Moderator

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How to Ask a Question

Type your question in the ‘Questions’ area.
Presenter

Reed V. Tuckson, MD
Managing Director, Tuckson Healthcare Connections
Former EVP and Chief of Medical Affairs, UnitedHealth Group and Medical Care

Presenter

Breanna Popelar, PharmD, MS
Assistant Director, Xcenda
"Perspectives On the Changing Healthcare Landscape: Realizing Comprehensive, Multidisciplinary, and Integrated Health and Medical Care"

Reed V. Tuckson, MD, FACP

Five Key Sources of Turbulence

1. Unsustainable Cost Escalation
2. New Era of “Consumerism” in Health
3. Escalating Chronic Disease and Challenges of Aging
4. Suboptimal Care Quality
5. Translating Innovation Into Practice
Opportunities

Let’s Get Everybody on the Same Page …

A Shared Vision

- Improve the health of the population
- Enhance the patient experience with care
  - quality
  - access
  - reliability
- Reduce the per capita cost of care

IHI.org | A resource from the Institute for Healthcare Improvement

The Triple Aim
Opportunities
A Continuously Learning Health System:

- Science, **informatics**, incentives, and care culture are aligned for continuous improvement and innovation
  - With best practices seamlessly embedded in the care process
  - Patients and families active participants in all elements
  - New knowledge captured as an integral by-product of the care experience

GOAL: “By the year 2020, ninety percent of clinical decisions will reflect the best available evidence.”

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**What To Watch In Health Care**

In 2018: Six Key Trends

Susan DeVore President and CEO Premier Inc.

Focus is on gaining **scale and/or vertical integration** for an expansion of value-based care.

Past mergers to command **greater market power**: today’s consolidation driven by the goal to integrate care delivery and achieve savings.

The most recent mega-deals all send a clear message:

- Insurers, physician groups, health systems, and retail organizations are seeking to compete as high value care and financing networks.

To ultimately succeed, they realize that they need to excel at attracting and engaging patients, families, caregivers, and consumers. **2018 will be the year of focus on patient capture, experience and engagement.**
New Delivery System Capabilities Are Necessary

- Applying analytics to improve cost, work flow, and quality opportunities
- Creating clinically integrated teams and referral networks
- Providing more outpatient clinics and offering additional access points
- Establishing preferred post-acute care systems
- Enhanced competencies
- Building physician measurement systems to assess performance
- Negotiating successful alternative payment models with public and private payers
- Collecting and integrating data

Opportunities

Harnessing the Power of Data and Analytics
Clinicians/ researchers will be provided with the tools and information necessary to drive change in their care delivery.

The Journey From ‘Providing Care’ To ‘Managing Health’

Supporting patients and providers in prevention, wellness, care coordination and disease management … especially in management of chronic disease in the ambulatory environment.
A private sector initiative to advance industry adoption of modern, open interoperability standards.

The purpose: to rapidly develop a first-generation FHIR-based API and Core Data Services specification to enable expanded information sharing for electronic health records and other health information technology based on Internet standards and architectural patterns and styles.

Motivations include:

- Support and accelerate development of market-ready, FHIR-based standards.
- Spark industry leadership of the future of interoperability.

Apple announced that it is launching a personal health record (PHR) feature with iOS 11.3, to users in Apple's iOS Developer Program. The feature, called Health Records, will aggregate existing patient-generated data in the Health app with data from a user's electronic medical record — if the user is a patient at a participating hospital.
Opportunities

Enhancing Patient/Consumer Focused Health and Medical Care Delivery

Imagine yourself sitting in your doctor’s office and she has just diagnosed you or someone you love with a serious illness.

HOW WOULD YOU FEEL?
Other than “Here’s a guaranteed cure, it’s painless, it’s instant, and it’s free,” … what could your doctor say to you to give you the most peace of mind at this scary and emotional moment of uncertainty?

How about …
“I can make a treatment recommendation informed not only by the latest clinical trials, but also by the real-world health experiences over time of every patient like you who has had this illness - - and, in turn, I can tell you with a specified range of confidence, which treatment has the greatest change of success for a patient specifically like you …”?

Focus On Each Individual: Engage the Whole Person! Assess Their Level Of Engagement And How They Want To Be Engaged

People are different and they respond to different triggers.
Opportunities

Drive **Appropriate** Innovation

What Makes Innovation Interesting?

- Replace more expensive traditional interventions

- Create new VALUE propositions: **significantly** improved performance based on new criteria
  - Optimize health outcomes at lower cost of care:
    - Per unit
    - Total episode of care: collateral and downstream costs
### What Makes Innovation Valuable?

- Make preventive and clinical care simpler and less complex to deliver: more convenient and more personal
- Move hospital care to the outpatient setting
- Move outpatient care to the home and community
- Decrease ER visits, preventable hospitalizations, length of stays and readmissions

### Evaluation Criteria

- **Efficacy:**
  - Does it *work* and does it have clinically significant advantages relative to other therapeutic alternatives to treat the same condition from a total management perspective (including associated costs)
- Does it satisfy an unmet need?
  - Is it replacement or additive
- For whom is it appropriate and under what conditions: clinical validity
- Does it change clinical management (clinical utility)
**Evaluation Criteria**

- What decisions will be made that wouldn't have been

- **Evidence**: how does it perform in real world (not theoretical research)
  - Does it decrease ER visits/hospitalizations, etc.
  - Impact on quality of life/ workplace productivity

- Which professionals should be able to use it and in what settings

- Unit cost

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"Perspectives On the Changing Healthcare Landscape: Realizing Comprehensive, Multidisciplinary, and Integrated Health and Medical Care"

Tuckson Health Connections, LLC
Reed V. Tuckson, MD, FACP – Managing Director
drreed@tucksonhealthconnections.com
Trends in Health Care: Disruptors and Opportunities

Summary of Findings

Breanna Popelar, PharmD, MS
Assistant Director, Strategic Market Access & Insights, Xcenda

AMCP Foundation

We’re at a Time of Incredible Advancements While Lacking Fundamentals of Delivering Affordable and Accessible Care

Amazing advancements

“We have Star Wars science and Flintstones delivery. Our opportunities are in the space age, but our ability to get people to care they need, it’s in the Stone Age.”
– Physician
**Objective and Approach**

Identify significant trends and best practices to assist stakeholders who interact with managed care pharmacy to better adjust to and maximize opportunities for cost-effective, affordable, integrated patient care.

- **Trends scan**: 30 trends/areas of impact
- **Thought leader working group**: 6 key trends + 2 global influencers

- Desktop research: >170 sources identified
- 20 multi-stakeholder 1:1 interviews
- Payer survey: N=70

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**6 Key Trends Identified As Well As 2 Key Global Influencers**

<table>
<thead>
<tr>
<th>Affordability and value</th>
<th>Government policy</th>
<th>Patient voice in drug development</th>
<th>Optimal health coverage</th>
<th>Aging population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile health</td>
<td>Diagnostics</td>
<td>Biosimilars</td>
<td>Preventive medicine</td>
<td>Disruptive innovators</td>
</tr>
<tr>
<td>Adherence</td>
<td>Expedited drug approval</td>
<td>Plan design</td>
<td>Health crises</td>
<td>Industry consolidation</td>
</tr>
<tr>
<td>Transparency</td>
<td>Artificial intelligence (AI)</td>
<td>Gene therapy</td>
<td>Population health management</td>
<td>Health information technology (IT)</td>
</tr>
<tr>
<td>Big data</td>
<td>Value-based contracting</td>
<td>Opioid abuse</td>
<td>Pandemics</td>
<td>Delivery system</td>
</tr>
<tr>
<td>Care coordination</td>
<td>Privacy</td>
<td>Innovative and curative therapies</td>
<td>Social determinants</td>
<td>Consumerism</td>
</tr>
</tbody>
</table>
Healthcare Mayhem Ensues: How Can We Minimize the Madness and Align Stakeholders?

- Health system
- Hospital
- Health plan
- Hospital
- Clinics
- Health plan
- Pharmacy benefit manager
- Traditional pharmacy
- Specialty pharmacy
- Integrated delivery network
- Accountable care organization
- Specialist
- Primary care physician
- Aging population
- Specialty pharmacy
- Prior authorization
- Generational shifts

Innovative Therapies Are Changing More Than Just Health Outcomes

Impact of Key Trends on the Future of Health Care (Payer Perspective)

- Extremely/Very Impactful
- Somewhat Impactful
- Not Very/Not At All Impactful

Question: How impactful do you think each of the following is to the future of health care? (N=70)

“We are just now entering this fully fledged genomic era, which will bring a whole new level of precision to care delivery but also an awful lot of challenges to be able to use these tools well.”

– Health care thought leader
Scientific Dreams Come True Are Fueling Financial Nightmares

**Question:** How challenging are the following with respect to making innovative therapies accessible? (N=67)

<table>
<thead>
<tr>
<th>Innovative and Curative Therapies</th>
<th>Extreme Challenges to Innovative Therapy Access (Percentage of Respondents, Payer Perspective)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Curative therapies</td>
<td>Cost/financing: 99%</td>
</tr>
<tr>
<td>Gene therapies</td>
<td>Other: 60%</td>
</tr>
<tr>
<td>Cell therapy</td>
<td>Timeline from bench to bedside: 39%</td>
</tr>
<tr>
<td>Precision medicine</td>
<td>Provider education: 37%</td>
</tr>
<tr>
<td>Protection of personal health information</td>
<td>Protection of personal health information: 21%</td>
</tr>
</tbody>
</table>

* Rated as extreme/very much by >50% of survey respondents.

**Other category included:** reimbursement mechanisms, consumer expectation management, and robustness/believability of data.

**Question:** What suggestions, if any, do you have for minimizing barriers and improving patient access to innovative therapies? (N=67)

**#1 Area of Focus to Improve Innovative Therapy Access (Percentage of Respondents, Payer Perspective)**

- Affordability and cost-effectiveness: 40%
- Alternative payment and reimbursement models: 21%
- Stakeholder education and engagement: 18%

“If the system as we know it changes—to discourage investment so that there is no payback for the risks that companies and individuals take [to bring innovation to market]—then [innovation] will potentially dry up, and that’s a huge challenge and a huge concern.”

– Health policy advisor

**Question:** What suggestions, if any, do you have for minimizing barriers and improving patient access to innovative therapies? (N=47)
Challenges Include Lack of Collective Responsibility, Health Care Financing, and Underlying Fee-for-Service

Top challenges in providing optimal health coverage

- **81%**: Overarching lack of collective responsibility among stakeholders
- **64%**: Health care financing based on a 12-month cycle
- **64%**: Underlying fee-for-service system

“At the core of the issue is misaligned incentives.”
– Health policy advisor

“Families lack savings to meet deductibles. They cannot access coverage that they are paying for because they cannot afford their deductible.”
– Health plan advisor

Political Uncertainties May Influence Coverage Availability, but Market Responses Can Create Opportunities

Top viable potential solutions to address health coverage design issues

- **56%**: Value-based insurance design
- **39%**: Limiting patient choice
- **34%**: Shift to high-deductible plans

Application of progressive approaches from other industries (eg, Google, Starbucks)
Innovative benefit designs
Increased member engagement
Renewed emphasis on preventive care

“We need to avoid temporary Band-Aids; we need long-term and sustainable change.”
– Health plan advisor
There Is Urgency to Address Drug Pricing

Forcing factors
- Trump Administration Blueprint and political attention
- Innovative therapy pipeline
- Rising OOP
- Impact on broader health care spending

“[The conversation around drug pricing] forces America to finally confront the fact that everybody cannot have everything all the time. And once you accept that reality, that’s a game changer.”
– Healthcare thought leader

Affordability and Value

We Have Several Things to Solve to Rein in Drug Spend

Impact Ranking of Key Factors Driving Drug Spend (Payer Perspective)

<table>
<thead>
<tr>
<th>Factor</th>
<th>Extremely/very impactful</th>
<th>Somewhat impactful</th>
<th>Not very/not at all impactful</th>
</tr>
</thead>
<tbody>
<tr>
<td>Misaligned incentives among key stakeholders</td>
<td>83%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Financial transparency and awareness</td>
<td>76%</td>
<td>21%</td>
<td>3%</td>
</tr>
<tr>
<td>Coordination of care</td>
<td>71%</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Reactive vs proactive (preventive) treatment focus</td>
<td>66%</td>
<td>27%</td>
<td>7%</td>
</tr>
<tr>
<td>Patient voice in medical decision making</td>
<td>30%</td>
<td>46%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Question: How would you rate the level of urgency with regard to addressing drug pricing and spending issues? (N=70)

Question: How impactful are each of the following elements of drug spending? (N=70)
How Do We Change the Future?

#1 Barrier (Payer Perspective)

<table>
<thead>
<tr>
<th>Barrier</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of transparency</td>
<td>43%</td>
</tr>
<tr>
<td>Pricing conversations in silos</td>
<td>26%</td>
</tr>
<tr>
<td>Lack of public demand to change care model</td>
<td>19%</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;12%</td>
</tr>
</tbody>
</table>

Viability of Potential Solutions (Payer Perspective)

<table>
<thead>
<tr>
<th>Solution</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence-based medicine</td>
<td>97%</td>
</tr>
<tr>
<td>Value-based pricing/contracting</td>
<td>96%</td>
</tr>
<tr>
<td>Patent reform</td>
<td>89%</td>
</tr>
<tr>
<td>Reimbursement ceilings</td>
<td>82%</td>
</tr>
<tr>
<td>National formulary</td>
<td>41%</td>
</tr>
</tbody>
</table>

Lack of transparency Pricing conversations in silos Lack of public demand to change care model Other

Other included market consolidation, biosimilar uptake, need to fund R&D.

Question 1: Please rank the main barriers to addressing the drug pricing and spending issue. (N=70)

Question 2: How viable are each of the following potential solutions to addressing the drug pricing and spending issue? (N=70)

Affordability and Value

Perceived Impact of Consolidation [Payer Perspective]

<table>
<thead>
<tr>
<th>Impact of Consolidation</th>
<th>View as Beneficial</th>
</tr>
</thead>
<tbody>
<tr>
<td>% rating as extremely/very impactful</td>
<td>% rating as extremely/very beneficial</td>
</tr>
<tr>
<td>Competition</td>
<td>84%</td>
</tr>
<tr>
<td>Market/buying power</td>
<td>83%</td>
</tr>
<tr>
<td>Healthcare pricing</td>
<td>83%</td>
</tr>
<tr>
<td>Patient choice</td>
<td>59%</td>
</tr>
<tr>
<td>Efficiency of delivery/ care coordination</td>
<td>51%</td>
</tr>
<tr>
<td>Access to therapy</td>
<td>46%</td>
</tr>
</tbody>
</table>

Question 1: How impactful is industry consolidation/integration on each of the following? (N=70)

Question 2: Thinking about it another way, how beneficial is industry consolidation/integration to each of the following? (N=70)
### Population Health Management

**Misaligned Incentives and Measuring Impact Were Identified as Extreme Challenges, but Possible to Overcome**

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Likelihood to overcome:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Misaligned incentives</td>
<td>Very likely: 77%</td>
</tr>
<tr>
<td>Measuring impact of intervention</td>
<td>Somewhat likely: 77%</td>
</tr>
<tr>
<td>Intervention timeframe</td>
<td>Less likely: 73%</td>
</tr>
<tr>
<td>Vetting of models</td>
<td>Very likely: 66%</td>
</tr>
<tr>
<td>Cultural/social barriers</td>
<td>Somewhat likely: 57%</td>
</tr>
<tr>
<td>Collection and analysis of data</td>
<td>Less likely: 48%</td>
</tr>
</tbody>
</table>

*Respondents ranked as very or extremely challenging with respect to population health.

**Question:** How likely do you think it is that your organization will address the following population health management challenges within the next 5 years? (N=70)

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### Expedited Drug Approval

**Efficacy and Safety Data and Cost Are Top Payer Concerns**

<table>
<thead>
<tr>
<th>Concern</th>
<th>Extremely/Very Concerning</th>
<th>Somewhat Concerning</th>
<th>Not Very/Not At All Concerning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>84%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Less efficacy data (vs therapies approved via non-accelerated pathways)</td>
<td>79%</td>
<td>19%</td>
<td>2%</td>
</tr>
<tr>
<td>Less safety data (vs therapies approved via non-accelerated pathways)</td>
<td>72%</td>
<td>26%</td>
<td>2%</td>
</tr>
<tr>
<td>Off-label use for non-orphan/rare disease indications</td>
<td>60%</td>
<td>30%</td>
<td>10%</td>
</tr>
</tbody>
</table>

*Breakthrough therapies not providing the level of data (efficacy/safety) and evidence that payers are used to receiving when evaluating new medications, thereby lessening certainty around value and expected outcomes.*

– Advisory panel member

*I don’t believe the majority of medications coming to market on this pathway are significant improvements. Most have a limited efficacy benefit and many unanswered safety issues.*

– Health plan

**Question:** How concerning are each of the following with respect to accelerated drug approval? (N=68)
Payers Believe New Technologies Provide Some Promise

Question: How valuable are each of the following with regard to accelerated drug approvals? (N=68)

- **Big data (large data sets that reveal patterns, trends, and associations)**
  - Extremely/very valuable: 50%
  - Somewhat valuable: 32%
  - Not very/not at all valuable: 18%

- **Healthcare IT (Information Technology)**
  - Extremely/very valuable: 45%
  - Somewhat valuable: 37%
  - Not very/not at all valuable: 18%

- **Healthcare AI (Artificial Intelligence)**
  - Extremely/very valuable: 30%
  - Somewhat valuable: 32%
  - Not very/not at all valuable: 38%

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Healthcare Mayhem Ensues: How Can We Minimize the Madness and Align Stakeholders?

- **Health system**
  - Hospital
  - Health plan
  - Generations

- **Epidemics**
  - Demography
  - Geography
  - Copay

- **Policy**
  - Accountable care organization
  - Integrated delivery network

- **Specialist**
  - Primary care physician
  - Specialty pharmacy

- **Pharmacy benefit manager**
  - Prior authorization
Would You Shop Like This? We Are!

Key Takeaways

1. Misalignment in incentives is the most common issue across all 6 key trends that must be addressed
2. Drug pricing is the current lightning rod, but focus should be overall healthcare spend
3. Reimbursement must evolved to handle and invest in innovation
   — Growing support for UK/German type evaluation system
4. Concern of continued consolidation with optimism about integration
5. Patients are becoming consumer – we need to be ready for it
   — Prioritize efforts to increase transparency
   — Growth health care advocates
6. Health care stakeholder need to work together to solve these issues, otherwise government intervention will increase
How to Ask a Question

Type your question in the ‘Questions’ area

With Appreciation
Thank you!

Upcoming Webinars:
www.amcp.org/calendar