Worth It?

VALUE & VALUATION
IN TODAY'S
HEALTH CARE SYSTEM

HEALTH POLICY LEADERSHIP RETREAT

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IfPA | Institute for Patient Access

AfPA Alliance for Patient Access

What's the value of a trusting relationship with a good doctor?

A life-altering medication?

Choices among treatment options?

These and other topical questions took center stage at the *Alliance for Patient Access* and *Institute for Patient Access'* first-ever health policy leadership retreat, held November 2-3 in San Diego.

Entitled, "Worth it?," the two-day event combined expert panel discussions, case study analysis and brainstorming sessions to examine value and valuation in today's health care system. Attendees included physician members of the Alliance for Patient Access, as well as patient advocates and other stakeholders.

"While we may be exploring hypothetical situations or talking about policies through a theoretical lens, we cannot forget: ***These issues affect real people.***"

Brian Kennedy,
AfPA Executive Director

Who Values the Physician Voice?

The event kicked off with an exploration of the physician-patient relationship, led by AfPA Chairman **David Charles, MD.**

From policies that push physicians to squeeze in as many patients a day as possible, to electronic medical record systems that put a screen between a physician and patient, members agreed: Institutional pressures and day-to-day logistics can strain the physician-patient relationship.

Several acknowledged the impact of health plans' utilization management – requirements like prior authorization or fail first, which impose more paperwork on the physician's office and can delay physician-prescribed care.

"We still help patients but now there's an added focus on external factors such as patient flow and paperwork," one physician explained.

But the group was firm: **Despite added pressures, the physician-patient relationship remains a cornerstone of quality health care.**

As Dr. Charles pointed out, a strong physician-patient relationship means patients:

- Are more likely to take medication as prescribed
- Are more likely to make recommended lifestyle changes such as exercise or quitting smoking
- Experience lower ER rates
- Have better mental health.

There are also less tangible, but equally valuable, benefits. "Statistics don't tell the whole story," one physician insisted. "How do you quantify the value of a 10-year relationship with a patient?" he asked, adding "That's hard."

Dr. Charles charged the group with advocating for a health care system that protects and reveres the physician-patient relationship.

Searching for Value

A panel discussion entitled “Searching for Value,” explored the topic of value and valuation.

The Pink Sheet’s **Nielsen Hobbs** moderated the conversation, which included **Clara Soh, MPA,** of *Avalere Health* and **Mark Linthicum, MPP,** of the *Innovation and Value Initiative.*

Challenges are high. Clara Soh called current valuation tools “blunt instruments,” noting that value is “very different depending upon who you are.” Mark Linthicum echoed her assessment. In the absence of real value assessments, most current data are more accurately “coverage decisions and access decisions based on cost management.”

On the topic of the Institute for Clinical and Economic Review, panelists offered targeted criticism. Linthicum observed that ICER's findings "defend coverage decisions rather than support access." Clara Soh called it **"economic malpractice" to conduct a valuation of a product before having all necessary information.**

Though ICER cites guidelines from the U.S. Preventive Services Task Force, the two differ in an important way. “Whereas the guidelines would say, ‘We’re missing information,’” Soh explained, “ICER just says ‘We’re going to take information from a different source or patient population.’”

A better approach would incorporate diverse perspectives – data beyond just clinical trials. That might include quality-of-life issues such as a condition’s burden on both the patient and the patient’s caregiver.

Valuations, the group agreed, should inform patient and physicians' decisions – not make their decisions for them.

Footing the Bill

An afternoon panel explored the challenges of "Footing the Bill."

The *Alliance for Patient Access'* **Susan Hepworth** moderated the panel, arguing that the high price of drugs suggests the current pricing system doesn't work. Panelists **Wayne Winegarden, PhD,** of the *Pacific Research Institute* and **Mike Ybarra, MD,** of *PhRMA* agreed.

Part of the problem is the convoluted nature of the rebate system. "The price you hear about in the news isn't actually the price that's being paid," Winegarden explained, noting, "'How much do drugs cost?' We should be able to answer that question, but we can't."

Pharmacy benefit managers, who consistently push for higher rebates, can create problems of their own, Dr. Ybarra noted. He alluded to rebates on insulin being as high as 70 percent of the drug's price.

The problem? Some patients' out-of-pocket is based on the drug's list price. Co-pay assistance from manufacturers can help, but co-pay accumulators are making even that process complicated.

Part of the challenge may be the approach to drug pricing. Prescription drug spending is only part of the picture, Winegarden explained. What matters is "total health care spend," he argued, adding **"If you spend more in one area but drive down costs overall, then it's a win."**

What *is* working? Competition, argued Dr. Ybarra. He added, "Negotiation does happen in the health care system," but noted that, "if the patient isn't benefitting, then it isn't worth it."

Participants agreed that, as with valuation, pricing should be an exercise that welcomes input from diverse stakeholders.

Key Takeaways: Value Principles

Designed both to engage organizational leaders and to distill principles to guide AfPA's thought leadership, the retreat discussion revealed three core principles.

PILLAR 1: The Physician-Patient Relationship

Trust yields better health outcomes. A strong physician-patient relationship boosts healthy behaviors and improves adherence to treatment.

The physician-patient relationship encourages patient-centered care. Knowing one's patient is the first step in directing a unique course of care.

Policies should reinforce the physician-patient relationship. Physicians should be allowed the time to cultivate a relationship with their patients – and rewarded when that relationship generates positive health outcomes.

PILLAR 2: Value

All stakeholders deserve a voice. Determining consensus on the value of a medication or medical intervention requires input from patients, health care providers, payers and manufacturers.

Valuation is not a one-size-fits-all endeavor. Valuation should consider a medicine's effectiveness, patient satisfaction and development costs, as well as the burden of the disease it treats. Valuation must be contextualized, because value varies based on patients' unique circumstances.

Valuation should not dictate coverage. Findings should instead inform physician-patient decision making and professional society guidelines.

PILLAR 3: Access

Pricing should prioritize access. Manufacturers' pricing process should include input from all stakeholders, including physicians, patients and payers.

Society shares both benefits and risks. Expensive advanced therapies, such as biologics, offer a societal benefit. All stakeholders – including manufacturers, payers, patients and broader society – should help shoulder the cost burden.

Utilization management should not undermine patient access. Health plans should instead use these protocols in a manner that reflects consensus valuations and respects physician-patient decision making.

These pillars will frame AfPA's health policy efforts in 2019 and beyond.

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