allows a patient to choose the coverage and cost solution that best suits his or her needs.
- **Quality** – Patient demand for quality has led to improved quality standards. Quality improvement measures provide added incentives for health plans to invest in programs designed to improve patient outcomes. This often leads to a higher quality of care across all health plans.
- **New Tools for Patient Service and Access** – Competition has also resulted in health plans and pharmacy benefit managers (PBMs) developing new utilization management and clinical evaluation tools and strategies, such as tiered co-payments, prior authorization, step therapy programs and mail order services. These tools help minimize misuse and inappropriate use of medications, reduce overall prescription drug spending and promote the affordability of benefits.
- **Anti-competitive Laws** – Federal and state laws play a role in assuring equal access, non-discrimination, due process and fairness, and also preventing fraud, waste and abuse. The government has a critical role in preserving the competitiveness in the marketplace by monitoring and enforcing against anticompetitive conduct, and by establishing market rules to promote, rather than deter, competition.

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\textsuperscript{1} See AMCP’s Where We Stand Position Statement on Competitive Marketplace.
http://www.amcp.org/Tertiary.aspx?id=8731