

Fifth National ACO Summit

Friday, June 20, 2014

Track Ten

11:00 AM–
12:30 PM

Optimizing the Value of Pharmaceuticals in New Care Models

Dan Mendelson, MPP, Chief Executive Officer and Founder, Avalere Health; Former Associate Director for Health, Office of Management and Budget

1. **S. Lawrence Kocot, JD, LLM, MPA**, Visiting Fellow, Engelberg Center for Health Care Reform, The Brookings Institution; Member of the Firm, Health Care and Life Sciences, Epstein Becker Green; Former Senior Advisor to the Administrator, Centers for Medicare and Medicaid Services (*Moderator*)
2. **Woody Eisenberg, MD, FACP**, Senior Vice President, Performance Measurement and Strategic Alliances, Pharmacy Quality Alliance; Former Chief Medical Officer for Medicare and Medicaid Services
3. **Ed Pezalla, MD, MPH**, National Medical Director, Pharmacy Policy and Strategy, Aetna
4. **Will Shrank, MD, MSHS**, Senior Vice President, Chief Scientific Officer and Chief Medical Officer, Provider Innovation and Analytics, CVS Caremark; Former Director of Evaluation, Centers for Medicare and Medicaid Innovation, Centers for Medicare and Medicaid Services

Panel Overview

As accountable care arrangements continue to expand across the country, many providers and payers are beginning to think more systematically about the role of pharmaceuticals in delivering value-driven care. In order to optimize pharmaceuticals in these evolving payment and delivery models, ACOs must focus on the contribution of medications to their goals of reducing overall health care costs and improving quality. At the same time, pharmaceutical manufacturers must think more creatively about how they contribute value to an ACO as traditional roles continue to change. The more forward looking ACOs see an opportunity in optimizing pharmaceuticals as a path to better individual and population health. Some have sophisticated analytics that will stratify patients by condition and risk, while others are starting with transitions of care and medication reconciliation programs or creating new pathways to optimize the value of pharmaceuticals.

In order for ACOs to succeed, they will need to engage a range of pharmaceutical stakeholders, including manufacturers, providers, payers, pharmacists, pharmacies, and pharmacy benefit managers. These different parties will need to consider how relationships can be re-imagined to foster an environment that rewards value for pharmaceuticals. Creating these new relationships will bring opportunities to create novel arrangements, including risk-based contracts, which hold the pharmaceutical companies, payers, and providers all accountable for outcomes. This panel will explore some these issues and discuss strategies to optimize the value of pharmaceuticals from the provider, payer, and pharmacy perspective.

Core Questions

- What unique contributions can pharmaceutical manufacturers, payers, and pharmacists make to optimize the value of pharmaceuticals in ACOs?

- What are the major existing barriers to effectively integrating pharmaceuticals into new payment and delivery models, including ACOs?
- What strategies can related stakeholders use to overcome these barriers?
- How can ACOs more effectively measure the quality and value of pharmaceutical use?
- What incentives can be built into ACOs to make providers and patients both accountable for pharmaceuticals?
- What new business models are evolving or can be developed to increase risk-sharing and other financial accountability for pharmaceutical quality and costs?
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11:00 AM

Dan Mendelson, Avalere Health

Focus

Dan Mendelson will discuss challenges of aligning incentives among manufacturers, payers, and providers to ensure the most effective use of pharmaceuticals; strategies for dealing with high price products that ensure high value use; considerations for assessing both inpatient and outpatient pharmaceutical use; and some of the factors preventing pharmaceutical firms from entering into risk-based contracts.

11:20 AM

Larry Kocot, The Brookings Institution

Focus

Larry Kocot will introduce the panelists and provide some framing remarks for discussion.

11:25 AM

Woody Eisenberg, Pharmacy Quality Alliance

Focus

Woody Eisenberg will address changes in quality measurement for pharmaceuticals resulting from the National Quality Strategy; the development of measures of accountable prescribing that maximizes the quality of use of pharmaceuticals the way to improved patient outcomes; and how PQA is undertaking efforts to better align pharmaceutical use and quality measurement in support of the goals of ACOs.

11:30 AM

Ed Pezalla, Aetna

Focus

Ed Pezalla will discuss opportunities for pharmaceutical manufacturers to engage with ACOs; how pharmaceutical use, particularly with specialists, is impacting cost and quality; potential ways for ACOs and manufacturers to both assume greater responsibility for pharmaceutical use; the barriers posed by setting prices in response to Medicaid "Best Price"; and potential paths forward for increasing levels of sophistication for pharmaceutical use in ACOs.

11:35 AM

Will Shrank, CVS Caremark

Focus

Will Shrank will discuss issues related to how a Medicare ACO can align their incentives in order to optimize the value of pharmaceuticals and meet their financial and quality goals; ways in which ACOs can begin to think more creatively about effective pharmaceutical use; and other considerations for providers in thinking about the role and value of pharmaceuticals in new delivery models.

11:40 AM

Q&A