

A Unicorn and a Trojan Horse

An Overview of the Genesis, Formation, and Work of NAMCP's Value Based Care Council

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The number one rule in drawing attention to an article is to conceive a title that has a degree of intrigue. More on the title in a moment, but let's first provide some back story as to the reason for this article.

Today's media, politicians, and others focus on the price of prescription drugs, as if they are just a commodity. In the opinion of this writer, the optics of high prescription drug prices are driven in part through more of the cost share of this portion of insurance coverage being shifted to patients who are now paying a larger portion of the cost of the medications. There are also other dynamics impacting these optics, which will not be a focus of this article, such as rebates and profits incurred by other entities and their relative impact on price inflation. The classification of a commodity may hold true for some generic forms of medication, however, there are many medications (often within the same therapeutic class) that are clinically and therapeutically differentiable based on their respective value proposition. While there is a trend to view prescription drugs as a commodity, this mindset can prevent the realization of the full value that can be derived from many prescription medications.

Depending on the resource, prescription drugs account for anywhere from 14% to 20% of the dollars spent on health care. When considering that approximately 80% of people who see any healthcare practitioner end up on a prescription medication, it is paramount that the optimum value is derived from that same medication. It is also important to note that adherence rates are abysmal, with adherence dropping to, on average, well below 20% after 18 months, regardless of the therapeutic class. It is extremely difficult to realize the full value proposition of a drug if approximately 80% of patients quit taking their medication after 18 months.

Let's go back to the title of the article. When it comes to the unicorn, this is in reference to the elusive search as to what form value based care might actually end up looking like in the future as it continues to go through metamorphosis. It's extremely important to note, that no matter the form – the need to extract the most value from pharmaceuticals, as well as from medical devices and diagnostics will be imperative. In order to maximize the extraction of that value, we should first look in the belly of the Trojan horse which is a reference to the formulary and associated medical policy for coverage. While these two strategies are currently in place as standard methods for pharmacy benefit and medical management, there are numerous opportunities to improve processes and better coordinate the two in order to enhance the ability to effectively leverage that spend so as to optimize outcomes while decreasing overall costs.

For all of the above reasons, the NAMCP Medical Directors Institute decided in late 2018 to create the Value Based Care Council (VBCC). The VBCC mission supports empowering medical directors with information and resources to assist them in making value based decisions that support achieving the Triple AIM of improved outcomes and the patient experience while reducing overall costs. The goal is to improve the integration of cost, quality, and access in the clinical decision making process so as to enhance the effectiveness and efficiency of extracting value from the associated spend in order to optimize outcomes.

The VBCC consists of two components, the Executive Leadership Advisory Committee (ELAC) and the Founding Charter Members (FCM). The ELAC is comprised of approximately 12 medical directors, CMOs, and directors of pharmacy from various disciplines from around the country, while the FCM is comprised of representatives of various health related industries also from around the country. It is through this vehicle of the VBCC that these components collaborate in an effort to provide tools and resources with practical utility for medical directors in order to achieve both the mission and goals of the council. With this collaboration, the VBCC provides a unique forum whereby both medical leadership and industry work together, which helps improve communication, enhance trust and credibility, as well as serve as a vehicle of advocacy for all parties. If you would like to learn more about the VBCC, please contact Will Williams @wwilliams@namcp.org for more information!