What’s Next for Specialty Medication Benefit Design and Reimbursement

DECEMBER 10-11, 2019 | HILTON MARK CENTER | ALEXANDRIA, VA
Welcome

Matt Lowe
Vice President, Business Strategies
AMCP
Disclaimer

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 Questions
AMCP Partnership Forums
Collaboration for Optimization

The live, hands-on AMCP Partnership Forums bring key decision makers in managed care, integrated care, the pharmaceutical industry, and others together to discuss and collaborate on tactics and strategies to drive efficiencies and outcomes in integrated care and managed care.
AMCP Partnership Forums are …

- Proactive, adopt a collaborative approach
- Provide a voice
- Gain consensus and remove barriers
- Allow stakeholders to work together on common goals and interests
- Have high visibility
- Find common ground and actionable results
Pharmacy and Therapeutics (P&T) Practices: What’s Next?

It has been nearly 20 years since AMCP and other stakeholders adopted the Principles for a Sound Formulary System. Since that time, requirements for pharmacy and therapeutics committees (P&T) have been adopted by the Medicare Part D program, health insurance marketplace plans, commercial health plans, Medicaid programs, and other public payers. Changes and evolution in the health care system, including a focus on value-based care, suggest the need for updated recommendations from a broad stakeholder coalition. This Forum will provide a venue to consider P&T practices that reflect the current health care system and provide recommendations to allow for a transparent P&T process in today’s health care system.

Optimizing Prior Authorization for Appropriate Medication Selection

We will examine how to improve decision making for prior authorization and step therapy based on current market dynamics and considerations to ensure patients receive the most appropriate medications. The forum will develop multi-stakeholder recommendations including: the impact of PA on patient outcomes, the return on investment for technology adoption, and ways to ensure good outcomes through policy and activities by the health care system.

What’s Next in Managing Risk for Specialty Medications

Current inefficiencies in the health care system create administrative burdens for patients, providers, and payers, and often result in additional unnecessary costs. As a result, the government and private sectors are examining new reimbursement and benefit designs to pay for medications, including re-examining the Medicare Part B and Medicaid programs. Before implementing major changes, however, stakeholders must carefully analyze the potential impact these reforms will have on patient care, access to medications, and the overall health care system. This forum will make recommendations and considerations for ways that benefit design and reimbursement may evolve without compromising patient access and care.

Digital Therapies: What are they and Where do they fit in Pharmacy and Medical Benefits?

Digital therapies with web and designed based applications are emerging as a means to treat conditions by engaging people to improve health and wellness. In some cases, these therapies are preventive to stop a disease or improve outcomes in certain chronic conditions including cancer, diabetes, and heart disease. Other areas for digital therapies have emerged for birth control and to manage opioid addiction. They typically focus on ways to modify a person’s environment or behavior to increase patient engagement, improve adherence to medications and possibly reduce hospitalizations or prevent other expensive health interventions. But where do these fit in terms of a pharmacy or a medical benefit for insurance coverage? This partnership forum will consider these important emerging issues to provide recommendations to inform this growing area.
2020 Partnership Forums

1. Helping Patients Anticipate and Manage Drug Costs

2. Preparing for and Managing Rare Diseases

3. Biosimilars: Policy, Practice, and Post Marketing Surveillance to Support Treatment and Coverage Decisions
Faculty

Estay Greene, PharmD, MBA
Vice President, Pharmacy Services Blue Cross
Blue Shield of North Carolina

Carly Rodriguez, PharmD, FAMCP
Pharmacy Director, Clinical Innovation
Moda Health
Agenda

• Background
• Forum findings and recommendations
• Next steps and action items
• Q&A
Forum Goals

• Provide recommendations for ways to modernize payment of specialty medications covered by commercial benefits, Medicaid, and/or Medicare Part B
• Identify key aspects to consider when changing payment systems and develop recommendations for ways to effectuate the identified changes
Forum Focus

• Reduce costs for beneficiaries while maintaining or improving access to prescription drugs
• Support marketplace competition and incentives for biopharmaceutical innovation
• Minimize physicians’ financial risk associated with managing drug inventories
• Remove adverse reimbursement incentives for prescribing higher priced drugs
• Consider the cost-effectiveness of treatments and services across the health care continuum
• Support quality measurement and program evaluation metrics
The Specialty Drug Coverage Landscape

- The percentage of overall prescription spending on specialty medications has grown
- Costs are expected to continue growing

Federal Efforts to Address Prescription Drug Prices

• 2018 CMS proposed rule
  • Focused on improving competition, increasing negotiation, lowering list prices, and reducing out-of-pocket costs
  • Encourage CMS to allow health plans more flexibility in managing Medicare Part B and Part D drugs.

• Prescription Drug Pricing Reduction Act of 2019 (H.R. 3/S. 2543)
  • Key issues addressed in Congressional proposals include rebates based on inflation, direct price negotiations, and Medicare Part D redesign

Strengths of Current Specialty Benefit and Reimbursement Systems

- Access to care
- Value-based contracts
- Accreditation standards
- Automated prior authorization
- Patient assistance programs and out-of-pocket maximums
- Shared savings models
- Competition

- Catastrophic coverage/reinsurance
- Pharmacy claims management
- Innovation
- Data integration
- Information sharing
- Role of pharmacists
Weaknesses of Current Specialty Benefit and Reimbursement Systems

- Medical claims management
- Short-term benefit designs
- Lack of standardization
- Legacy pricing schemes
- Patient costs
- Direct and Indirect Remuneration (DIR) fees
- Sites of care and standards of care

- Barriers to value-based care
- Administrative burdens
- Data needs for orphan drug approvals and conditions
- Fragmentation of care
- Short-term benefit designs
- Legacy pricing schemes
Access to Care Through Innovative Benefit Design

• Participants called for benefit designs that:
  • Focus on total cost of care and overall health improvements
  • Address social determinants of health and patient out-of-pocket costs
Utilization Management Strategies

• Integrated across benefits
• Replicated in medical benefits
• Cost-effective sites of care delivery
• Prior authorization programs
• Biosimilars
Support Competition

- Generics and biosimilars
- Regulatory requirements
- Simplify stocking
- Therapeutic interchangeability
Recommendations for Improving Specialty Benefit Design and Reimbursement
Pharmaceutical Contracting Possibilities

- Provide a significant proportion of rebate savings to patients
- Use savings to reduce premiums or to invest in other healthcare services
- Simplify rebate approaches
  - Ideas included a lower list price, or percentage discount up front
- Expand value-based contracts
  - Can be complex to implement and present operational challenges
Insurance Design and Care Delivery

- Design for most appropriate site of care
- Design for most cost-effective for both patient and payer
- Restructure 12-month cycle benefit plans
- Expand use of value-based insurance design and alternative payment models
- Address patient needs to support comprehensive care (e.g., Centers of excellence)
- Leverage lessons learned allocating scarce lifesaving treatments (e.g., organ transplants)
Reinsurance and Annuities

- Reinsurance
- Government-funded high-risk pool insurance programs
- Annuities
Technology Innovation

- Address barriers to data interoperability
- Real-time benefit tools
- Point of prescribing
- Utilization management strategies applied to the medical benefit with HIT advances
Digital Therapies

- Remote patient monitoring
- Expanded use of mobile health (mHealth) products and digital therapeutics
- Data that is accessible and actionable
Data Supported Continuity

• Longitudinal databases
  • Allow advanced assessments of patient needs
  • Support care coordination and continuity of care
  • Reduce administrative burdens
  • Use of real-world evidence
  • Systems that facilitate payments over time for certain high-cost products

• Data interoperability, data ownership, and patient privacy issues need to be addressed
Data Integration

- Optimize the potential role of value-based agreements
- Streamline prior authorization requirements
- Implement models that address sites of administration and care to align incentives for the best practices at the lowest cost
Early Information Sharing

- Pre-approval information exchange (PIE) can help payers prepare to quickly integrate new therapies into their formularies when they are approved
- Participants indicated that stakeholders are not fully optimizing the value of these communication channels
- Greater communication among manufacturers and payers prior to product approvals is needed
- Pre-approval dossiers could facilitate and streamline communication
Legislative and Regulatory Strategies

- Modernization of the Anti-Kickback Statute and Medicaid Best Price requirements to support wider use of value-based agreements
- Prescription drug reimbursement model changes could address challenges regarding DIR fees, including rebates, ASP+6, and site of care provisions
- Strategies to control costs by supporting increased competition, such as increased access to biosimilars
Legislative and Regulatory Strategies

• Create policies that would help manage costs associated with prescription products but caution against stifling innovation and advocated for market-based solutions

• Implement strategies that support greater transparency and ability to compare actual prices for effective solutions

• Allow FDA to evaluate cost-effectiveness of new treatments

• Implement some changes concurrently
  • For example, the elimination of ASP+6 will need to be paired with a model that compensates providers for delivering the medication-related service
Patient-Centric Considerations

• Design benefit that address a wide range of patient needs
  • Address psychosocial issues and social determinants of health
  • Deliver supportive services to optimize patient outcomes
  • Incentivize patients to adhere to recommended treatments and lower out-of-pocket costs

• Engage pharmacists and mid-level practitioners
• Integrate benefit designs that are accountable for total cost of care
Looking to the Future

• Simplify benefit designs and make them easier to understand
• Ensure benefits remain patient-centric
• Develop common longitudinal databases for patients to maintain medication records over time
• Reimagine and broaden existing reinsurance programs
• Develop common definitions for success and failures of treatments
• Create best practices, case studies, and educational programs
• Leverage lessons learned from insurance models for other expensive and lifesaving treatments
Next Steps
How to Ask Questions
Sponsors

AMGEN®  AstraZeneca  BAYER  gsk  MERCK

Pfizer  PHARMA  Takeda  Xcenda®

Be well
For a list of upcoming webinars, visit
www.amcp.org/calendar
Mission
To improve patient health by ensuring access to high-quality, cost-effective medications and other therapies.