

Trends in Health Care:

DISRUPTORS AND OPPORTUNITIES

Academy of Managed Care Pharmacy Foundation

8th ANNUAL RESEARCH SYMPOSIUM

Highlights Webinar • DECEMBER 5, 2018

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8th ANNUAL RESEARCH SYMPOSIUM

Moderator



Laura E. Happe, PharmD, MPH
Editor-in-Chief, *JMCP*

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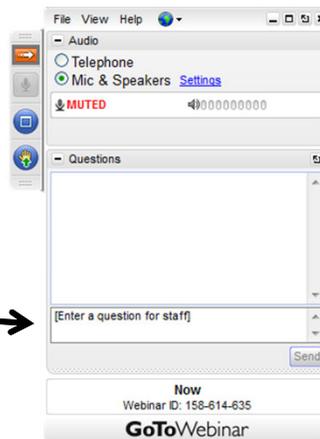
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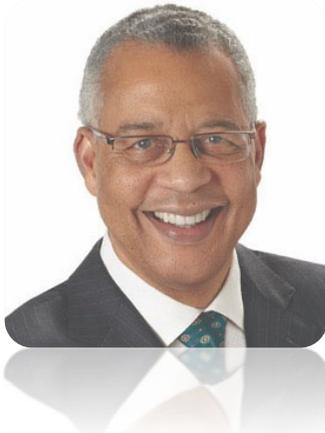


How to Ask a Question

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

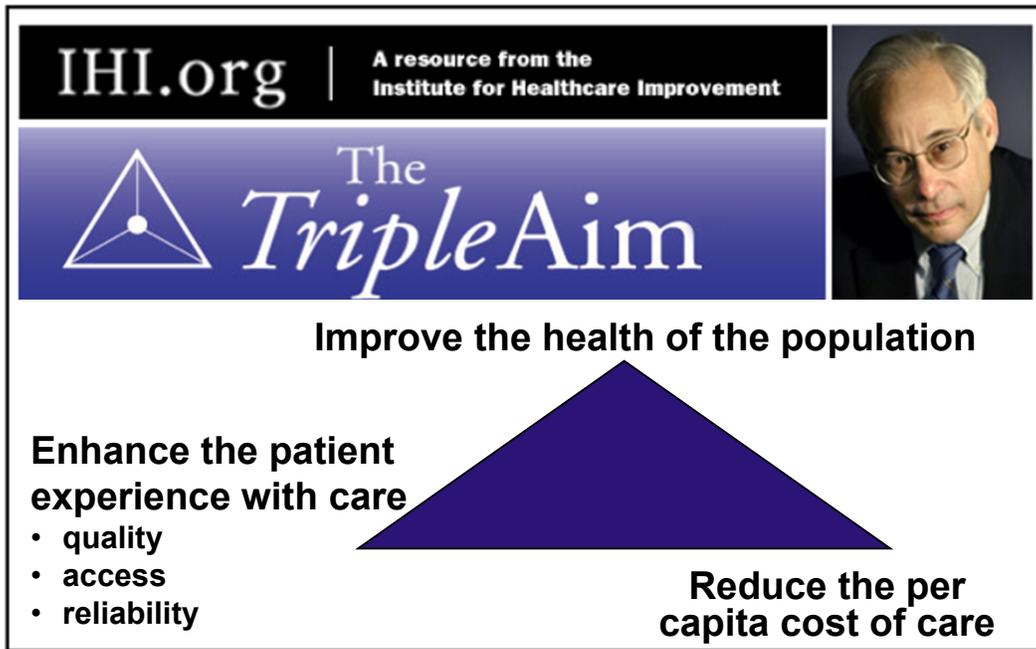
Five Key Sources of Turbulence

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



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

The
Triple Aim

Improve the health of the population

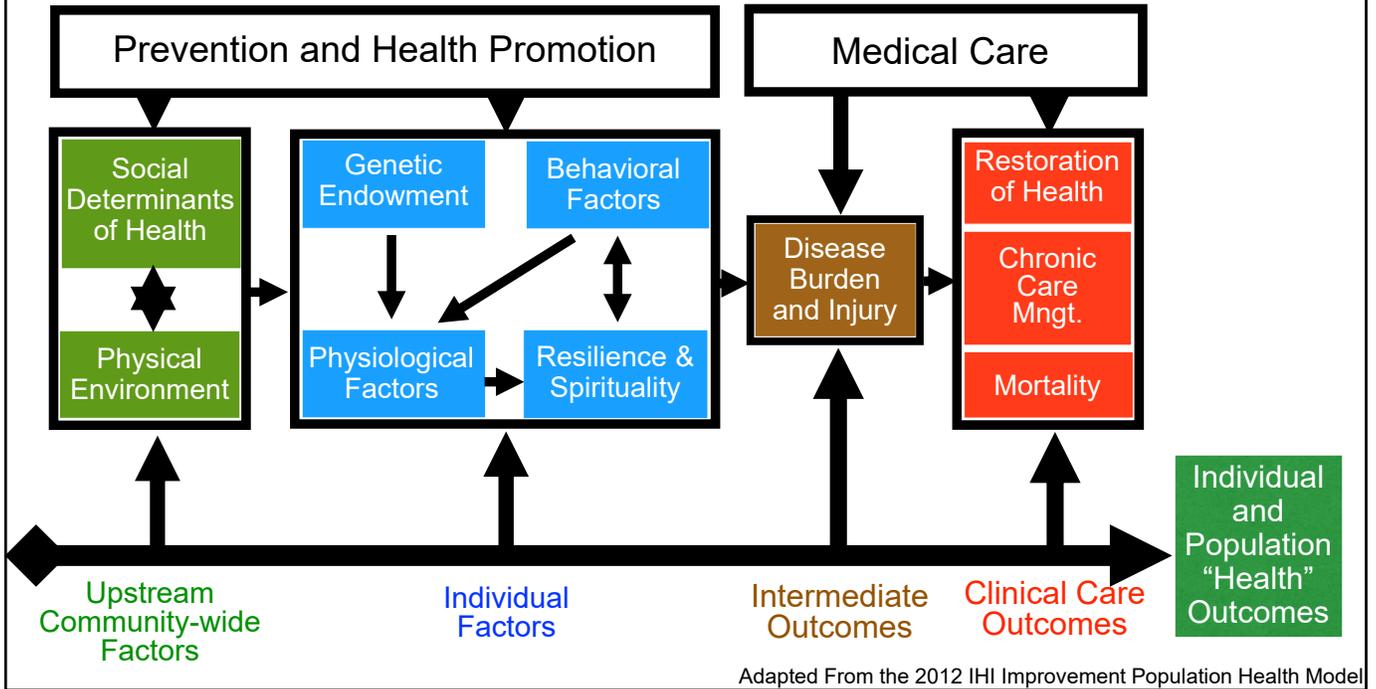
Enhance the patient
experience with care

- quality
- access
- reliability

Reduce the per
capita cost of care

The graphic features a large purple triangle pointing upwards, with the three aims of the Triple Aim positioned at its vertices. The top vertex is labeled 'Improve the health of the population', the bottom-left vertex is labeled 'Enhance the patient experience with care' with a bulleted list of 'quality', 'access', and 'reliability', and the bottom-right vertex is labeled 'Reduce the per capita cost of care'. The IHI.org logo and 'The Triple Aim' text are positioned above the triangle, and a portrait of a man in a suit and glasses is in the top right corner.

A Comprehensive Patient/Population Health Model



Opportunities

G hdyhu | #V | vwhp #Wudqviryw dwtq

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.”

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

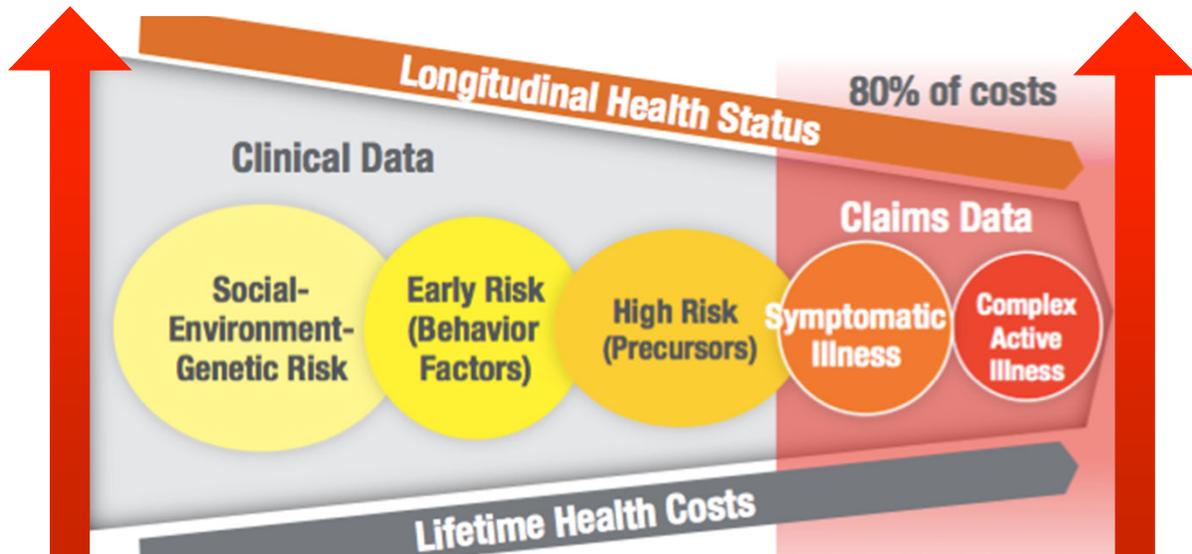
Harnessing the Power of
Data and Analytics

IMPROVING PERFORMANCE:
ACTIONABLE INFORMATION THAT CONNECTS
 THE PIECES OF THE FRAGMENTED SYSTEM



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.**

Healthcare IT News

Apple to launch Health Records app with HL7's FHIR specifications at 12 hospitals

At launch, Apple is working with Penn Medicine, Cedars-Sinai in Los Angeles, Johns Hopkins, Geisinger Health System and others across the country.

By [Jonah Comstock](#) | January 24, 2018 | 11:23 AM

Modern
Healthcare

Patients pave the way for interoperability



A screenshot of Apple's personal health record feature with iOS 11.3.

[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**



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



"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

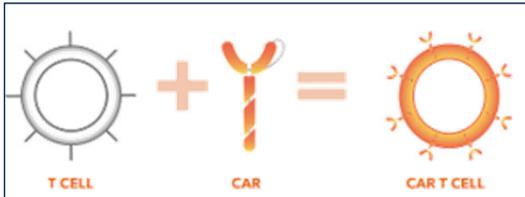
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We're at a Time of Incredible Advancements While Lacking
Fundamentals of Delivering Affordable and Accessible Care

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

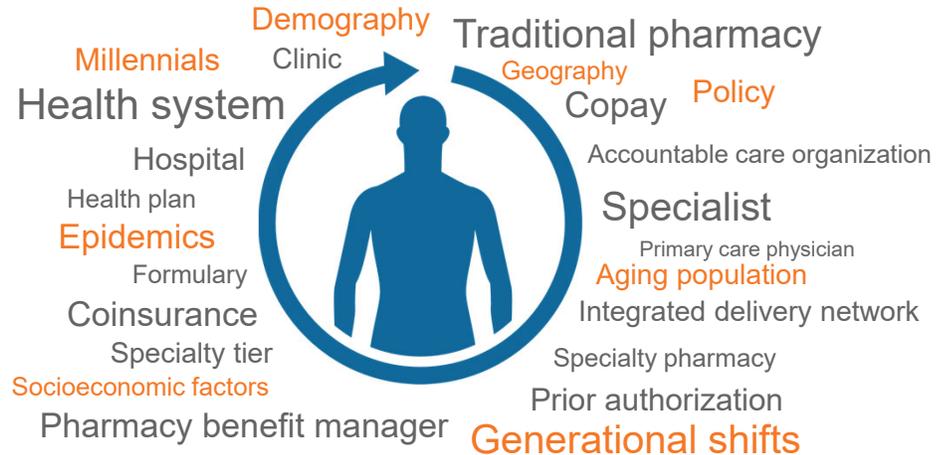
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6 Key Trends Identified As Well As 2 Key Global Influencers

Affordability and value	Government policy	Patient voice in drug development	Optimal health coverage	Aging population
Mobile health	Diagnostics	Biosimilars	Preventive medicine	Disruptive innovators
Adherence	Expedited drug approval	Plan design	Health crises	Industry consolidation
Transparency	Artificial intelligence (AI)	Gene therapy	Population health management	Health information technology (IT)
Big data	Value-based contracting	Opioid abuse	Pandemics	Delivery system
Care coordination	Privacy	Innovative and curative therapies	Social determinants	Consumerism

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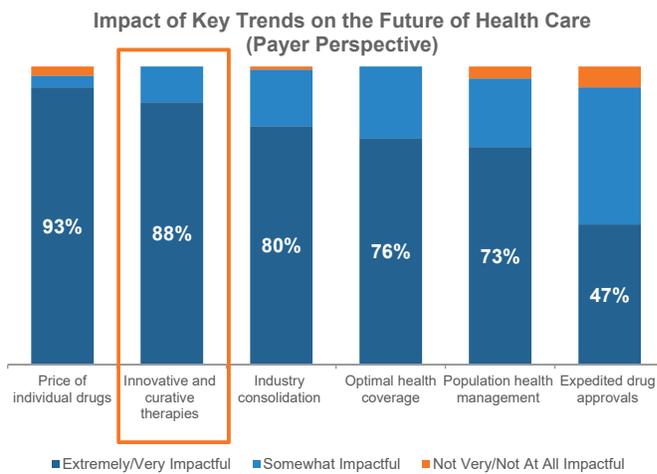
Healthcare Mayhem Ensues: How Can We Minimize the Madness and Align Stakeholders?



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Innovative and Curative Therapies

Innovative Therapies Are Changing More Than Just Health Outcomes



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."

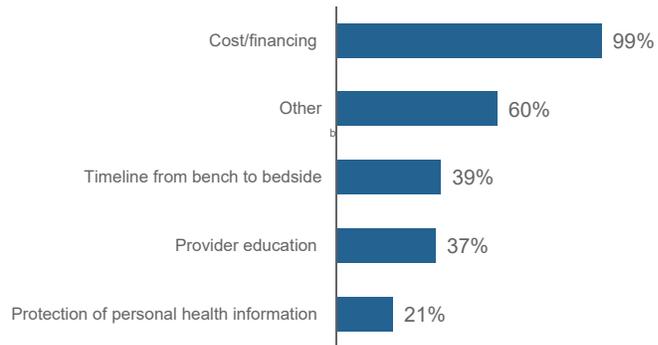
– Health care thought leader

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Scientific Dreams Come True Are Fueling Financial Nightmares



Extreme Challenges to Innovative Therapy Access (Percentage of Respondents, Payer Perspective)^a

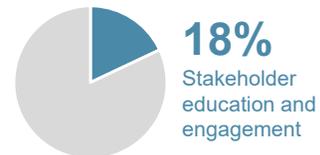
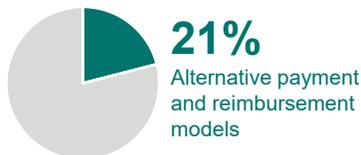
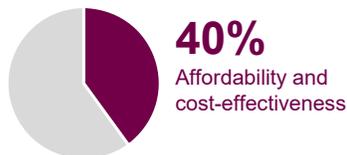


^a Rated as extreme/very much by >50% of survey respondents.

^b Other category included: reimbursement mechanisms, consumer expectation management, and robustness/believability of data.
Question: How challenging are the following with respect to making innovative therapies accessible? (N=67)

Good Problems Still Require Solutions: How Do We Improve Access While Preserving Incentives to Innovate?

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



“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=67)

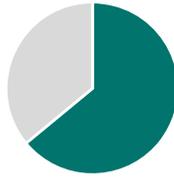
Optimal Health Coverage

Challenges Include Lack of Collective Responsibility, Health Care Financing, and Underlying Fee-for-Service

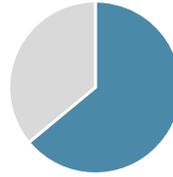
Top challenges in providing optimal health coverage^a



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

^a Rated as extremely/very challenging.
Question: How challenging are each of the following with respect to providing optimal health coverage? (N=70)

Optimal Health Coverage

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



56%
Value-based insurance design



39%
Limiting patient choice



34%
Shift to high-deductible plans

Top viable potential solutions to address health coverage design issues^a

Application of progressive approaches from other industries (eg, Google, Starbucks)

Innovative benefit designs

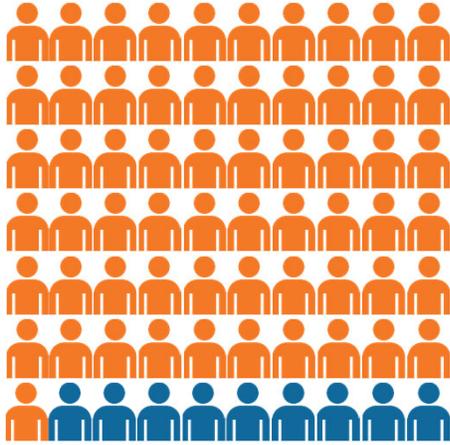
Increased member engagement

Renewed emphasis on preventive care

“We need to avoid temporary Band-Aids; we need long-term and sustainable change.”
– Health plan advisor

^a Rated as extremely/very viable.
Question: How viable are the following potential solutions to addressing health coverage design issues? (N=70)

There Is Urgency to Address Drug Pricing



Very urgent Somewhat urgent

Forcing factors

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

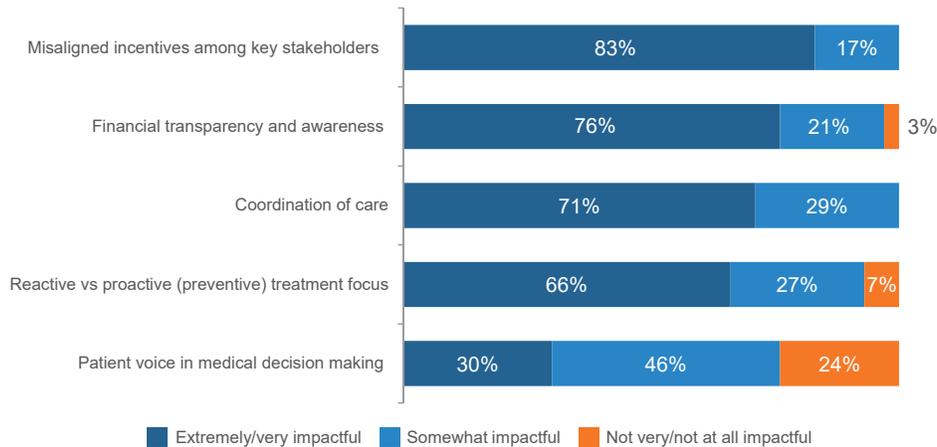
"[The conversation around drug pricing] forces America to finally confront the fact that everybody cannot have everything all the time. And once you accept that reality, that's a game changer."

– Healthcare thought leader

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

We Have Several Things to Solve to Rein in Drug Spend

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

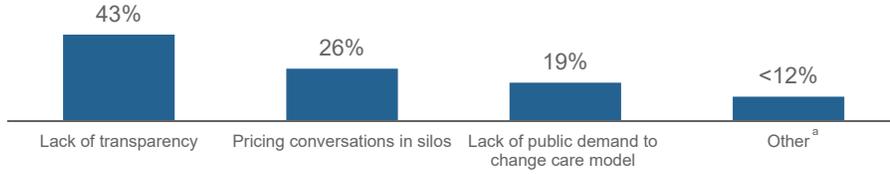


Question: How impactful are each of the following elements of drug spending? (N=70)

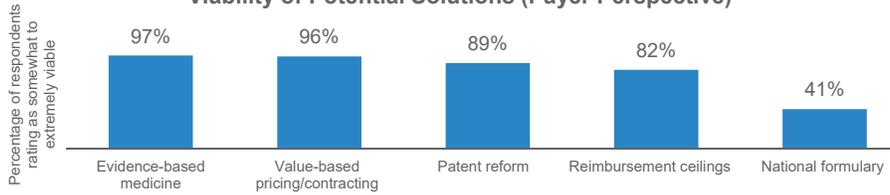
Affordability and Value

How Do We Change the Future?

#1 Barrier (Payer Perspective)



Viability of Potential Solutions (Payer Perspective)



^a 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)

Industry Consolidation

Perceived Impact of Consolidation [Payer Perspective]

Impact of Consolidation

% rating as extremely/very impactful

- Competition | **84%**
- Market/buying power | **83%**
- Healthcare pricing | **83%**
- Patient choice | **59%**
- Efficiency of delivery/care coordination | **51%**
- Access to therapy | **46%**

View as Beneficial

% rating as extremely/very beneficial

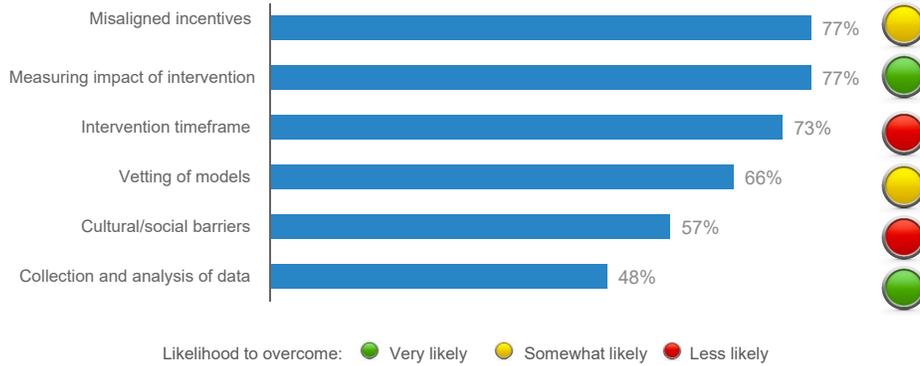
- Competition | **19%**
- Market/buying power | **64%**
- Healthcare pricing | **34%**
- Patient choice | **9%**
- Efficiency of delivery/care coordination | **46%**
- Access to therapy | **24%**

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

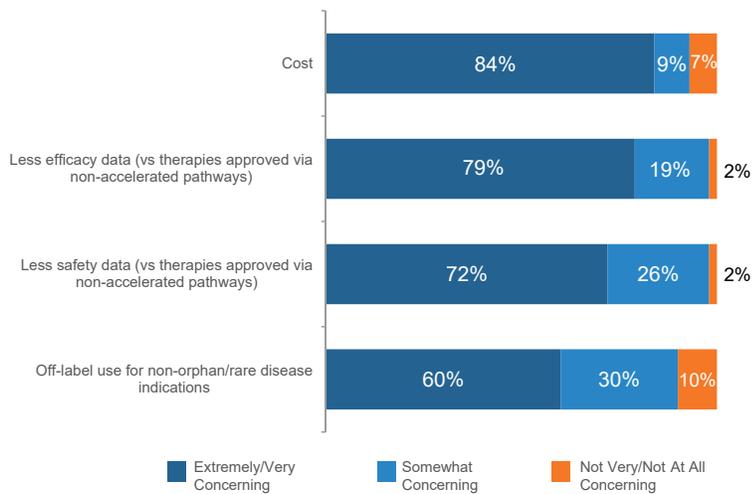
Extreme Challenges to Achieving Population Health
(Percentage of Respondents, Payer Perspective)^a



^a 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)

Expedited Drug Approval

Efficacy and Safety Data and Cost Are Top Payer Concerns

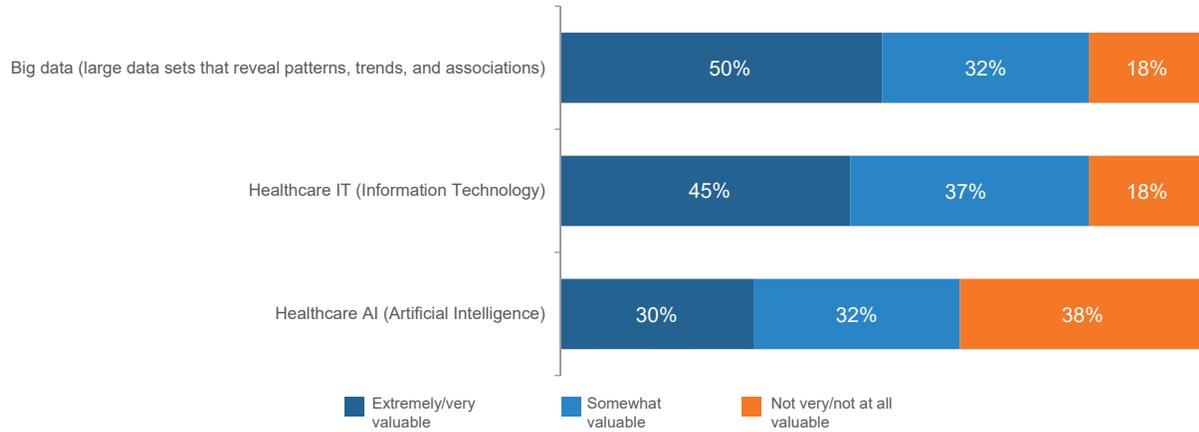


“Breakthrough therapies not providing the level of data (efficacy/safety) and evidence that payers are used to receiving when evaluating new medications, thereby lessening certainty around value and expected outcomes.”
– Advisory panel member

“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

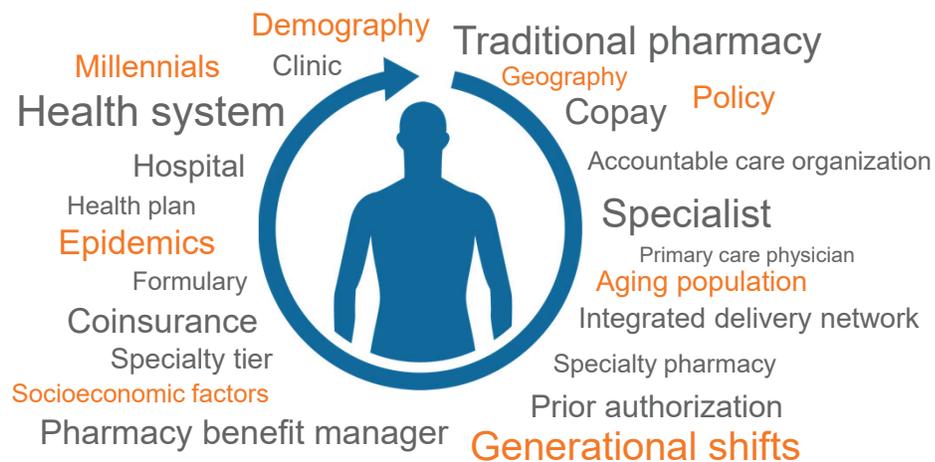
Question: How concerning are each of the following with respect to accelerated drug approval? (N=68)

Payers Believe New Technologies Provide Some Promise



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

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



Would You Shop Like This? We Are!



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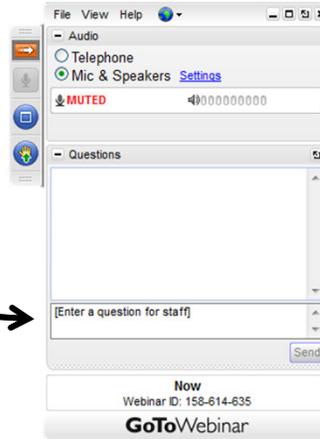
Key Takeaways

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 evolve 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

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How to Ask a Question

Type your question in the 'Questions' area



With Appreciation



Thank you!

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