

Access Viewpoint

Defining Value in a Multi-stakeholder Environment

In today's rapidly evolving market landscape, the market access value proposition for pharmaceutical/biotech products and medical devices requires an approach that is both *wide* (across organization types) and *deep* (addressing the needs of multiple stakeholders). These two factors come together to drive the need for a multi-stakeholder value proposition that can address value from a variety of perspectives.



Go Wide | Organizational Perspectives

Commercial plans

Medicare plans

ACOs

IDNs

Health systems

PBM

SPP

Retail

Traditionally, the payer value proposition accounts for both Commercial and Medicare plan perspectives. However, with new access stakeholders such as ACOs, IDNs, and health systems, the value proposition needs to align with a variety of different perspectives given the new reimbursement models and incentives by which these organizations are guided. This means that the data should not only include comparative clinical effectiveness, but also a broader range of information that addresses value from both payer and provider perspectives.

CUSTOMIZING A MULTI-STAKEHOLDER PAYER VALUE PROPOSITION:



Organization type and size

Commercial, government, ACO, IDN, health system, employers, retail pharmacy



Population demographics

Age, gender, comorbidities, high-risk/high-cost



Relevant length of time

Short-term data (hospital), long-term data (Medicare plans)



Quality and value

HEDIS, CMS 5-Star, ACO quality measures, value-based incentives for providers/hospitals

Go Deep | Individual Stakeholder Perspectives

Pharmacy directors

While pharma/biotech companies traditionally target pharmacy directors for market access, the most effective value propositions also consider the perspectives of medical directors and quality directors, among others. The provider perspective and the larger population health management perspective become relevant when presenting value to hospitals, ACOs and IDNs, and health systems across the United States.

Medical directors

Identifying the priorities and needs of multiple stakeholders early in the value proposition development process is a key factor to success. While the impact on a pharmacy budget is critical, the ability to demonstrate medical cost offsets and impact on quality are increasingly important to an ever-expanding cast of individual stakeholders. How does the product bring value from these various perspectives?

Quality directors

Clinical pharmacists

Each organization and stakeholder is held to their own standards and must deliver results based on the changing metrics of payment and incentives.

VAC members

Value propositions must align with these new metrics.

Expanding Value | Considering Total Cost of Care

Perhaps one of the most impactful ways to improve a multi-stakeholder value proposition is to include data that demonstrates a product's impact on the **total cost of care**. In many cases, health economics research only focuses on measuring cost-effectiveness relative to the closest clinical comparator. However, health economic studies that consider a product's impact on the total cost of care may not be conducted until after the majority of clinical study design has been completed. As the total cost of care becomes paramount to improving access with multiple stakeholders, the need to conduct these types of studies earlier in the value proposition development process becomes increasingly apparent.

Improved patient outcomes can enhance a product's value proposition. Demonstrating how a product impacts the total cost of care may be the best way to transition decision-makers from "if" a product has value to "where" it has value. For example, collecting real-world evidence and data from registries and informatics companies that track and analyze outcomes data may help strengthen a product's formulary position and/or value proposition.

As total cost of care becomes an essential metric, insights from health economics research gain importance in today's value-based payment environment

The challenges associated with demonstrating value for a pharmaceutical/biotech product or medical device are changing as rapidly as the market landscape itself. A variety of evolving organizations and individual stakeholders are now evaluating products based on their unique goals and objectives. That's why a value proposition that targets a wider range of stakeholders is necessary, and may soon become the cost of entry as the market continues to shift toward value-based healthcare.

ESTABLISHING THE TOTAL COST OF CARE



- What is the drug's impact on specific sub-populations?
 - Is there a companion diagnostic that ensures appropriate patient selection?
 - Can the product reduce emergency room visits, hospitalizations, or readmissions?
 - What is the impact on outpatient resource utilization?
 - What is the product's impact on pharmacy costs?
 - Does the product allow for an alternate site of care?
 - Can patient support programs improve health outcomes or provide compelling data?
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How can we help you develop a multi-stakeholder value proposition?

Contact Andrew Gottfried at agottfried@entreehealth.com or 212-896-8026 to find out.

