Policy Proposals for Reducing Health Care Costs

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Project Goal and Approach

Develop policy recommendations from the patient perspective about health care costs

Task 1. Determine the Universe of Policy Proposals

Conduct assessment of current policy debate to identify existing policy proposals that address health care costs

Task 2. Draft Domains and Values

Develop domains and values to serve as a guide for the evaluation of policy proposals and for gap identification
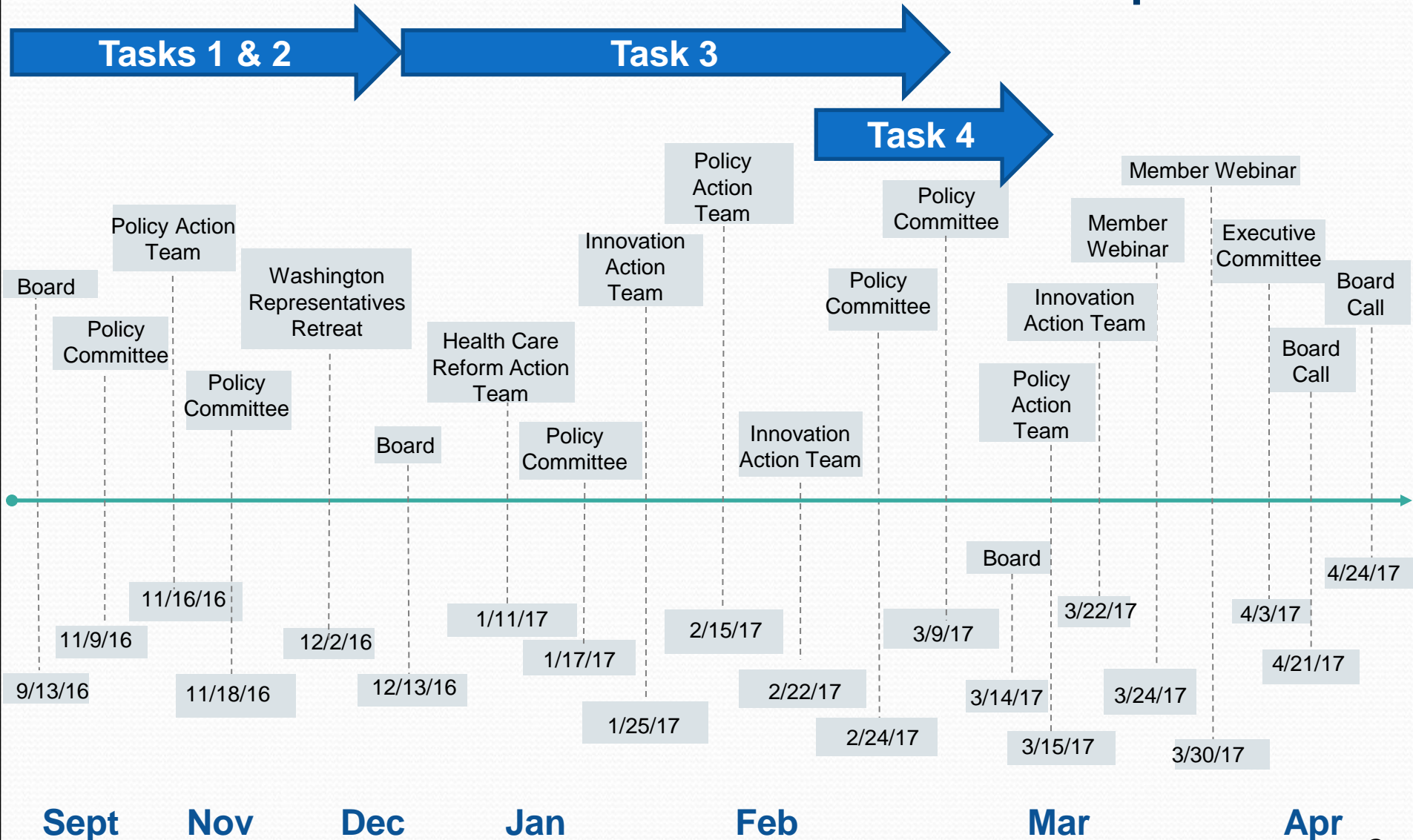
Task 3. Analyze and Prioritize Proposals

Conduct preliminary analysis of all proposals and prioritize them

Task 4. Assess Policy Proposals

Evaluate policy solutions against feasibility criteria on impact and likelihood of implementation

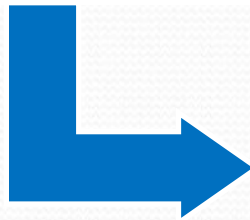Feedback from members and selected external stakeholders

Timeline of Member Feedback and Input

Tasks 1 & 2 → **Task 3** → **Task 4**

Label	Date
Board	9/13/16
Policy Committee	11/9/16
Policy Action Team	11/16/16
Policy Committee	11/18/16
Washington Representatives Retreat	12/2/16
Board	12/13/16
Health Care Reform Action Team	1/11/17
Policy Committee	1/17/17
Innovation Action Team	1/25/17
Policy Action Team	2/15/17
Innovation Action Team	2/22/17
Policy Committee	2/24/17
Policy Committee	3/9/17
Board	3/14/17
Policy Action Team	3/15/17
Member Webinar	3/22/17
Innovation Action Team	3/24/17
Member Webinar	3/30/17
Board Call	4/3/17
Executive Committee	4/21/17
Board Call	4/24/17

Sept Nov Dec Jan Feb Mar Apr

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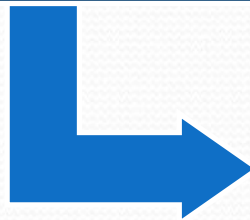# Task 1: Determine the Universe of Prominent Policy Proposals

~175 proposals

About 175 proposals that relate to health care costs originally identified

64 proposals

Proposals were consolidated. Therapeutic-specific proposals and those least likely to gain traction were removed

42 proposals

The list was narrowed based on the number of supporters and the level of discussion in the policy debate

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Task 2: Domains and Values on Efforts to Reduce Health Care Costs

Domains	Values
Promote High-Value Health Care	• Integrate the perspectives of patients with chronic conditions and disabilities on how value is defined • Promote care coordination, health promotion, adherence, prevention, and disease management • Ensure costs for health care products and services align with their value to patients and the health care system • Reward providers for efficiency and effectiveness on the basis of outcomes that matter to patients • Provide patients with adequate and transparent options for comprehensive and appropriate coverage and care • Ensure affordable and predictable out-of-pocket costs • Support mechanisms that share risk across plans appropriately for all patients, including those high-risk patients with chronic conditions
Stimulate Research and Competition	• Encourage early and continuous engagement of patients with chronic conditions and disabilities throughout the research continuum • Promote competition to drive lower-cost and higher-quality products and services • Support the development and use of patient-reported and patient-identified outcomes • Promote research that evaluates health-system level approaches to improving value in health care • Support comparative effectiveness research that involves patient engagement and is useful at the point of care • Facilitate research collaborations, data sharing, and clinical trials efficiency
Curb Costs Responsibly	• Ensure cost-containment strategies do not adversely affect patient safety, access, or outcomes • Promote solutions that view total health care costs over the long term, rather than short term • Encourage meaningful transparency on health care costs and prices to drive informed action by patients and providers • Reduce use of duplicative and ineffective services • Seek to eliminate waste, fraud, and abuse in the system

Examples of proposals that don't align.

Proposals	Promote High-Value Health Care	Stimulate Research & Competition	Curb Costs Responsibly	Overall Assessment
Implement fixed, per-person Medicaid payments	○	⬤ (gray)	○	○
Allow providers and patients to reimport drugs	◑	●	○	◑
Reform patent process (i.e., evergreening; pay for delay)	●	◑	◑	◑
Shorten exclusivity periods	⬤ (gray)	○	◑	○
Permit Medicare to negotiate drug prices	◑	◑	◑	◑

Legend:
- ● Proposal generally aligns with the NHC's values
- ◑ Proposal partially aligns or alignment depends on how the proposal is designed
- ○ Proposal does not align with the NHC's values
- ⬤ (gray) Proposal is not applicable to any values in the domain

Task 3: Assessment of Alignment with Domains and Values

Examples of proposals that generally align.

Proposals	Promote High-Value Health Care	Stimulate Research & Competition	Curb Costs Responsibly	Overall Assessment
Reduce barriers for development of generic and biosimilar products	●	●	●	●
Incorporate the patient perspective in research and development	●	●	◉ (grey)	●
Promote meaningful transparency on price and cost sharing	●	●	●	●
Encourage outcomes-based contracting	●	●	◐	◐
Facilitate the implementation of value-based insurance design	●	◉ (grey)	●	●
Develop patient-relevant quality measures	●	●	◉ (grey)	●

● Proposal generally aligns with the NHC's values

◐ Proposal partially aligns or alignment depends on how the proposal is designed

○ Proposal does not align with the NHC's values

◉ (grey) Proposal is not applicable to any values in the domain

Task 4: Potential for Cost Savings and Political Feasibility

Potential for Cost Savings

- Determine if CBO has scored the proposal or any variation of the proposal
- Search for other analyses from which cost savings or drivers can be inferred

Political Feasibility

- Determine if Congress or the Administration supports or opposes the proposal based on public statements or inclusion in replacement plans

🔴 Proposal does not have support from Congress or the Administration

🟡 Proposal may have support but may not emerge as a high priority for Congress or the Administration

🟢 Proposal has support from Congress or the Administration

Task 4: The NHC Board of Directors Selected these Four Main Policy Priority Areas

	Potential for Cost Savings	Political Feasibility
Reduce barriers for development of generic and biosimilar products	• CBO has not scored • FDA analysis shows that generic entry has downward pressure on drug prices	🟢
Promote meaningful transparency on price and cost sharing	• CBO has characterized potential savings as "ambiguous" • Other reports support CBO's finding	🟡🟢
Encourage outcomes-based contracting	• CBO has not scored • Savings from publicly announced OBCs have not been disclosed	🟡🟢
Facilitate the implementation of value-based insurance design	• CBO estimated savings for lowering cost-sharing of generic drugs • Savings from VBID programs have been mixed	🟡

Reduce barriers for development of generic and biosimilar products, and expedite approval of certain generic applications

- Create a generic products designation allowing for communication with FDA prior to submission

- Complete generic application reviews despite minor inspection holds

- Require FDA to give updates on the status of generic applications

- Ensure safety provisions in Risk Evaluation and Mitigation Strategies (REMS) while promoting access to samples for testing

Note: Requires adequate FDA funding.

Promote meaningful transparency around price and cost-sharing

- Establish standards for insurers to provide cost estimates

- Promote standards for providers to display billing information

- Protect patients from surprise medical bills

- Ensure rebates are passed through to the patient

- Require justification of significant drug price increases

Encourage outcomes-based contracting (OBC)

- Implement a voluntary demonstration project to test the impact of OBCs on outcomes, prescription drug costs, and total costs of care

- Include safe harbors to the Federal anti-kickback statute, Medicaid best-price requirement, and off-label communications

Facilitate the implementation of value-based insurance design (VBID)

- Expand Medicare Advantage (MA) VBID demonstrations within the Center for Medicare & Medicaid Innovation to include more geographic regions and conditions

- Allow plans the flexibility to provide coverage for additional services that manage chronic disease without meeting the deductible

- Address barriers to value-based arrangements, including the Stark Law and Federal anti-kickback statute

Questions & Answers

Thank you for participating today.

- For more information, visit www.nationalhealthcouncil.org/healthcarecosts

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