



Cost-Sharing Roundtable: Sustainable Strategies for Providing Access to Critical Medications

Hosted by the PAN Foundation in collaboration with
The American Journal of Managed Care

Executive Summary

February 24, 2017 • 8:30am – 3:00pm

Kaiser Family Foundation's Barbara Jordan Conference Center

1330 G Street NW, Washington, DC 20005

The Cost-Sharing Roundtable, hosted for the second consecutive year by the Patient Access Network (PAN) Foundation and *The American Journal of Managed Care (AJMC)*, continued the conversation about the growing burden of out-of-pocket (OOP) expenses for economically vulnerable Americans. Focusing on sustainable strategies for providing access to critical medications, the Roundtable provided a forum for discussing the effects of high OOP costs on medication access, the critical need for an effective and sustainable safety net, the patient experience and uncertainty surrounding proposed changes to the Affordable Care Act (ACA) that were being widely discussed at the time of the meeting. Speakers and audience members also explored potential solutions to these complex issues. This report synthesizes the daylong conference, which was held in Washington, D.C. on February 24, 2017.

Roundtable presentations drew on data from national surveys, polls and targeted analyses of CMS data, while others shared lessons learned from initiatives to better support patients who struggle managing the cost of their health conditions. The Roundtable explored the concept of “high need” patients in clinical, social and economic terms, and examined the confluence of factors that occurs when low-income individuals are diagnosed with diseases that require expensive medications that they cannot afford. Presentations also covered diverse issues linked to the ongoing need for a sustainable healthcare safety net, as well as the potential role of value-based insurance design in ensuring access to needed treatments. The Roundtable was held at a time when there was active debate concerning the future of the Affordable Care Act, and the uncertainties associated with these far-reaching policy discussions were widely discussed.

Roundtable participants emphasized uncertainty about the current political climate, as well as how specific elements of the healthcare debate may play out in the future. Participants emphasized ongoing confusion about healthcare costs and transparency, and the role that manufacturers and insurers play in drug pricing and medication access. Several solutions with the potential for long-term positive effects were introduced, including value-based formularies and changing the Medicare Part D cost-sharing structure.

The Roundtable also included pointed discussions about the patient experience, including a first-hand description of the challenges faced by cancer patients trying to cover their treatment costs. Two presentations describing patient support initiatives highlighted the many difficulties patients face, how varied their experiences can be and that navigation of the financial aspects of critical illness, including access to medications, remains a significant challenge. PAN’s 2017 Roundtable yielded several broad themes concerning access to critical medications, and these are summarized below.

What do we know about high-need patients?

- » High-need patients may have a variety of conditions or situations (e.g., disease or disability) that increase their need for healthcare services.
- » The definition of “high need” frequently includes economic insecurity, which is often exacerbated by the need for increased healthcare utilization, especially among low-income patients.
- » High OOP costs often prevent high-need patients from accessing needed medications.

Why does the safety net matter?

- » OOP costs can not only make medications unaffordable, they can also jeopardize financial security.
- » Without financial assistance provided by safety nets like charitable organizations, patients may be unable to access lifesaving, medications.

What are the sources and implications of uncertainty?

- » Efforts to “repeal and replace” the ACA make the future of healthcare uncertain, especially for economically vulnerable patients.
- » Although the initial “repeal and replace” initiative failed to move forward, its components are likely to be part of future initiatives, so examining their potential impacts is instructive.
- » In the current political environment, uncertainty surrounding cost sharing affects all stakeholders: patients, patient assistance organizations, healthcare providers, insurers and patient advocacy groups.

What are some sustainable strategies that may ensure access to medications?

- » Change the Medicare Part D cost-sharing structure by implementing monthly OOP maximums and spreading payments out evenly throughout the year.
- » Implement value-based coverage including use of value-based formularies.
- » Promote widespread use of clinical pathways.
- » Reassess how drug prices are arrived at by drug manufacturers and passed on to patients by insurers.

What can we learn from the patient experience?

- » Even relatively modest OOP costs can tip the scales into financial instability for low-income patients.
- » Patients with serious health conditions often lack knowledge about the costs of their treatment.
- » Patients need help with financial literacy and with navigating the support that may be available to them.
- » Peer support has been shown to promote favorable patient outcomes.

What is the bottom line?

- » It is important for advocacy organizations, charitable assistance programs such as the PAN Foundation, industry and all stakeholder groups to work together to support the needs of growing numbers of economically vulnerable patients with overwhelming OOP costs.
- » There was widespread agreement that these organizations and supports will not provide a viable, long-term solution to the cost-sharing problem. This is because costs are not decreasing, and there are increased numbers of patients who need assistance, in part due to demographic factors such as the aging of the U.S. population.
- » To effectively address this complex issue, current efforts need to be supplemented by innovative, policy-based solutions that address cost sharing on a broader scale.

The Patient Access Network Foundation

The Patient Access Network (PAN) Foundation is an independent, national 501 (c)(3) organization dedicated to providing underinsured patients with financial assistance through more than 50 disease-specific funds that provide access to progressive therapies. Partnering with generous donors, healthcare providers and pharmacies, since 2004, PAN has provided more than 700,000 underinsured patients with over \$2.5 billion dollars in financial assistance to cover out-of-pocket expenses for their prescribed treatments.

The American Journal of Managed Care

The *American Journal of Managed Care (AJMC)* is an independent, peer-reviewed forum for the dissemination of original research related to financing and delivering healthcare. *AJMC's* mission is to publish research relevant to clinical decision makers and policymakers as they work to promote the efficient delivery of high-quality care. *AJMC* addresses a broad range of issues relevant to clinical decision-making in a cost-constrained environment and examines the impact of clinical, management, and policy interventions and programs on healthcare and economic outcomes. *AJMC* circulates to nearly 49,000 clinical decision makers in managed care, including physicians, hospital directors and medical/pharmacy/formulary directors.

The *AJMC* family of publications also includes The American Journal of Accountable Care, Evidence-Based Oncology and Evidence-Based Diabetes Management. In addition to the print platform, *AJMC* also hosts live meetings and conducts panel discussions that bring together third-party payers, pharmacy benefit managers, providers, patients, and healthcare policy experts, to ensure a continuing dialogue among key stakeholders.