BACKGROUND

- The healthcare landscape in the US has been undergoing a paradigm shift from its volume-based reimbursement model to a value-based reimbursement model.

- Many anecdotal reports have been published regarding the activity of payers and manufacturers engaging in outcomes-based contracting (OBC).

- The promise of OBC is high, and the enthusiasm for it has grown; however, the actual uptake has been mixed and difficult to understand.

- Additionally, there is a dearth of research that has systematically explored the current value-based contracting landscape and managed care payers’ perceptions toward these types of contracts.

OBJECTIVE

- The objectives of this study were to examine the current activity of OBC in the USA, including prevalence, design, therapeutic areas of focus, clinical and non-clinical measures, patient adherence, and reimbursement mechanisms.

- To assess the level of interest among payers in implementing OBC initiatives by therapeutic areas.

METHODS

- An online national survey was conducted with 30 pharmacy directors who were part of a pharmacy and therapeutic committee at a managed care organization or pharmacy benefit management organization.

- All respondents were responsible for making new drug formulary coverage decisions and were steering or advising their P&T on such committees.

- The respondents are members of the MME proprietary payer panel.

- The survey was initiated on March 28, 2017, and data collection was completed on April 17, 2017.

- The survey took about 30 minutes to complete, and respondents received an honorarium for participation and completion of the survey.

RESULTS

- Respondents reported managing a total of over 200 million lives. Of these, 77% were Commercial lives, 15% Medicare, and 8% Medicaid lives (Figure 1).

- Payers’ experience negotiating OBCs with pharmaceutical manufacturers was variable. A majority of payers (55%) reported either 75% or more of their OBC agreements were based on clinical outcomes, resource utilization, or are guarantee-based; 26% had negotiated but had not reached agreement; 19% had negotiated and had not discussed agreement; and 2% had never discussed agreement.

- Most payers reported it to be too early to evaluate satisfaction with these contracts, whereas 25% reported minimal satisfaction (Figure 2).

- Payers indicated multiple levels of barriers to the implementation of OBC, with the largest being access to data, unwillingness of manufacturers to accept a high enough level of risk, and willingness of manufacturers to accept risk (Figure 3).

- Results indicate that OBC is still in the early stages, with most payers being exposed, interested, and still negotiating with manufacturers to implement OBC initiatives (Figure 4).