Today’s Rx value frameworks’ shortcomings
• Do not consistently address employer or employee needs.
• Are highly influenced by business models of intermediaries (payers, PBM, providers).
• Have methodologies that may not factor in the nuanced and personalized needs of organizations and people.
• Lack consideration of “real-world” evidence of impact and performance.

Enhancing our approach to Rx value frameworks
• Integrate employer- and employee-relevant measures.
• Enhance transparency of reviews of new/existing drugs and therapies, including costs.
• Feature relevant outcomes for use in value-based contracts (VBCs).
• Identify tactics for employer-based VBCs independent of rebates.
• Offer practical, actionable materials for effective dissemination.

Supporting Healthcare Decision-Making
• Patients and their doctors use frameworks to choose among therapy options.
• Employers/payers use frameworks to determine how therapies will be covered and reimbursed.

Employer Rx Value Assessment Framework: Building the Bridge to Sustainability

Enhancing our approach to Rx value frameworks

- Integrate employer- and employee-relevant measures.
- Enhance transparency of reviews of new/existing drugs and therapies, including costs.
- Feature relevant outcomes for use in value-based contracts (VBCs).
- Identify tactics for employer-based VBCs independent of rebates.
- Offer practical, actionable materials for effective dissemination.

Action Steps for Employers/Purchasers to Regain Control Over Prescription Drug Benefits Management

1. Understand patient needs
   Review the use of multiple drugs prescribed to individual patients for one or more conditions

2. Discontinue coverage for low-value drugs
   Focus on drug mix; remove formulary drugs that do not show clinical value

3. Promote high-value drugs
   Remove financial barriers to high-value medications. Use value-based benefit design

4. Understand biosimilars
   Encourage market adoption, formulary placement and appropriate use of biosimilars

5. Consider site of care
   Ensure infusions and other drug delivery methods requiring specialized care occur at high-value sites

6. Tap into your resources
   Consult with onsite clinical resources such as chief medical officers and clinical advisors

The Rx Value GOAL

- Fair price, fair access, future innovation
- Long-term value for money
- Short-term affordability

Employer Rx VALUE ASSESSMENT FRAMEWORK CONSIDERATIONS

- Medication mechanism of action
- Medication efficacy & treatment compliance
- Total cost of care
- Effect on workplace performance
- Time to value
- Employee wellbeing

*Employers need to flex their individual and collective power to manage prescription drug benefits and drive transparency and value across the entire supply chain.*

Michael Thompson
National Alliance President & CEO

*Sponsorships, financial support, and other partnerships may have influenced this report. The National Alliance has developed the Rx Value Framework with support from the National Rx Leaders Group. The framework is also supported by the following organizations: American College of Cardiology- American Heart Association; American Society of Clinical Oncology; DrugAbacus; Institute for Clinical and Economic Review; Innovation and Value Initiative; National Cancer Care Network; Patient Perspective Value Framework. For additional information, visit www.nationalalliance.org.*
Moving the System Forward: Areas of Focus

All stakeholders should re-examine their approach to managing Rx value to be more responsive to the needs and expectations of patients and purchasers.

**MEDICATION MECHANISM OF ACTION**
- Does it fill an unmet clinical need or is it a “me, too” drug?
- Does administration require special care/facility?
- What is the timeline to clinical impact?

**MEDICATION EFFICACY & TREATMENT COMPLIANCE**
- Adherence concerns (e.g., 30-day vs. 60-day).
- Evidence provides insights into – and solutions for – concerns.
- Personalized medicine to identify candidates for certain therapies.

**TOTAL COST OF CARE**
- **Employer**: Net drug acquisition cost, including all contributors to costs and rebates, recognizing PBM contracting transparency concerns.
- **Employee**: Total out-of-pocket costs.

**EFFECT ON WORKPLACE PERFORMANCE**
- Do employees have to leave work to have the drug administered?
- Will the drug affect cognitive status? Is job safety a concern?
- Will the drug shorten lost work time?

**TIME TO VALUE**
- Length of drug therapy; cost evaluation.
- Does the drug accelerate the path to health improvement?
- Benefits of treatment to the employee and the employer?

**EMPLOYEE WELLBEING**
- Supporting an organizational culture of caring.
- Employee loyalty based on thoughtful employer benefits.
- Long-term benefits for employers and employees.

**KEY CHALLENGES WITH MANAGING DRUG TREND (BESIDES COST)**

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over-utilization or mis-utilization of prescription drugs</td>
<td>61%</td>
</tr>
<tr>
<td>Knowing which drug costs go through medical</td>
<td>57%</td>
</tr>
<tr>
<td>Understanding cost savings</td>
<td>55%</td>
</tr>
<tr>
<td>PBMs offering a drug formulary based on value of the drug</td>
<td>50%</td>
</tr>
<tr>
<td>Opportunities based on site of care</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: National Alliance Employer Rx Roundtable 2020

**DRUG VALUE SUPPLY CHAIN**

A circuitous route from drug manufacturer to patient


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