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## HOW ARE US PAYERS USING EMERGING PHARMACEUTICAL VALUE FRAMEWORKS?

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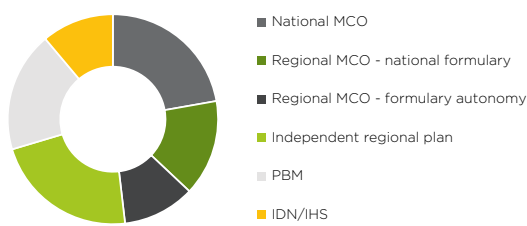
### BACKGROUND

- There is an acceleration and proliferation of new pharmaceutical innovation that is being introduced at premium prices. At the same time, payers and providers in the United States (US) face growing pressure to manage healthcare budgets and value-based decision-making is top-of-mind.
- Several provider groups, medical societies and policy entrepreneurs have recently proposed novel frameworks for assessing and comparing both therapeutic and economic value. This research explores the ways in which these frameworks are or may be used by health care payers in the future to manage access to new pharmaceutical innovation in the US.

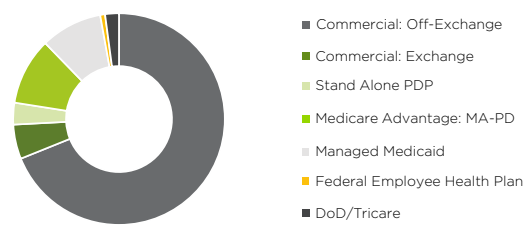
### METHODOLOGY

- Primary Research:** Rapid web survey of US health care payers (N=27) responsible for pharmacy benefit management. Survey instrument designed to explore use of emerging value frameworks at the plan level: (1) awareness, (2) current and future (5 year) use, (3) catalysts and barriers to adoption, (4) differences by type of pharmaceutical, (5) opinions on disruptive impact to the industry.
- Sample Design:** Respondents represented managed care organizations (MCO), pharmacy benefit managers (PBM), and integrated payer/provider systems (IPPS) covering 107mn lives in total with a pharmacy benefit (excluding PBMs). N=19 identified as Pharmacy Director; 8 as Medical Director.

Organizations Represented



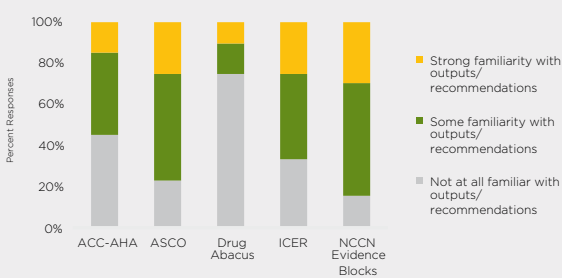
Lives Represented



### RESULTS

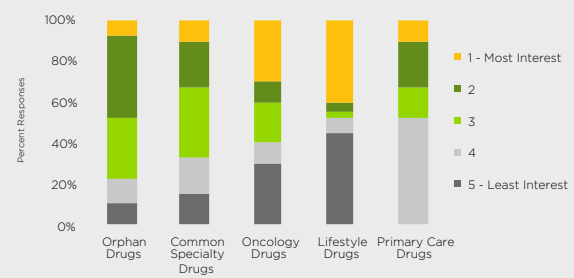
#### PRIMARY RESEARCH RESULTS

Figure 1. Familiarity with the outputs of value frameworks



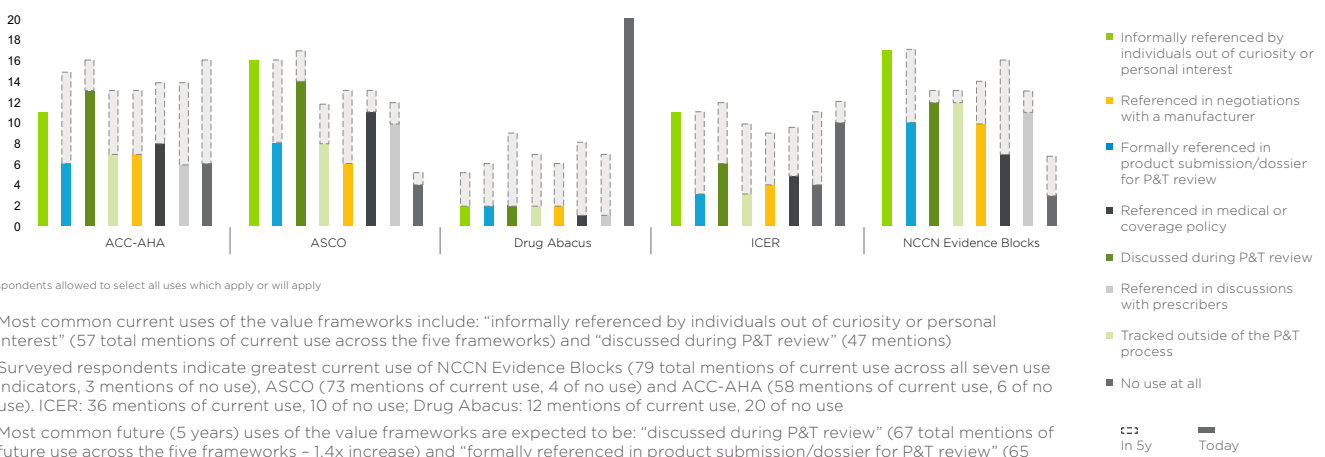
- More than half of surveyed respondents are familiar with the outputs of all of the frameworks except Drug Abacus (74% "not at all" familiar); though most who are familiar with the frameworks indicate only "some" familiarity rather than "strong" familiarity
- There is broadest familiarity with NCCN Evidence Blocks (85% have "some" or "strong" familiarity), ASCO (78%) and ICER (75%)

Figure 2. Interest in value frameworks by type of pharmaceutical



- Among surveyed respondents, there is most interest in applying value frameworks for orphan drugs (78% rank within top three of five), common specialty drugs (67%) and oncology drugs (59%)
- There is a bimodal distribution of interest in applying external value frameworks for lifestyle drugs (41% rank as most interest; 44% rank as least interest)

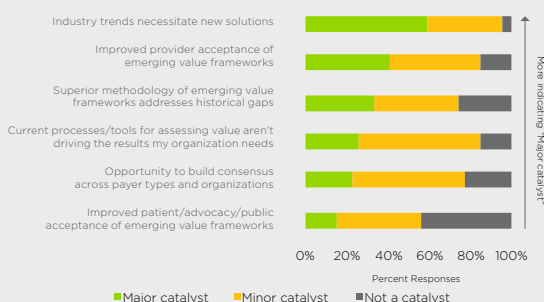
Figure 3. Current and anticipated future (5 year) uses or applications of value frameworks



\*Respondents allowed to select all uses which apply or will apply

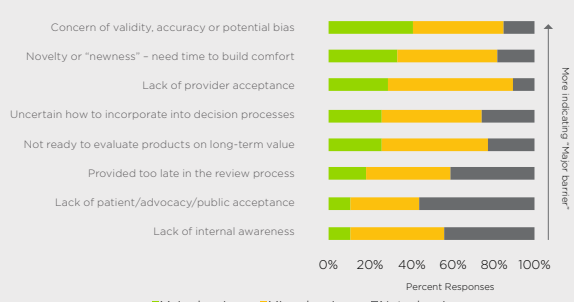
- Most common current uses of the value frameworks include: "informally referenced by individuals out of curiosity or personal interest" (57 total mentions of current use across the five frameworks) and "discussed during P&T review" (47 mentions)
- Surveyed respondents indicate greatest current use of NCCN Evidence Blocks (79 total mentions of current use across all seven use indicators, 3 mentions of no use), ASCO (73 mentions of current use, 4 of no use) and ACC-AHA (58 mentions of current use, 6 of no use). ICER: 36 mentions of current use, 10 of no use; Drug Abacus: 12 mentions of current use, 20 of no use
- Most common future (5 years) uses of the value frameworks are expected to be: "discussed during P&T review" (67 total mentions of future use across the five frameworks - 1.4x increase) and "formally referenced in product submission/dossier for P&T review" (65 mentions - 2.2x increase)
- Surveyed respondents expect to use all of the value frameworks more widely in the future. Number of mentions for all use indicators are 1.5-2x higher relative to present

Figure 4. Catalysts for use or adoption



- Major catalysts for use/adoption include industry trends, improving provider acceptance and methodologies for assessing value

Figure 5. Barriers for use or adoption



- Major barriers for use/adoption include concern of validity, accuracy or bias, "newness," and lack of provider acceptance (although growing)

### CONCLUSIONS

- Given the current environment, healthcare stakeholders are eager for tools that inform and lend credibility to value-based decision-making.
- There is growing appetite to adopt emerging value frameworks by those managing access to high-cost therapeutics; the impact of catalysts to adoption are greater than barriers as surveyed respondents expect to use all of the value frameworks more widely in the future.
- For manufacturers that seek to achieve and protect patient access to pharmaceutical innovation, a clear imperative exists to ensure that evidence generation programs and messaging optimally position the product for assessment by emerging value frameworks.