

# Virtual ISPOR Asia Pacific Summit 2022

*Current and Future Trends in Value Assessment of Innovative  
MedTech in APAC – How Do They Fair Compared to  
Pharmaceuticals and Beyond APAC?*

Wednesday, 21 September 2022

10.15 – 11.15AM KST





## **Joe Caputo, BSc (Hons)**

### **Vista Health**

*Founder & Managing Director  
Singapore*

### **ISPOR Singapore Chapter**

*President*

Panel **Moderator**

*Vista Health is a **value-based Healthcare & Life Science** boutique advisory firm headquartered in Singapore. Vista Health has a combined 100+ years of industry experience & 40+ years of Asia Pacific experience with expertise in P&R and market access, business strategy & organizational capability, public policy & population health and ventures & investment partnering support.*

Presentation / Activity	Moderator / Speaker(s)	Duration
<b>Introduction</b> <i>Opening remarks and introductions to panelists</i>	<ul style="list-style-type: none"> <li>• Joe Caputo (VH)</li> <li>• Jenny Levinson (Global) / Chris Foteff (AU) / Dr Tamura Makoto (JP)</li> </ul>	15 mins
<b>Moderated discussion</b> <i>Exploring current &amp; future trends in value assessment of innovative MedTech in APAC and how they fair compared to pharmaceuticals and beyond APAC</i>	<ul style="list-style-type: none"> <li>• Joe Caputo (VH)</li> <li>• Jenny Levinson (Global) / Chris Foteff (AU) / Dr Tamura Makoto (JP)</li> </ul>	15 mins
<b>Audience polling</b> <i>Via Zoom polls</i>	<ul style="list-style-type: none"> <li>• Joe Caputo (VH)</li> </ul>	5 mins
<b>Guided discussion</b> <i>With audience Q&amp;A</i>	<ul style="list-style-type: none"> <li>• Joe Caputo (VH)</li> <li>• Jenny Levinson (Global) / Chris Foteff (AU) / Dr Tamura Makoto (JP)</li> </ul>	20 mins
<b>Close</b> <i>Key takeaways &amp; appreciation</i>	<ul style="list-style-type: none"> <li>• Joe Caputo (VH)</li> </ul>	5 mins



## Jenifer Levinson, BA

### **Boston Scientific**

*Vice President, Global Health Economics and Market Access*  
Washington D.C., WA, USA

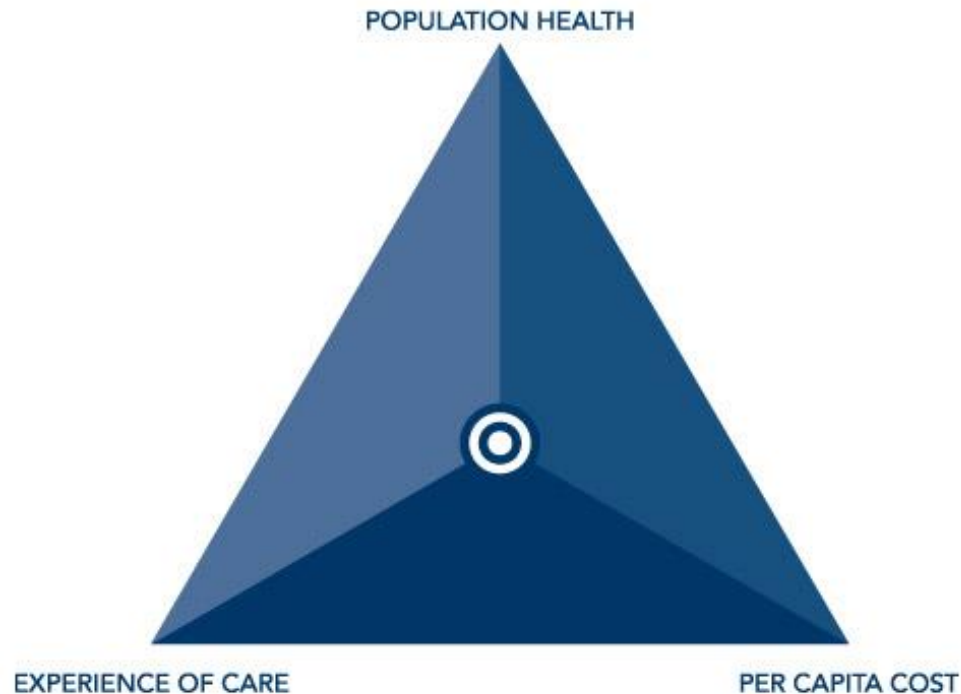
Panel Perspective: **Industry / Global**

*Ms Jenifer Levinson contributed to this presentation in her personal capacity. The views expressed are his own and do not necessarily represent the views of Vista Health Pte Ltd.*



# BSC Sees an Opportunity to Advance the Triple Aim In Partnership with Key Stakeholders

## The IHI Triple Aim



© 2015 Institute for Health Improvement

The IHI Triple Aim is a framework developed by the Institute for Healthcare Improvement that describes **an approach to optimizing health system performance** through:

- Population Health
- Experience of Care
- Per Capita Cost

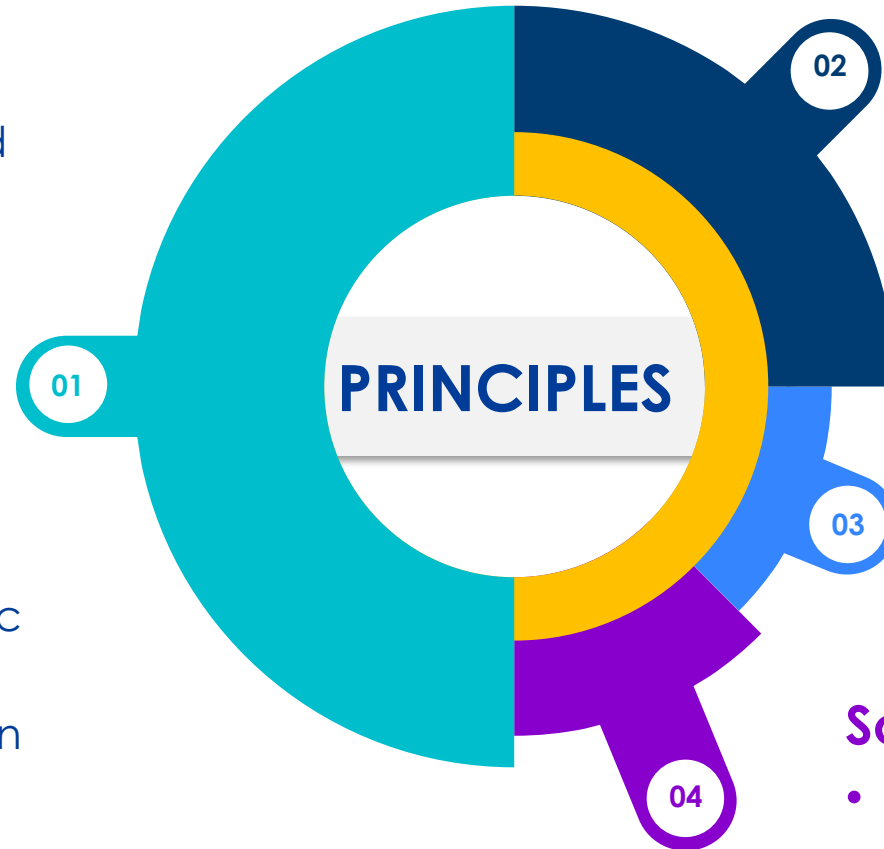
Source: Institute for Healthcare Improvement. [Triple Aim for Populations | IHI - Institute for Healthcare Improvement](#)



# What is a Good HTA System?

## Process

- Clear criteria for assessment
- Clear evaluation methods and submission guidelines
- Reasonable, predictable timelines
- Confidentiality of company data
- Transparency of decision making
- Multiple opportunities for public input and consultation
- Opportunity to appeal decision of HTA agency
- Implementation process and evaluation



## Stakeholders

- Clearly define roles: HTA vs. coverage/ funding decisions vs. clinical guidelines
- Incorporate of clinical and expert advice in the process

## Evidence

- Use all types of evidence, not just RCTs
- Recognize distinctions between drugs and devices

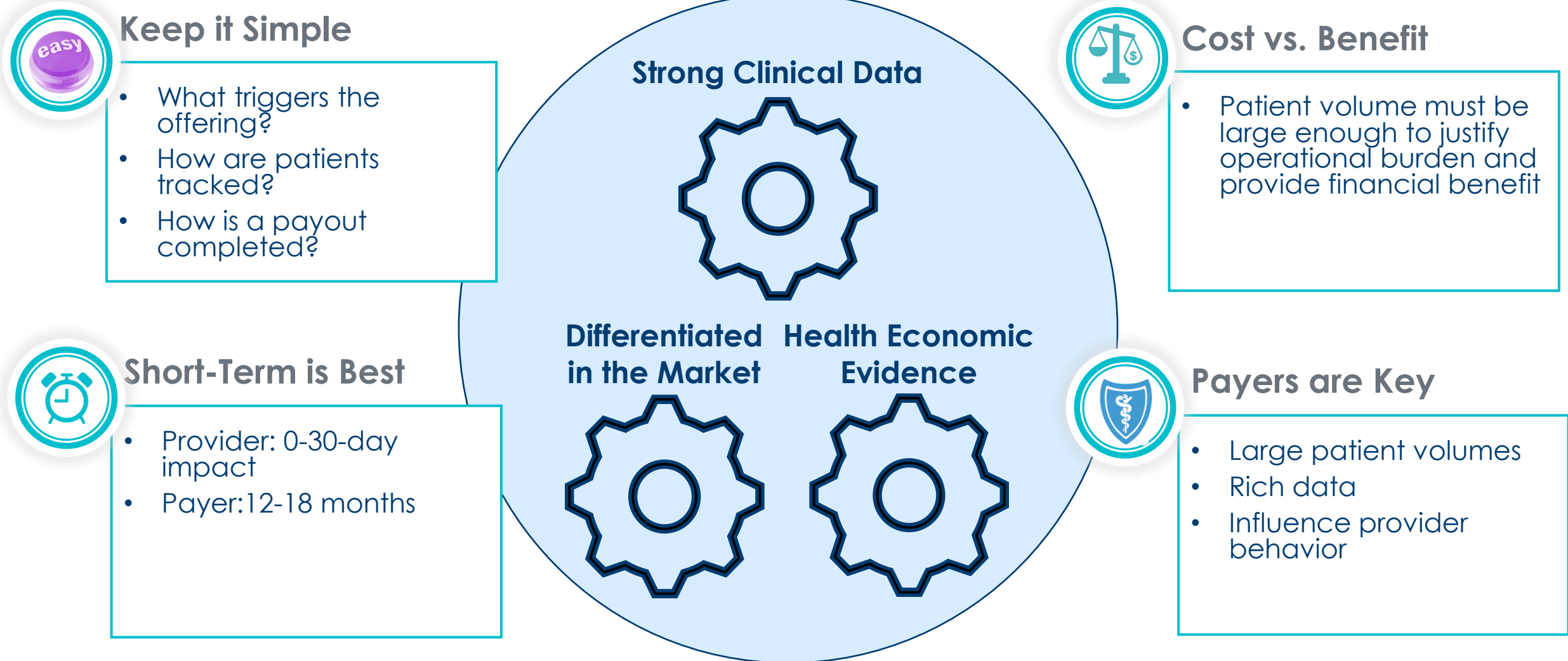
## Solutions

- Periodic reassessment
- “Coverage with evidence” or “funding with evidence”
- Multiple decision-making criteria (HTA not the only one)



# We Began our Journey in 2019

## Approach Based on 4 Principles aligned with BSC Strengths





# We Continue to Pursue VBO

## Approach Adjusted Based on Lessons Learned



### **In the US, fee-for-service is still king**

According to Numerof Report,\* a median of 15% of revenue is from risk-based contracts.



### **Patience and Adaptation**

Progress often feels glacial -- must be willing to adapt arrangement based on partners' needs and timeline.



### **Scalability is critical for payers**

Scalability across entire payer population is critical. BSC device utilization and adoption by health systems/providers must align and model must also align to existing payment model.



### **Innovation 'mindset' is Critical**

Payers and third parties that are developing and executing innovative value-based arrangements are the most receptive to BSC's Value Based Offerings.

\*Numerof & Associates, August 2021. The State of Population Health: Sixth Annual Numerof Survey Report. Accessed on March 7, 2022, at: [The State of Population Health: Sixth Annual Numerof Survey Report \(nai-consulting.com\)](https://www.nai-consulting.com).





## Chris Foteff, MClinEpid

### MedTech Strategic Assessment Services

*Principal Consultant & Managing Director*  
Newcastle, NSW, Australia

Panel Perspective: **Australia**

*Mr Chris Foteff contributed to this presentation in his personal capacity. The views expressed are his own and do not necessarily represent the views of Vista Health Pte Ltd.*



## Market Dynamics

- Consolidation & Integration
- Higher cost pressures from customers
- Payers increasing decision power
- Market commoditisation



## Shift toward Value-Based Care

- Providers taking risk for cost and quality outcomes
  - Bundles
  - Value purchasing
  - Readmissions & sentinel events
- New payment models from Governments (CMS in US, ABF in AUS)



## Technological Advances

- Digital transformation
- Remote monitoring
- Robotics, 3D printing
- Engagement: IoT, VR/AR
- Insights: Big data, AI



## Policy & Regulatory

- Global: Guidance spurring approval of digital therapies, software as a service
- US: New physician self-referral laws and anti-kickback statutes
- AUS: Changes to HTA processes and NHRA Roadmap



## Care Transformation

- Shift in site of care from inpatient to outpatient to home
- Shift to wellness and prevention
- Rise of retail and virtual care
- Vertical integration

## Medical Technology Association of Australia agreement (March 2022)

- The (MTAA) signed a joint four-year agreement with the Commonwealth Government laying the foundation for the future of the Prostheses List

## Medicines Australia/Genomic Medicines & Biosimilars Australia Agreement (Sep 2021)

- HTA Review Committee announced Apr 2022
- Independent HTA review of PBAC and PBS starting Jul 2022

## National health reform agreement (Sep 2021)

- Long term health reforms roadmap includes HTA reforms
- About \$133.6 billion between 1 July 2020 and 30 June 2025 for public hospital services.

## The New Frontier - Delivering better health for all Australians (Tabled 25 Nov 2021)

- 31 recommendations
  - Recommends including MSAC in the Independent HTA review agreed with MA

National Health Reform Agreement (NHRA)  
– Long-term Health Reforms – Roadmap  
(Sep 2021)

The new 2020–25 National Health Reform Agreement (NHRA) is the key mechanism for the transparency, governance, and financing of Australia’s public hospital system.

### Key areas of reform

- nationally cohesive Health Technology Assessment
- paying for value and outcomes
- joint planning and funding at a local level
- empowering people through health literacy
- prevention and wellbeing
- enhanced health data
- interfaces between health, disability and aged care systems

Key components				Timeframes			
National health reform agreement commitments	NHRA clause	Deliverable	21-22	22-23	23-24	24-25	
<b>Agree consistent process for assessing and funding highly specialised therapies under the NHRA</b>	C.11, C.12, Apx. B	Endorsed process					
<b>Establish process to facilitate a cohesive approach to HTA nationally</b>	C.13.a	National Committee					
<b>Develop a national HTA framework, including processes to inform implementation, investment and disinvestment opportunities at Commonwealth and state levels</b>	C.13.b	National framework					
<b>Establish an information sharing platform</b>	C.13.c	Information sharing platform					
<b>Produce public and stakeholder guidance</b>	C.13.d	Guidance materials					
<b>Identify HTA workforce requirements and develop workforce framework</b>	C.13.e	Workforce action plan					
<b>Identify and prioritise technologies that will benefit from national level HTA</b>	C.13.a	Agreed priority list					

During the term of this Addendum, all parties will strive to achieve:

- core principles for consistent outcome-focused, value-based health care measures across the health system
- increased flexibility in national funding arrangements - supports effective & efficient resource allocation - focuses on outcomes that matter to patients
- increased trials of innovative, flexible funding models across Australia (at state and federal level)
- robust evaluations of trials - systematic sharing of evidence
- increased successful contemporary care models scaled up, systematised and funded recurrently - ensure benefits are realised & ongoing
- improved patient-reported health outcomes and care experiences, & health care provider experiences
- Reduced inefficient health care practices (e.g., avoidable hospitalisations) improved sustainability of health care funding

## Key components

National health reform agreement commitments	NHRA clause	Deliverable	Timeframes			
			21-22	22-23	23-24	24-25
<b>Identify and support removal of legislative, regulatory and technical barriers to implementing innovative funding and payment approaches</b>	C.21.b	Action plan				
<b>Develop a funding methodology that incorporates flexible funding options within the public hospital funding model that support innovative models of care</b>	A.101.a	Endorsed methodology				
<b>Develop a national health funding and payments framework</b>	C.21.a	Framework				
<b>Trial funding and payment reforms at a program level and progress system level changes</b>	C.21.c	Bilateral and multilateral trials				
<b>Implement a common approach to evaluation of trials and knowledge sharing to inform further decisions about scaling of trials and future reform directions.</b>	C21.d	Evaluation reports				

During the term of this Addendum, all parties will strive to achieve:

- National principles for local level commissioning - support increase in effective collaboration between primary, community & acute health care organisations
- increased number of sustainable joint planning & funding initiatives - deliver improved experiences for patients & better health outcomes at local level
- increase in patients reporting positive health care experiences, using appropriate care settings & accessing integrated care pathways
- increase in provider satisfaction & engagement, - increased participation in training to improve commissioning capability
- trials that demonstrate reduced service duplication & improved efficiency

Key components						
National health reform agreement commitments	NHRA clause	Deliverable	Timeframes			
			21-22	22-23	23-24	24-25
<b>Identify and support reform of barriers to joint governance, needs assessment, service integration, evaluation and funding, at a national, state and territory level</b>	C28.b	Action plan	■	■		
<b>Agree national principles for commissioning at the local level</b>	C28.a	National principles	■	■		
<b>Trial, evaluate, refine and scale up joint planning and funding arrangements</b>	C28.c	Bilateral and multilateral trials	■	■	■	■
<b>Address workforce matters, including capability gaps for health services commissioning</b>	C28.d	Action plan	■	■		
<b>Explore innovative workforce models and potential new roles for care coordination</b>	C28.d	Defined models and roles		■	■	
<b>Develop outcome measures, reporting and accountability arrangements shared between local organisations</b>	C28.e	New measures		■		



## Tamura Makoto, PhD

### Healthcare System Planning Institute

*Founder & CEO*

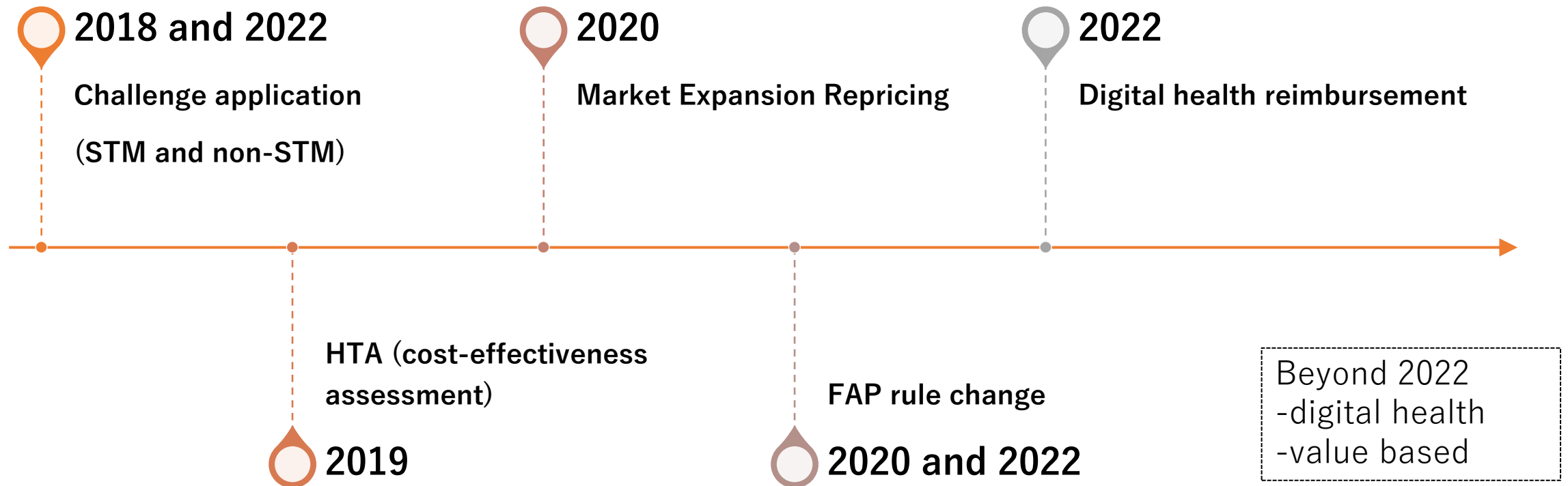
Tokyo, Japan

Panel Perspective: **Japan**

*Japan's Medical Device Reimbursement Policy: Changes for the Past 3 years and Future Trends*

*Dr Tamura Makoto contributed to this presentation in his personal capacity. The views expressed are his own and do not necessarily represent the views of Vista Health Pte Ltd.*

# Health policy changes for the past 3 years and future





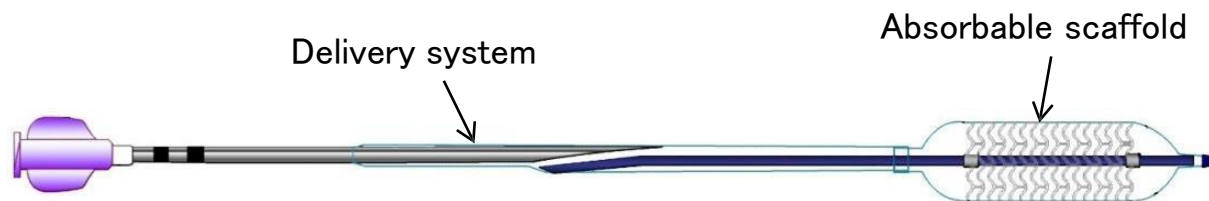
# Challenge application rule was created in 2018

Support for products that need to be evaluated based on actual use

- Some of the insured medical materials are implanted in the body for a long period of time or involve highly innovative technologies, and it may be difficult to verify the final evaluation items before the product is listed in the insurance system.
- For such products that require evaluation based on actual use, a new system (challenge application) will be established to allow reevaluation of the applicability of a new functional category after the product is listed in the insurance system, based on actual use, for the parts that could not be evaluated at the time of product introduction. NEW!

## Absorbable cardiac stent

: The stent is biodegradable and disappears in about three years, whereas conventional metal stents remain in the body.



The benefits of biodegradation and disappearance are expected to be realized after a longer period of time.

- Reduction of events after a long period of time
- Preservation of treatment options at the time of re-treatment, etc.

# Successful examples of challenge application



## **Medtronic Advisa MRI: 3% improvement premium**

At the time of reimbursement listing, there were no clinical data to prove the usefulness of the “Reactive ATP function”

Subsequently, a large-scale clinical study on the Reactive ATP function was conducted, and the results of this study were published

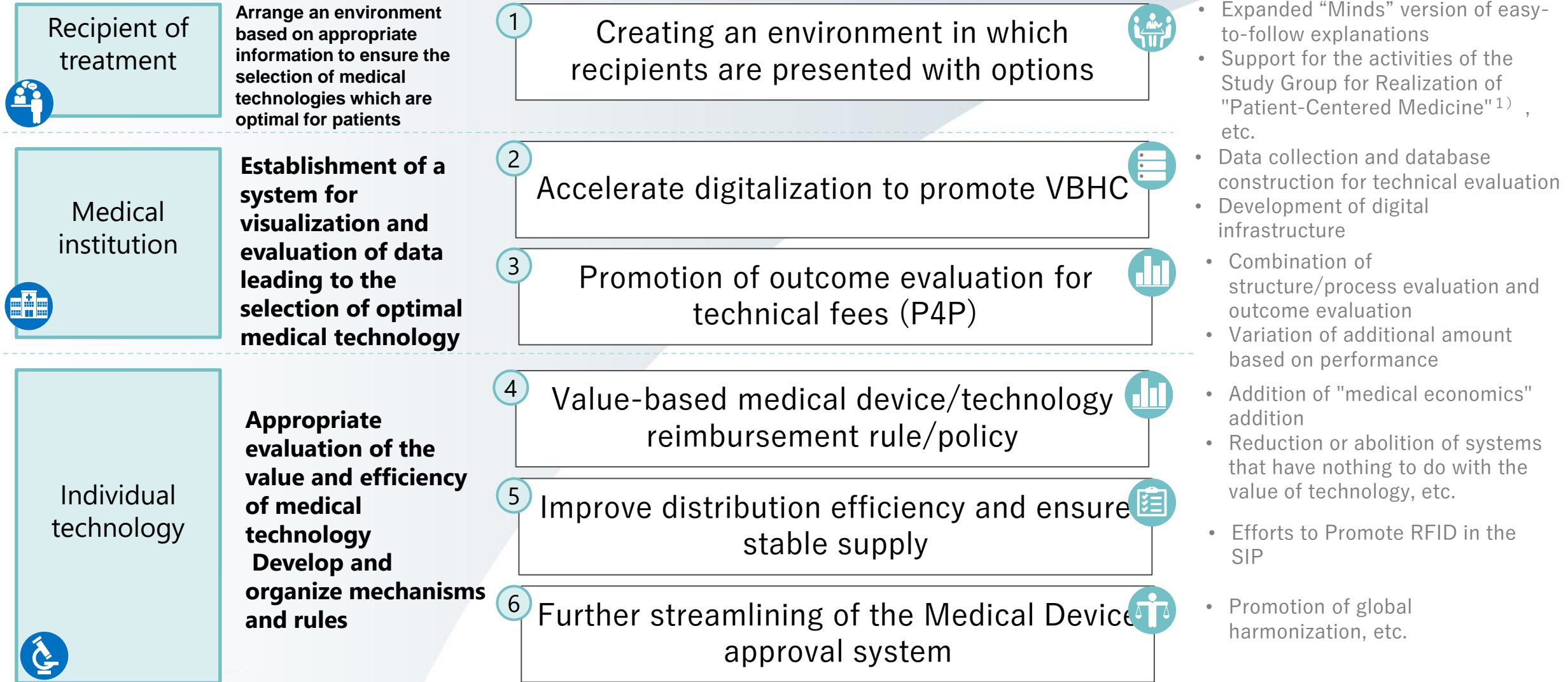


## **Boston Scientific RESONATE CRT-D: 5% improvement premium**

The median battery life of the battery-powered CRT-D was 9.9 years through the remote monitoring system, compared to 4.8 years for the conventional battery-powered CRT-D

# AMDD's activities to realize VBHC (overall picture)

AMDD's activities to realize VBHC consist of six major pillars





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The APAC MedTech access, assessment and reimbursement landscape is rapidly evolving.

**Which of these parties has a role to play in decision-making for current assessment approaches?**

Answer Options:

*Multiple selections allowed*

1. Policymakers & Payers
2. Industry
3. Physicians
4. Patients
5. Academia



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# Q&A: Any questions from the audience?





**Thank you!**

**For questions or further information, please contact:**

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