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AMCP Releases Value-Based Contracting Proceedings

By Gina Shaw

The Academy of Managed Care Pharmacy (AMCP) has released a consensus document on value-based contracting (VBC), based on the proceedings of a June 2017 AMCP Partnership Forum.

The document includes a key stakeholder definition of VBC along with strategies to implement the payment model, best practices in evaluating and monitoring VBCs and action plans to address legal and regulatory barriers.

In the document, VBC is defined as “a written contractual agreement in which the payment terms for medication(s) or other health care technologies are tied to agreed-upon clinical circumstances, patient outcomes or measures.”

More than 30 health care leaders representing health plans, integrated delivery systems, pharmacy benefit managers, data and analytics experts and biopharmaceutical companies attended the two-day forum, hosted by AMCP in partnership with Amgen, Bristol-Myers Squibb, Lilly & Co., Merck, the National Pharmaceutical Council, Novartis, Premier, Pharmaceutical Research and Manufacturers of America, RxAnte, Takeda and Xcenda.

“A number of the invitees were selected because we knew they had experience with best practices in value-based contracting,” AMCP CEO Susan Cantrell, RPh, CAE, told *Pharmacy Practice News*. “They recommended that we could facilitate the sharing of some of these models, so we are now working on collecting case examples.”

One of the greatest challenges to adopting VBC, forum participants agreed, is selecting appropriate outcomes to measure and determining how much value to assign to the contracts. They noted that outcomes should be easily measured, clinically relevant and associated with financial and/or clinical improvements, and could range from health care utilization rates to hard clinical endpoints, adverse event rates, cure rates, laboratory values, quality of life measures and medication adherence.

Participants noted that any outcomes built into a contract must be practical and easy to analyze. "You have to have the right data available," Ms. Cantrell said. "A great deal of thought must be given to the parameters and outcomes that are included in the contract so that you are not agreeing to something that is not achievable. One obvious challenge is that sometimes an outcome you want to consider might take longer to manifest itself than a plan year, so you may need surrogate markers or other endpoints."

Participants also agreed that FDA-specific federal rules and regulations need to be revised to enable payers and manufacturers to engage more broadly in VBCs. Some of the most important barriers include the Anti-Kickback Statute and the best price requirement of the Medicaid Drug Rebate Program, because the average manufacturer price [AMP] calculation also may be affected by VBCs.

The proceedings are published in the November 2017 issue of AMCP's *Journal for Managed Care & Specialty Pharmacy*.