

# Landscape of Value-based Contracting in Oncology

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## CONCLUSION

**51%** of the publicly available VBCs were in the EU

**57%** of the VBCs were finance-based agreements

Limited publicly available VBCs in oncology from the US

Most of the details of VBCs are confidential, hence difficult to estimate the impact

Simple discounts are the most used, likely due to easier implementation

## INTRODUCTION & OBJECTIVES

- Increasing approvals and rising budget impact of cancer treatments over the past few decades have raised the need for value-based contracting
- Value-based contracts (VBCs) are arrangements between healthcare payers and biopharmaceutical companies that allow coverage of new medicines while accommodating uncertainties around their performance and financial impact<sup>1</sup>
- VBCs are used to improve access to expensive & innovative technologies that may otherwise have limited reimbursement<sup>2</sup>
- There are no recent studies that have evaluated the landscape of VBCs across the world for oncology products
- The objective of this study was to identify and analyze publicly available VBCs for oncology drugs. In addition, we also looked at the evidence gaps and challenges in the implementation of the VBCs

## METHODS

- A targeted literature review was conducted in PubMed, and supplemented by a grey literature search using Google, HTA websites, and press releases using key search terms for VBCs, oncology, and prescription drugs
- The search was limited to articles published in English between 2005-2022

Table 1. Summary of methodology

Search type	Scientific search	Targeted search
Key terms	Value-based agreements related terms + oncology/neoplasm + prescription drug + case example/ case study (ies)	Value-based agreements related terms + oncology/neoplasm
Sources	PubMed (MEDLINE, MEDLINE In- Process, MEDLINE Epub Ahead of Print)	Google & Bibliography search, Abstracts; Editorials; HTA websites of selected countries; Press releases
Filters	Last 5 years, English language	2005-2022, English language

## RESULTS

Figure 1. Global landscape of VBCs

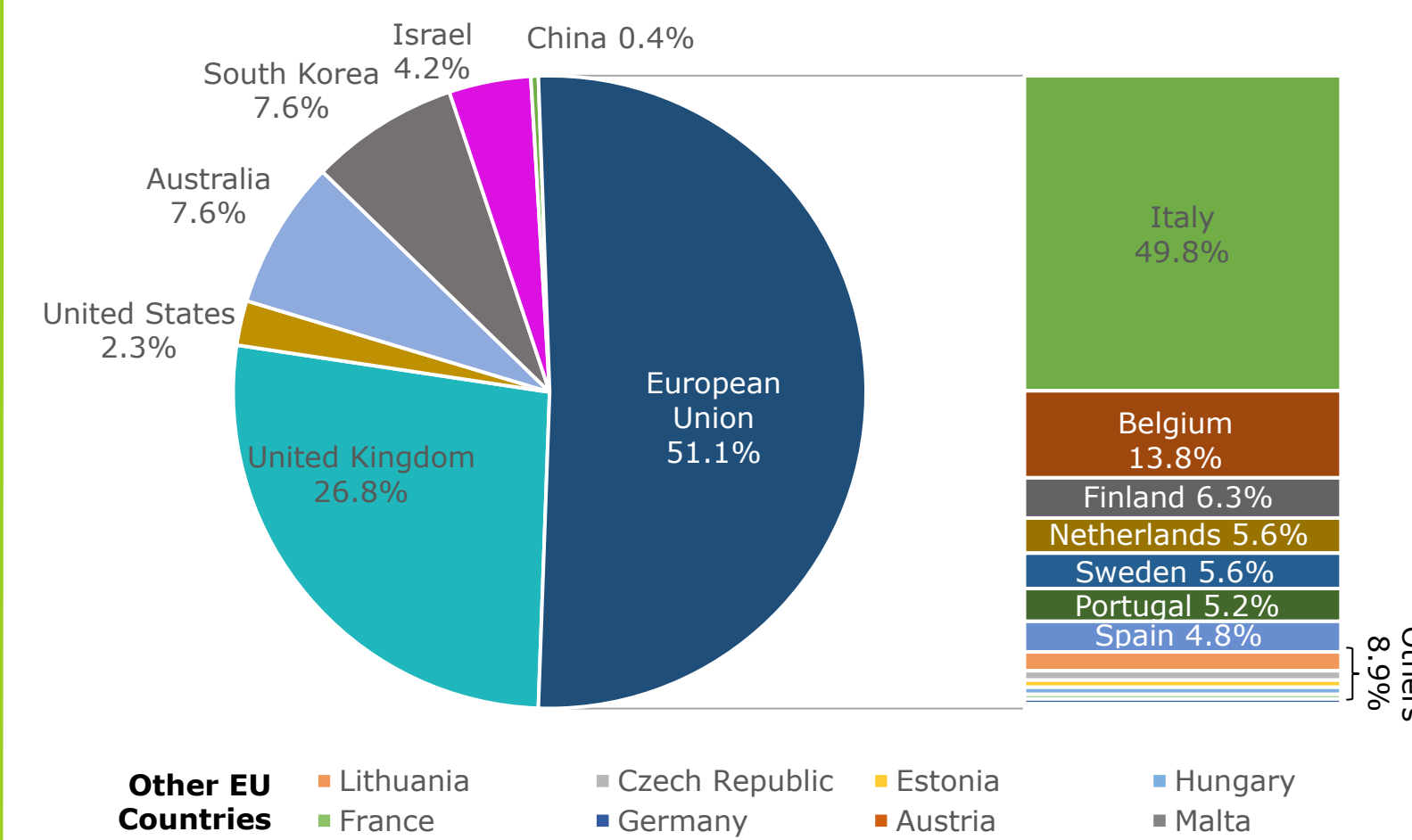


Figure 2. Most common types of agreements

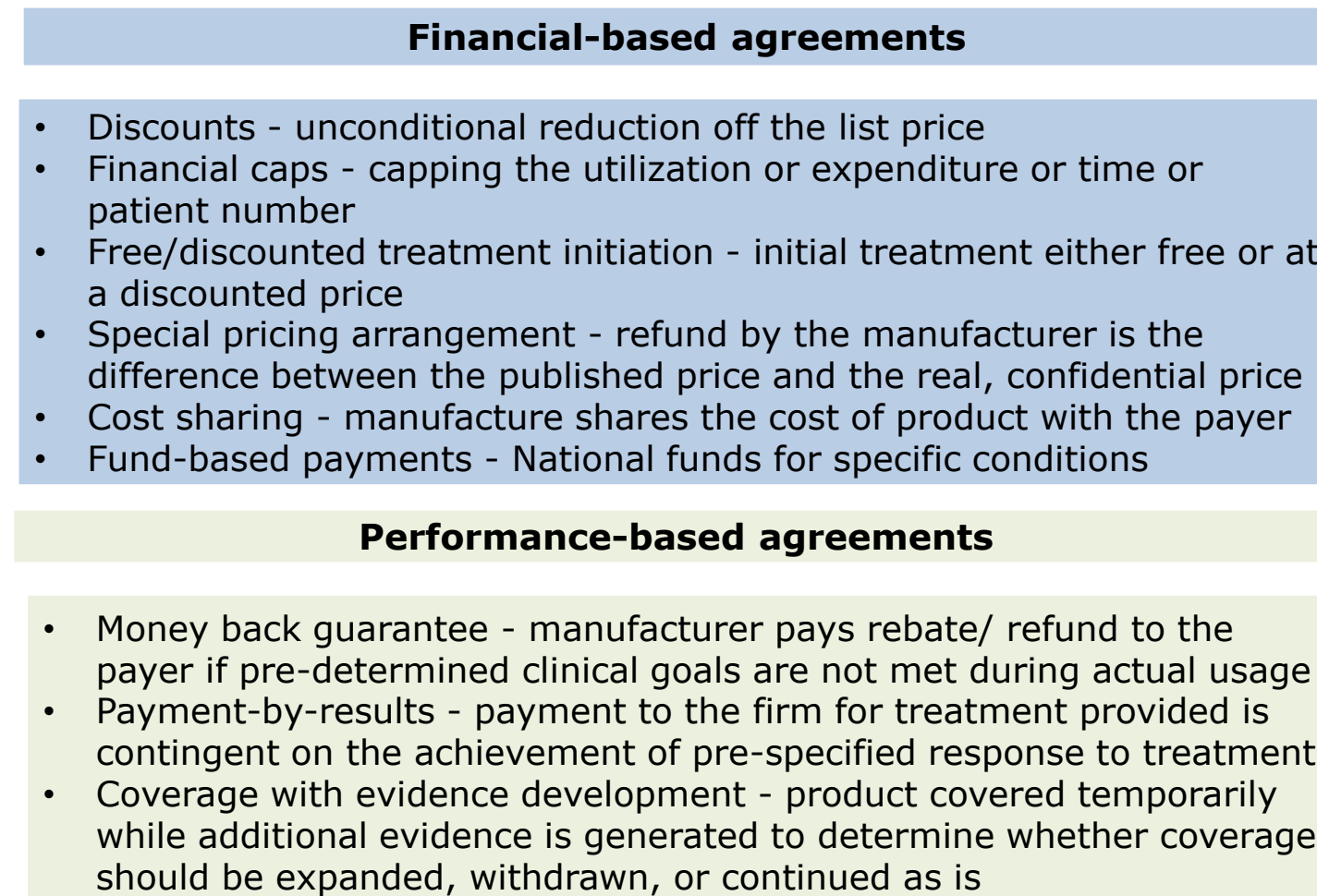
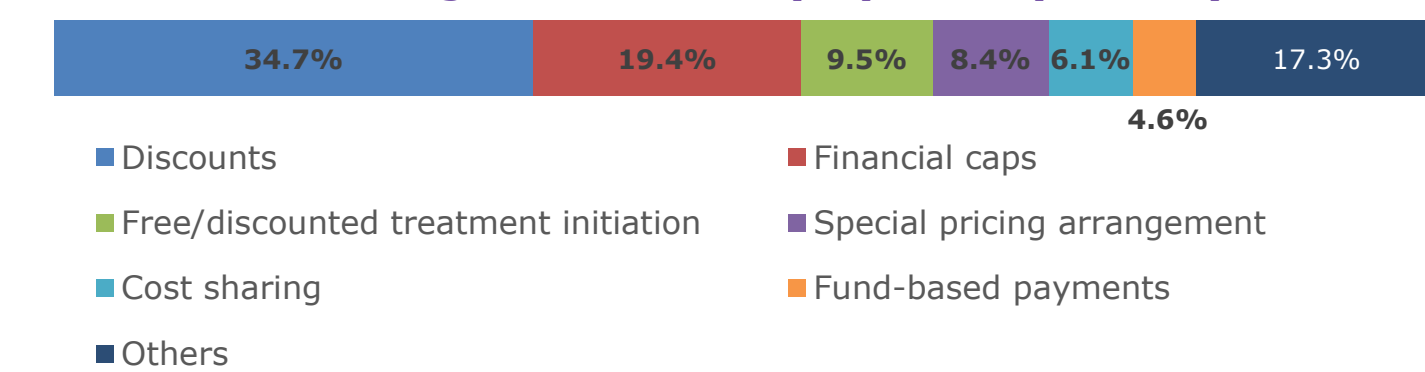
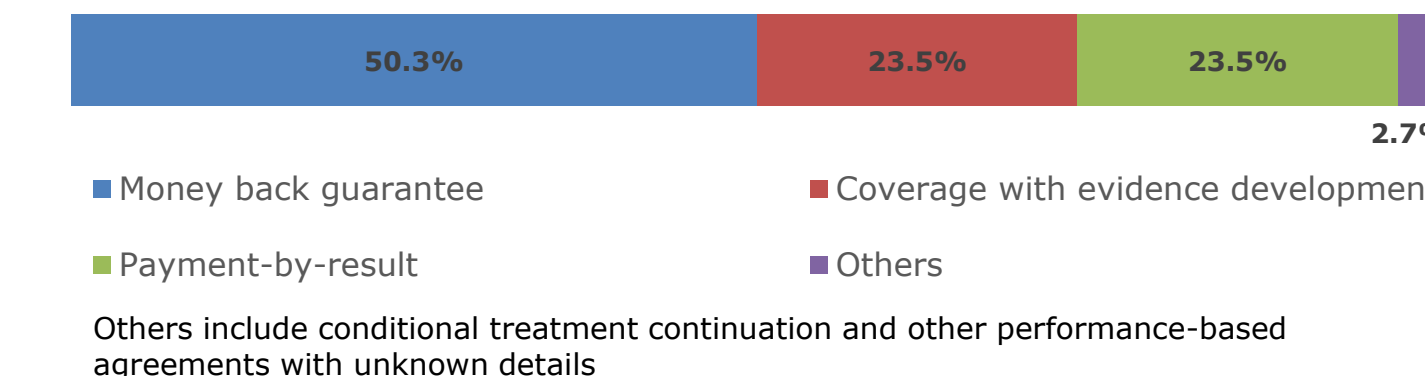


Figure 3. Types of agreements

Finance-based agreements [N (%)=346 (57.0%)]



Performance-based agreements [N (%)=149 (24.5%)]



No information was available for 112 (18.5%) of agreements

- A total of 526 publicly available VBCs associated with 84 unique drugs with oncology indications were identified
- Most of these agreements, 269 (51.1%) were in the European Union (EU), 141 (26.8%) in the United Kingdom (UK), 12 (2.3%) in the United States (US), and the remaining in other countries, including Australia (7.6%), South Korea (7.6%), Israel (4.2%), and China (0.4%) (Figure 1)
- Among EU countries, Italy (49.8%) and Belgium (13.8%) had the most publicly available VBCs (Figure 1)
- The majority of these VBCs were finance agreements (57.0%), followed by performance-based agreements (24.5%), and confidential/unknown (18.5%)
- Finance-based agreements are generally used to manage budget impact (Figure 2), and the commonly used strategies include discounts and financial caps (Figure 3)
- Performance-based agreements are generally used for managing utilization and provide evidence regarding decision uncertainty (Figure 2), money-back guarantee being the most common approach (Figure 3)
- High variability was observed in agreement types across nations

Table 2. Highlights from the identified VBCs

Indications for which VBCs were identified	Top 5 - Non-Small Cell Lung Cancer, Renal Cell Carcinoma, Leukemia, Melanoma, Lymphoma
Products for which VBCs were identified	Top 5 - Nivolumab, Pembrolizumab, Bevacizumab, Cetuximab, Lenalidomide
Year of agreement	Year was not specified for most of the agreements, however where data were available, number of agreements were higher between 2009-2015
Pharmaceutical companies	Top 5 - BMS, Pfizer, J&J/Janssen, Merck/MSD, Novartis

Figure 4. Evidence gaps and implementation challenges

- There were limited publicly available VBCs in oncology from the US, however this is likely an underestimation, as a study suggests that >70% of all agreements implemented between 2014-2017 are not publicly disclosed in the US<sup>3</sup>

Evidence gaps	
2. Details of agreements/ contracts not disclosed – most of the details are confidential	3. Differences in terminology e.g., MEAs more commonly used in the EU, VBCs/VBAs more common in the US

1. Alignment on the outcome measures – what to collect and how to collect?	2. Setting up operational systems and IT infrastructure for performance-based agreements
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Implementation challenges	
3. Alignment between stakeholders with clear benefits for payers and manufacturers	4. Estimates of risk quantification for sharing of the risk and outcome uncertainty between the payer and the manufacturer

EU: European Union; IT: Information technology; MEAs: Managed entry agreements; US: United States; VBAs: Value-based agreements; VBCs: Value-based contracts

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DISCLOSURES: Manvi Sharma and Neha Agrawal are employees of Complete HEOR Solutions, PA, USA, which received funding from the sponsor to conduct this study. Vivek Khurana is an employee of the healthcare business of Merck KGaA, Darmstadt, Germany. Murtuza Bharmal was an employee of EMD Serono, MA, USA at the time of the study. This study was sponsored by the healthcare business of Merck KGaA, Darmstadt, Germany

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