

# Insights from an Expert Advisory Board: The Trends Driving Changes in Managed Care



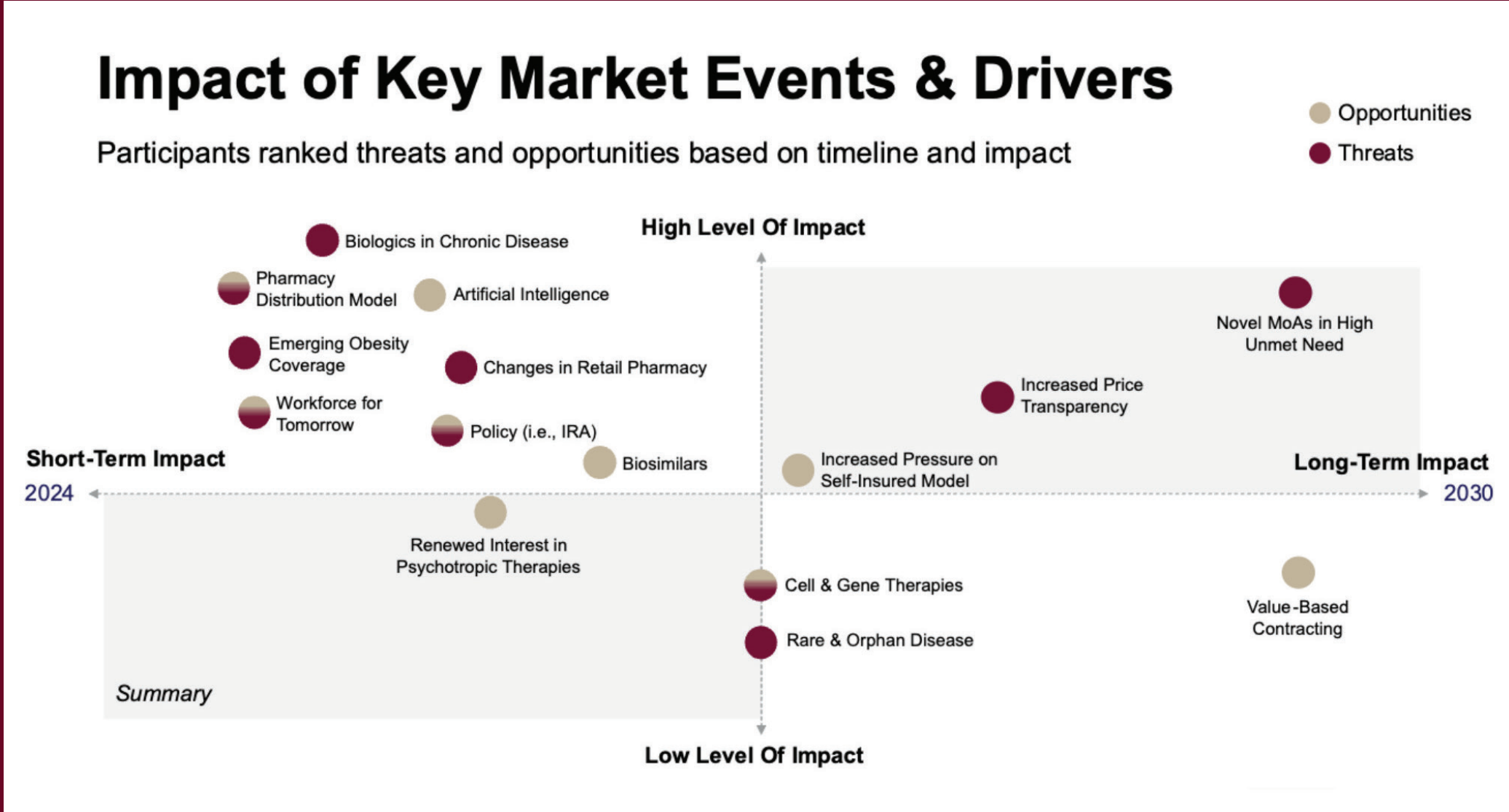
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## A) Objectives

Amidst the evolving landscape of the US healthcare system, our advisory board and this quantitative study aim to shed light on how various dynamics could affect utilization and costs. From the implications of the Inflation Reduction Act (IRA) to the increasing use of high-cost treatments for chronic diseases, our advisory panel has evaluated and ranked these trend drivers based on their potential impact on medication access for US patients. Building on the advisory panel's findings (Figure 1), we further examined these dynamics through a quantitative survey involving 14 managed care decision-makers (payers).

(Figure 1)



## B) Introduction

The US healthcare system is experiencing a transformative phase, driven by dynamic factors that are reshaping medication access, utilization, and costs.

Federal legislation, such as the IRA, plays a significant role in shaping medication access and costs. The IRA aims to reduce drug prices; however, their provisions can also lead to unintended consequences, such as increased premiums,<sup>1</sup> and discourage investment in new drug development.

To manage costs, there are a variety of strategies. For instance, the use of biosimilars and generics, which have been shown to improve patient access by offering affordability. Additionally, utilization management practices can promote the use of cost-effective alternatives.

Effective utilization management requires a careful balance to ensure that cost savings do not come at the expense of patient access to necessary treatments

## C) Methodology

Following in-depth secondary research, which encompassed a comprehensive review of the US healthcare landscape, an initial outline of the potential dynamics that may influence medical cost and utilization was established. These dynamics served as the cornerstone for the formation of an advisory board of five decision-makers from US MCOs.

The advisory board was held on April 28, 2024, prior to the start of the Asembia's AXS24 Summit in Las Vegas. Five managed care experts from health plan and Pharmacy Benefit Manager (PBM) sectors were brought together to discuss key trends and dynamics in managed care. The discussions highlighted both threats and opportunities that will drive change in the market and could have an impact on patient's access to medications and care.

To ensure the validity of the advisory board's findings, we conducted 14 quantitative surveys with pharmacy and medical directors. These participants represent a significant portion of the US population, approximately 120 million lives.

### Participant Recruitment

Participants were selected from a diverse pool of professionals within the payer community, ensuring a representative sample across various organization types and experience levels. The recruitment process involved a targeted email campaign utilizing Petauri's proprietary managed care decision-maker panel. To be included, participants needed to be decision-makers with experience in Medicare.

### Survey Design

The primary method used to assess payers' thoughts on the identified landscape dynamics was a quantitative survey. The survey was designed to capture comprehensive insights from various payer types, including National MCOs, Regional MCOs, PBMs, and Integrated Delivery Networks (IDNs). The survey consisted of 17 questions.

The survey titled "Healthcare Dynamics and Policy Impact" tested several key themes related to threats, opportunities, and dynamics influencing change within managed care. It focused on:

- Impact of the IRA:** The significance on medication access and costs for chronic diseases was assessed
- High-Cost Biologics:** Their potential to increase overall healthcare costs and the strategies that organizations plan to use to manage these costs were evaluated
- Biosimilars and Generics:** Influence on patient access and affordability was predicted
- Federal Healthcare Policies:** Levels of concern regarding the impact of policies, such as the IRA, on patient access to medications were measured
- Organizational Strategies:** The importance of adapting to new healthcare dynamics was determined, and the effectiveness of current cost management strategies was evaluated
- Future Trends and Patient Outcomes:** The most impactful dynamics on medication access and patient care in the next 1–3 years were identified, and the likelihood of these trends improving patient outcomes was assessed

### Survey Administration

The survey was administered online using a secure survey platform to ensure data integrity and confidentiality. Participants were provided with a unique link to access the survey, which included detailed instructions and an estimated completion time of 10–15 minutes. The survey was open for responses over a 2-week period so as to maximize participation.

### Data Analysis

Secondary research was conducted as needed to support the development of the survey. Quantitative data from the survey were analyzed using descriptive statistics in MS Excel®, allowing for a comprehensive summary of responses and the identification of key trends.

### Ethical Considerations

The study adhered to ethical guidelines for research involving human participants. Informed consent was obtained from all respondents, and participation was voluntary. Data confidentiality was maintained throughout the study, and results were reported in aggregate to protect individual identities.

## D) Results

A total of 14 managed care decision-makers (payers) were recruited with representative distribution across PBMs (5), IDNs (1), and MCOs at a national (4) and regional (4) level.

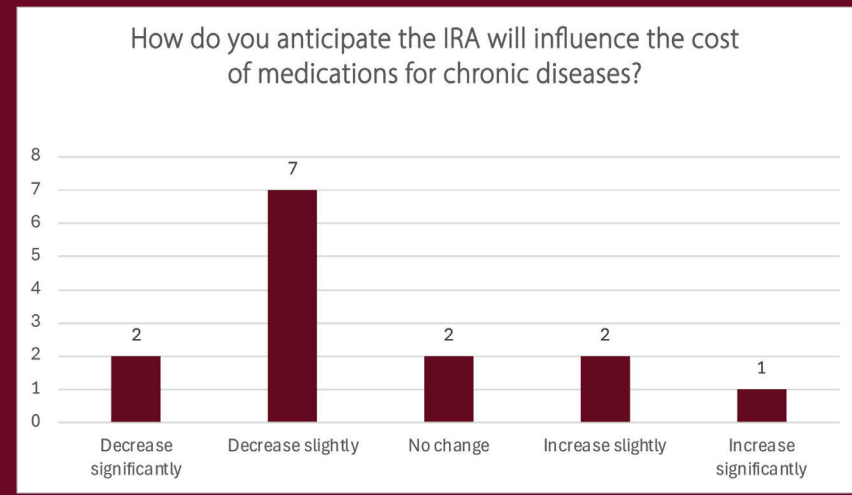
When asked about the impact of the IRA on the cost of chronic medications, 50% of respondents believed the legislation would slightly decrease costs (Figure 2).

Meanwhile, 93% indicated that it is likely or very likely that high-cost treatments for chronic diseases will increase overall healthcare costs in the next 3 years (Figure 3). Regarding the influence of biosimilars and generics on patient access and affordability in the next 1–3 years, 64% of respondents anticipated somewhat improvement (Figure 4).

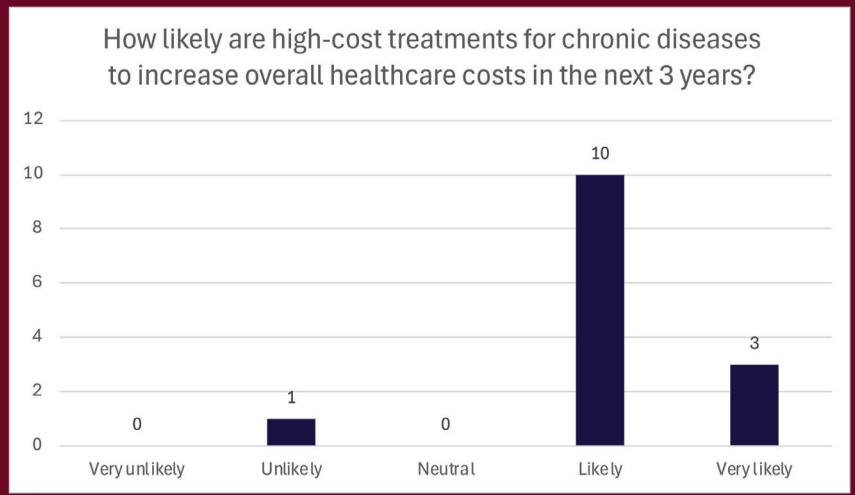
When evaluating these impacts within Medicare and commercial plans, 71% of respondents agreed that Medicare would be affected, while 50% felt neutral about the impact on commercial plans. On average, respondents were moderately concerned (2.8 on a five-point Likert scale) that federal policies, such as the IRA, would affect patient access. All 14 respondents either strongly agreed (28%) or agreed (72%) that escalating use of high-cost treatments for chronic diseases will impact their organization's cost management strategies.

Figures 5 and 6 present the likely management tactics that will be used in the next 2–3 years. When asked to identify which dynamics would have the greatest potential to affect access and patient care in the next year, respondents noted that high-cost treatments for chronic diseases, as well as generic and biosimilar competition, would have the greatest impact (Figure 7).

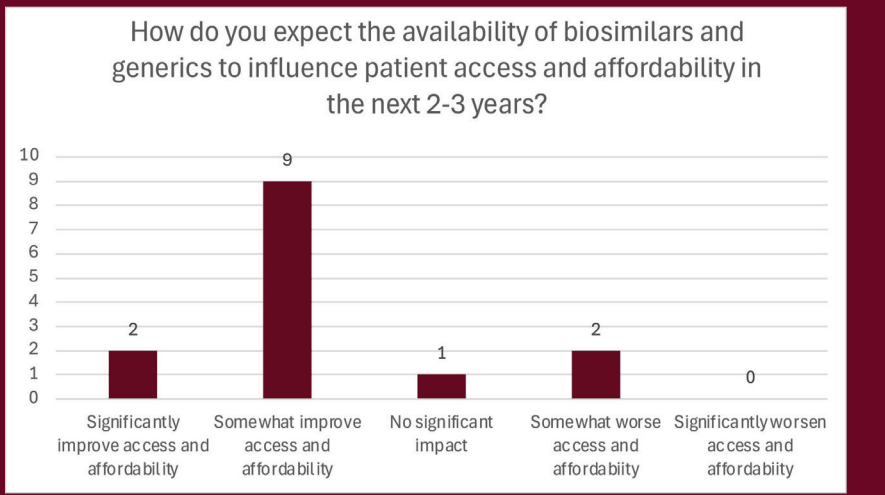
(Figure 2)



(Figure 3)



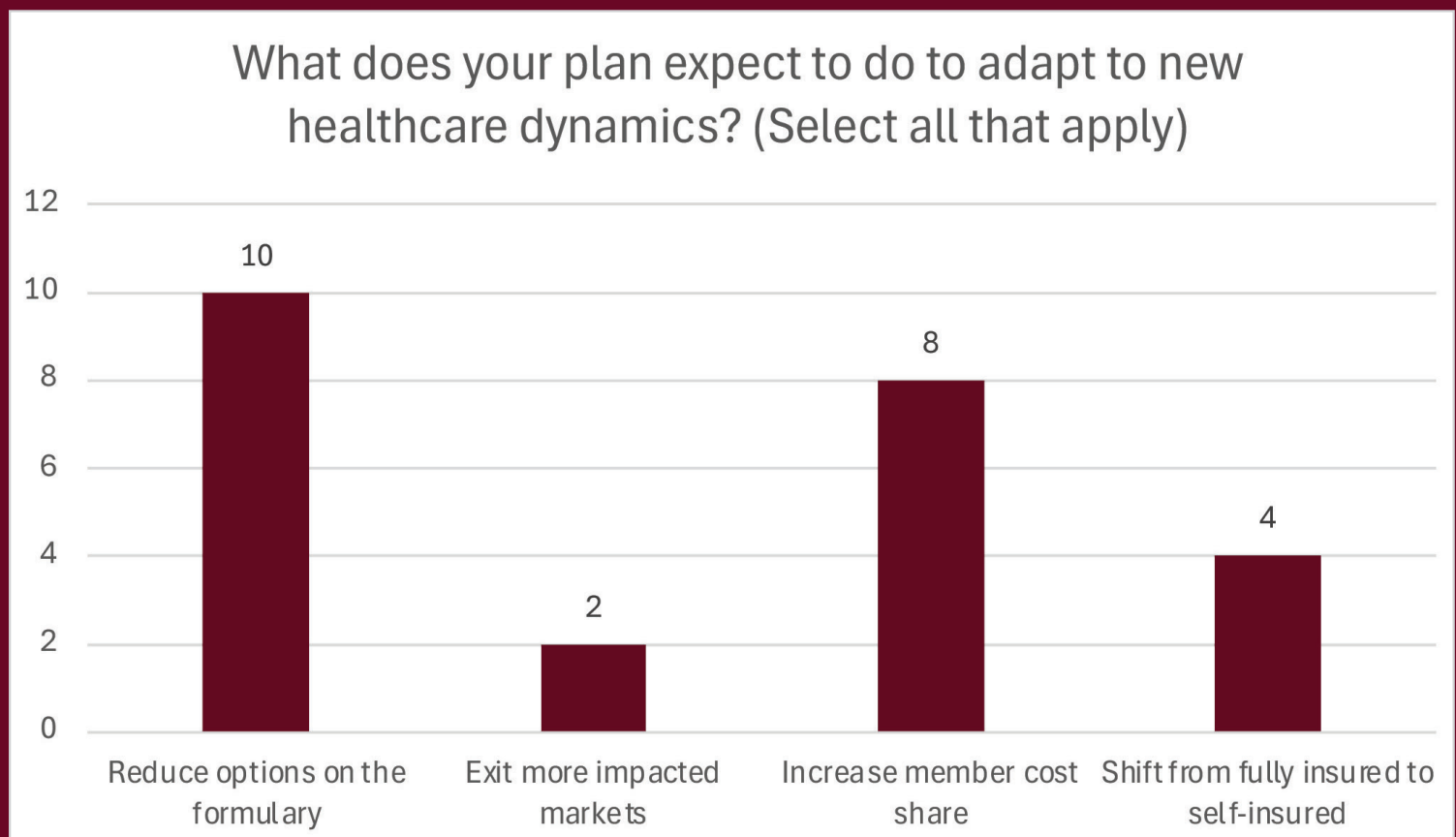
(Figure 4)



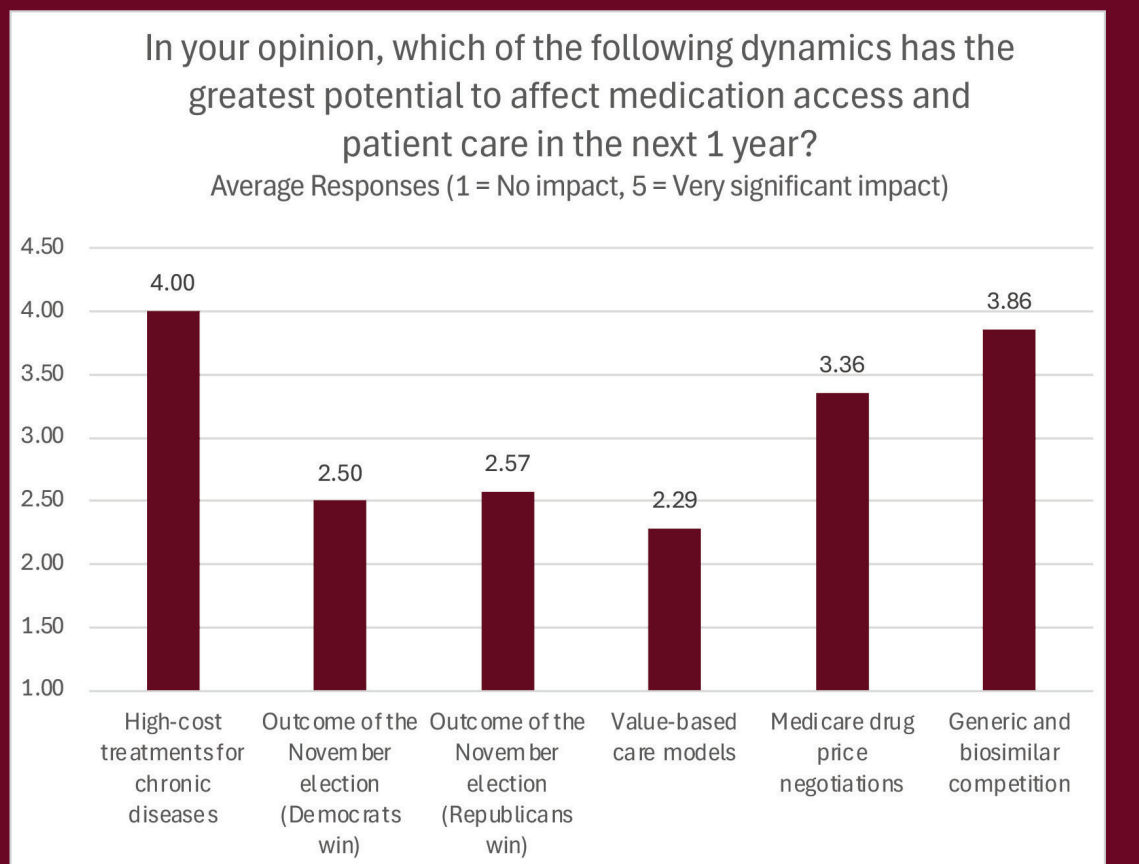
(Figure 5)



(Figure 6)



(Figure 7)



## Conclusion

Our advisory board and subsequent survey on healthcare dynamics and policy impacts revealed significant concerns among respondents about the escalating costs of high-cost treatments for chronic diseases and the implications of legislation. The majority believed that the IRA will moderately to significantly impact medication access and costs. While high-cost biologics are expected to increase overall healthcare costs,

prompting organizations to further adopt various cost management strategies, including formulary restrictions, biosimilars and generics are anticipated to improve access and affordability. The findings underscore the need for MCOs to continuously adapt to evolving healthcare dynamics to ensure sustainable patient access and cost management.

### References

<https://aspe.hhs.gov/reports/medicare-part-d-ooop-cap>

### Abbreviations

- IDN = Integrated Delivery Network; also known as 'payer'
- IRA = Inflation Reduction Act
- MCO = Managed Care Organization; also known as 'payer'
- MoA = Mechanism of Action
- PA = Prior authorization
- PBM = Pharmacy Benefit Manager; also known as 'payer'