

Employer Rx Value Assessment Framework: *Building the Bridge to Sustainability*

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.

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.

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



"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*

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	MEDICATION EFFICACY & TREATMENT COMPLIANCE	TOTAL COST OF CARE	EFFECT ON WORKPLACE PERFORMANCE	TIME TO VALUE	EMPLOYEE WELLBEING
<ul style="list-style-type: none"> • 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? 	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Employer: Net drug acquisition cost, including all contributors to costs and rebates, recognizing PBM contracting transparency concerns. • Employee: Total out-of-pocket costs. 	<ul style="list-style-type: none"> • 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? 	<ul style="list-style-type: none"> • Length of drug therapy; cost evaluation. • Does the drug accelerate the path to health improvement? • Benefits of treatment to the employee and the employer? 	<ul style="list-style-type: none"> • 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)

Percentage identifying issue as a major or medium challenge

Over-utilization or mis-utilization of prescription drugs 61%

Knowing which drug costs go through medical 57%

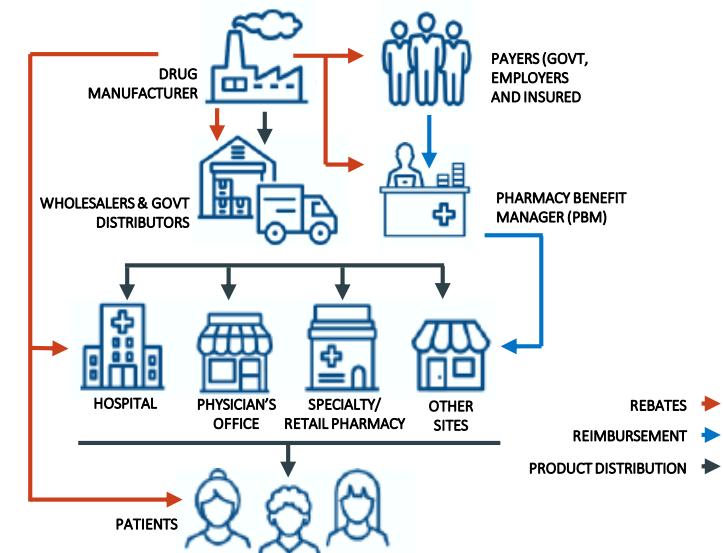
Understanding cost savings 55%

PBMs offering a drug formulary based on value of the drug 50%

Opportunities based on site of care 47%

DRUG VALUE SUPPLY CHAIN

A circuitous route from drug manufacturer to patient



Source: [National Alliance Employer Rx Roundtable 2020](#)

Data adapted from Janssen Global Services, LLC, 2018 Janssen U.S. Transparency Report (Janssen, March 2019), 21.