

# AHEAD OF THE CURVE



## Top 10 Emerging Health Care Trends:

Implications for Patients, Providers, Payers  
and Pharmaceuticals



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This collaborative project between the AMCP Foundation and Pfizer is designed to systematically identify and assess current and emerging trends that impact how patient care provided by managed care pharmacy is viewed and accepted by the health care system. With growing recognition of the need to integrate medical and pharmaceutical patient care, the trends in the AHEAD OF THE CURVE report will likely impact broad sectors of the health care economy and delivery system. As such, the report is available to the public and intended to serve as a comprehensive resource for managed care provider organizations, health care payers, policy makers and other stakeholders engaged in patient care and research.

On behalf of the AMCP Foundation, research and report development was conducted by IMS Health, including contributions from Isabella Chow, Prina Donga, Stacey Kowal and Julie Munakata.

# Executive Summary

The United States (US) health care system is in a state of change. The Patient Protection and Affordable Care Act (ACA) placed the “Triple Aim” of health care transformation center stage, emphasizing the importance of (1) improving patient satisfaction and quality of care; (2) improved population health; and (3) affordability. Health care stakeholders across the US are increasingly asked to do more with less as the costs of health care escalate alongside growing requirements for improved patient outcomes. Stakeholders need to proactively prepare for the impact of these changes to ensure a continued emphasis on high-quality patient care and health outcomes. The Academy of Managed Care Pharmacy (AMCP) Foundation has undertaken a major research initiative to identify and assess the impact of the rapidly changing dynamics in the US health care system. This report outlines the top 10 emerging health care trends expected to have a significant impact on managed care pharmacy organizations in the next five years. The assessments from this report also provide real-world insights on key health policy priorities relevant to broader health care stakeholders, ranging from patients to providers to manufacturers.

The findings for each emerging trend emphasize that health care provision and disease management in the US takes place within an interdependent system. Many of these emerging trends are heavily interconnected and their impact across stakeholders should be viewed in an aggregate manner.

The following are the top 10 emerging health care trends expected to have an impact on managed care pharmacy organizations over the next five years:

## 1. Migration from fee-for-service to new provider payment models

Increased cost pressures are driving payment models away from fee-for-service (FFS) approaches to those that better align incentives for cost control and high-quality patient care.

## 2. Consolidation of health care stakeholders

Marketplace competition and payment uncertainty are fueling stakeholder consolidation, standardizing decisions on care practices and pharmaceutical coverage and creating opportunities to evolve patient care practices.

## 3. Widespread use of data and analytics in patient care

The application of data and analytics to patient care provides novel opportunities for improving care effectiveness and efficiency. Still, the full potential for data-driven insights to revolutionize care is hampered by current data limitations, a lack of a robust business model for interoperable data exchange across organizations, and broader organizational barriers that require coordinated solutions across stakeholders.

#### 4. Spending and utilization for specialty pharmaceuticals

Current trends in increased utilization and spending for specialty medicines are expected to continue, placing burdens on payers and manufacturers to develop novel approaches to formulary design and pricing practices that ensure patient access in the midst of uncertainty on the biosimilars market and rapid innovation in personalized medicine.

#### 5. Medicaid expansion due to health care reform

Medicaid expansion will shift a larger portion of economic risk from the government to payers and providers, increasing cost pressures across stakeholders and driving the creation of new, innovative models for care delivery and use of new tactics to improve efficiency while maintaining quality.

#### 6. Migration to value-oriented health care marketplace

Value-based models for benefit design and provider reimbursement are emerging as new approaches to balancing care quality and cost by incentivizing use of optimal services. However, a consistent definition of value and benchmark metrics for tracking value must be developed to ensure the long-term success of value-oriented models.

#### 7. Growth and performance of accountable care organizations

The accountable care organization (ACO) model is expanding under the expectation that its integrated

delivery design and dual focus on care coordination and cost outcomes can drive care efficiency. Yet, the long-term success of the ACO model will require investments in data infrastructure and analytics and a willingness among providers and payers to continually evolve new models of care.

#### 8. Role of technology in patient engagement

New technologies will empower patients and providers to enhance practices for managing and coordinating health care. Effective widespread use of new technology tools may require increased data transparency, patient education, and coordination of tools across the growing range of technology options.

#### 9. Increasing patient cost sharing

Employers and managed care plans are increasing patient cost sharing in an effort to curtail costs and incentivize patient involvement. However, without proper design, monitoring, and patient empowerment, cost sharing practices may reach a tipping point where financial incentives move beyond driving engagement to negatively impact access and adherence.

#### 10. Health care everywhere

With the increasing availability of tools and mobile applications, new avenues for patient engagement and new health care delivery roles are emerging. The location of care is shifting from hospital to home and the focus on improving patient health and well-being is increasingly becoming a community-wide effort.

To prepare for these emerging health care trends, various stakeholders will need to generate novel solutions to improve patient metrics and tracking, enhance patient engagement and find approaches that can drive accountability, curtail costs, and incentivize quality. At present, public and private payers, as well as many market leading or disrupting providers, are setting the pace and direction of change for many of these emerging trends. As payment and reimbursement practices evolve to promote care efficiency and encourage accountability, affected stakeholders will react and advance new changes that will shape the future of US health care. The emerging importance of new health care technologies and patient data and analytics is ubiquitous across the health care system. As stakeholders support their role in achieving the “Triple Aim” (population health, patient experience of care, per capita cost) of health care, their toolkit for managing and harnessing change will increasingly include data-driven insights and novel technologies to drive improvements in care efficiency and patient outcomes.

The next five years are expected to signal significant advances in the movement towards a system where holistic care for the patient sits center stage, accountability is shared across stakeholders and value becomes the core currency of the health care marketplace.

#### List of Acronyms

Abbreviation	Description
ACA	Affordable Care Act
ACO	Accountable Care Organization
AMCP	Academy of Managed Care Pharmacy
ASCO	American Society of Clinical Oncology
CBO	Congressional Budget Office
CMS	Centers for Medicare & Medicaid Services
EBM	Evidence-Based Medicine
EHR	Electronic Health Record
FDA	Food and Drug Administration
FFS	Fee-For-Service
HDHP	High-Deductible Health Plan
HEDIS	Health care Effectiveness Data and Information Set
HMO	Health Maintenance Organization
HIT	Health Information Technology
IDN	Integrated Delivery Network
PBM	Pharmacy Benefit Manager
QALY	Quality-Adjusted Life Year
UK	United Kingdom
US	United States

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### **About the AMCP Foundation:**

The AMCP Foundation, a 501(c)3 nonprofit corporation, is a research, education and philanthropic organization supporting the Academy of Managed Care Pharmacy (AMCP). Established in 1990 as the Foundation for Managed Care Pharmacy, the AMCP Foundation was created to support the research and education agenda of AMCP. The Foundation exists to advance collective knowledge and insights on major issues associated with the practice of pharmacy in managed health care settings.



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