



ADOPTION OF MANAGED ENTRY AGREEMENTS IN ESTABLISHED AND EMERGING MARKETS

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INTRODUCTION

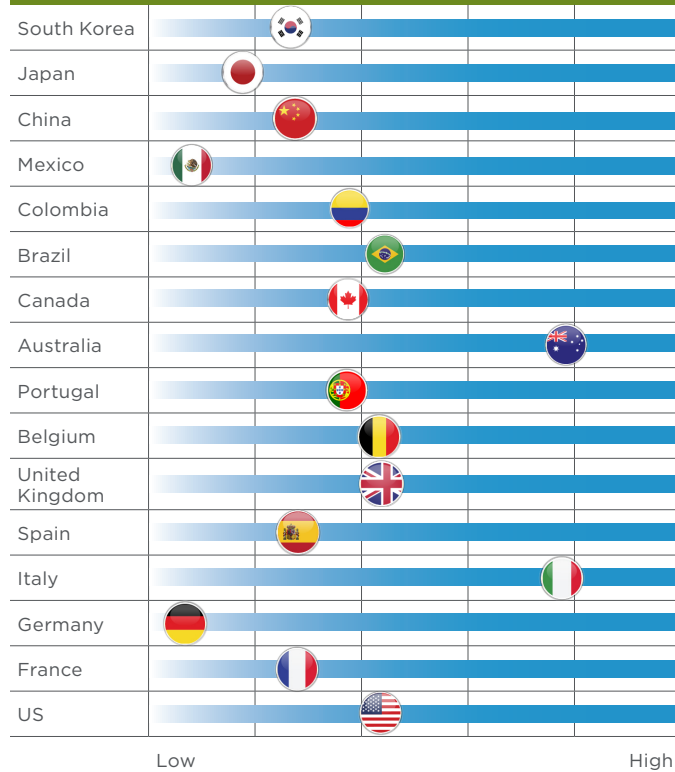
- Outcomes-based agreements that are effectively designed and implemented can benefit patients, payers, as well as manufacturers by reducing financial and health outcomes risks while improving access
- High cost, high budget impact products, for example those in the orphan and oncology spaces, may be particularly suitable for outcomes based agreements to ensure that healthcare budgets are effectively spent; innovative therapies that appear to demonstrate great promise, but for which long-term evidence is not yet available, make up another category where outcomes based agreements can be employed to provide faster access
- Countries differ in their acceptance and adoption of these agreements due to a number of logistical as well as philosophical challenges / disagreements, but more countries are now (re-)evaluating the possibility of outcomes based MEAs for new therapies
- Here we examine a number of representative countries for their experience and interest in outcomes based MEAs, their rationale for favouring vs. disfavouring such agreements, as well as what factors may drive greater adoption of outcomes based MEAs in the future

METHODOLOGY

- Non-systematic review of published literature
- Interviews and survey with payers (n=5 per country) were conducted to understand their experience, willingness and motivation in adopting outcomes-based managed entry agreements

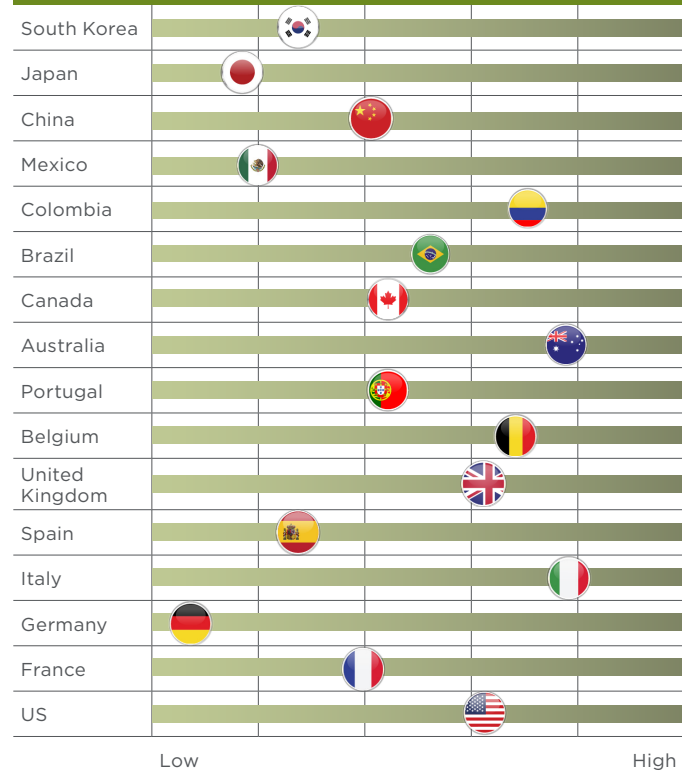
RESULTS

FIGURE 1: DEGREE OF COUNTRY-SPECIFIC EXPERIENCES WITH OUTCOMES BASED MEAs



Experience with outcomes based MEAs

FIGURE 2: DEGREE OF COUNTRY-SPECIFIC INTEREST IN OUTCOMES BASED MEAs



Interest in outcomes based MEAs

- Of a representative range of countries we sampled (Figure 1), 2 out of 16, namely Australia and Italy, already have significant experience and infrastructure in outcomes-based MEAs. Most other countries tends to have more limited examples of where outcomes based MEAs have been adopted in the past
- Going forward, 10 out of 16 expressed greater interest in negotiating them for selected high-impact products (Figure 2). Another 2, namely US and Colombia, express interest in adopting them more broadly
- This increasing interest (Figure 3) in outcomes based MEAs is at least in part driven by 1) uncertainty over benefits of new therapy, and especially importantly in US and Colombia, the 2) difficulty in controlling budget impact through other mechanisms
- In contrast, the main challenges (Figure 4) for adoption include 1) difficulty in accurately measuring outcomes and 2) lack of logistical capabilities and 3) rigidity of current framework and difficulty incorporating new processes
- Given the mainly “logistical” nature of the challenges to outcomes based MEAs, payers also anticipate that leveraging better information technology, and learning from past experiences on how to define terms of MEAs and how to engage with clinical centres, would allow for more effective agreements (Figure 5); payers highlight caution however, in the limited number and complexity of agreements they are willing to enter into at any given time
- Specifically for APAC, although Australia is a leader in the adoption of MEAs, most other Asian countries are lagging behind in both experience and level of interest. This represents a potential opportunity for the health systems in these countries to consider alternative reimbursement mechanism in the future, as their reimbursement and health care delivery systems become more mature

FIGURE 3: RATIONALE FOR ADOPTING OUTCOMES BASED MEAs

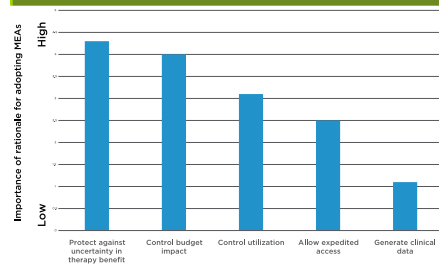


FIGURE 4: RATIONALE FOR NOT ADOPTING OUTCOMES BASED MEAs

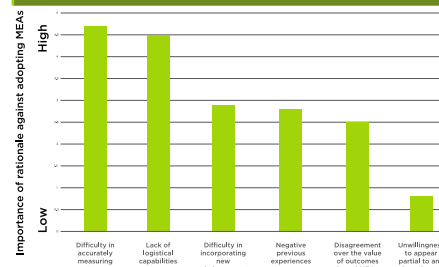
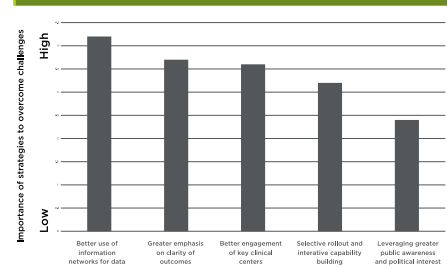


FIGURE 5: IMPORTANCE OF STRATEGIES TO IMPROVE EFFECTIVENESS OF OUTCOMES BASED MEAs



CONCLUSIONS

- With increasing number of high cost drugs as well as advances in information technology, payers are examining and in some cases re-examining the opportunities that outcomes-based managed entry agreements can bring. Collaboration among different stakeholders would be necessary to realize the full potential of managed entry agreements in providing better access and patient management