Capturing Value Through Collaborative Care Services
Moving “Beyond the Pill” to Improve Patient Outcomes
It is no secret that pharmaceutical companies are under pressure to justify the value of their products and services, as payers and healthcare systems across the globe are working harder to contain escalating costs. In the US, the Centers for Medicare & Medicaid Services (CMS) are reducing Medicare payments by 2 percent to providers, health care plans, and drug plans. In addition, the drug pricing regulatory bodies of eleven OECD countries have limited reimbursements for many drugs. Further, regulators in Europe and the US are shifting to value-based evaluations of new therapies, with regulators and payers declining to add even efficacious drugs to their reimbursement schedules absent proof of demonstrable incremental value. These forces are driving the creation of new complementary collaborative care products and services that pharmaceutical companies bring to payers and providers as a risk-sharing or value-delivering partner.

Pharmaceutical companies often have a deep understanding of a disease state, the most effective current treatments, and the direction of future treatments. Traditionally, this knowledge was embodied within their therapeutic programs, trial outcomes, approved labels, and medical communications materials. Little of the knowledge ever came as complementary services or decision support tools. With the increased importance of care collaboration services, an opportunity exists for pharmaceutical companies to evolve beyond their traditional relationships with payers and providers to becoming partners. Providing care collaboration services to drive new revenue sources and change the basis of payment for their products is an opportunity for pharmaceutical companies to evolve their value equation “beyond the pill.” To do this, these services must improve patient outcomes and remove non-value adding costs from the healthcare system.
Historically, payers, providers, and pharmaceutical companies have had different, and at times conflicting, interests in delivering quality healthcare. Payers sought to maximize the number of covered lives, while minimizing their incurred costs, which negatively impacted reimbursement to providers and pharmaceutical companies. Providers and pharmaceutical companies needed to increase volume to maximize their revenues in a fee-for-service (FFS) world, which negatively impacted payers.

While these conflicts still exist, their influence is decreasing as the healthcare landscape shifts towards an environment where increased collaboration among stakeholders to improve patient outcomes is the rule, not the exception, for earning incentives and avoiding penalties (see Sidebar on next page). This shared goal can be met in part by ensuring increased access to care for patients and delivering collaborative care programs (e.g., to increase disease state awareness or adherence). This need for more collaboration allows pharmaceutical companies the opportunity to expand their role and engage with stakeholders in new ways.

Care collaboration requires the use of tools or services to help manage the health of patient populations by providing more coordinated holistic care, which in turn can reduce the total lifetime cost of care. The first iteration of care collaboration manifested itself in the form of care management, which focuses on products and services that help manage the care of individuals. This has historically been the purview of payers who are focused on managing the medical risk and costs associated with member populations, or disease management companies, which provide services to payers to manage their medical risks and costs. The synergies have led several payers to either acquire disease management companies or develop in-house care management capabilities as a core competence and point of competitive differentiation.

More recently, there has been a move in the care collaboration space driven by providers (e.g., ACOs, IDNs) as healthcare economics force them to manage the risk profile of their patient population due to the increased use of outcomes-based reimbursement. These providers have started to look for care coordination solutions and capabilities, which focuses on coordinating patient care across many intermediaries/stakeholders. However, their lack of experience in this domain and their limited financial capacity has resulted in providers looking to third party partners to help them improve the coordination of care.

Increasing care coordination and collaboration among healthcare stakeholders can generate benefits for individual patients and focal patient populations. The Asheville Project is an example that has inspired a new health care model for treating individuals with chronic conditions through healthcare stakeholder collaboration that provided better education and oversight. This resulted in increased patient adherence and improved patient outcomes, while reducing total healthcare cost. The project enlisted pharmacists as key resources to improve management of chronic conditions and provides another example of the avenues for collaboration available to pharmaceutical firms. Other innovative examples include pharmaceutical companies focused on specific disease areas, like diabetes or oncology, offering to partner with ACOs and IDNs on a risk- or value-sharing basis to minimize the total cost of care and improve patient outcomes for the provider’s patients through the use of the pharmaceutical company’s bundled drug and care collaboration services.
Examples of healthcare reform changes that are pushing healthcare stakeholders to manage their patient populations more effectively in order to achieve performance incentives:

- **Readmissions Reduction Program**, which imposes financial penalties for hospitals with excess readmissions$^{10}$.
- **Medicare Hospital Value-Based Purchasing Program**, which adjusts payments to hospitals based upon meeting pre-defined hospital quality measures$^{11}$.
- **Medicare Shared Savings Program**, which provides Accountable Care Organizations with incentives to improve the quality of care for Medicare FFS beneficiaries and reduce unnecessary costs$^{12}$.
- **Comprehensive Primary Care Initiative**, which is a public and private multi-payer initiative to offer bonus payments to primary care providers and practices who better coordinate care for their patients$^{13}$.
Care Collaboration: Value to Pharmaceutical Companies

As the healthcare industry shifts to outcomes-based reimbursement and the shared goal of improving patient outcomes, pharmaceutical firms have an opportunity to assure that their innovative therapeutics are delivered to patients as effectively as possible, drive as much value to the health system as possible, and establish mutually beneficial collaborative partnerships.

Even patients and caregivers want improved patient support programs that go “beyond the pill” delivery of health care. According to a new Manhattan Research survey, 30 percent of patients and 38 percent of caregivers are interested in registering for a patient support program that would give access to a range of services. While adoption of patient programs varies by condition, 41 percent of those using programs for Multiple Sclerosis used one from pharma.

The types of services offered for Multiple Sclerosis ranges from Novartis’ Gilenya Go Program, a patient service program that helps patients get on therapy, to Teva’s Copaxone iTracker, an app that helps patients manage their injection routine.

Given the need and desire from both healthcare stakeholders and patients, one area of immediate opportunity is to improve therapeutic adherence, patient engagement, and ultimately, predictable positive outcomes for multiple chronic and chronic-acute diseases. Research shows that adherence to therapies is a primary determinant of treatment success. As such, pharmaceutical companies have traditionally approached providing additional customer services from a product-centric point of view to expand or maintain the number of patients eligible for a particular treatment. Such programs have typically been fielded through brand-related patient support programs, in an effort to build relationships between manufacturers and patients. For example, Abbott’s MyHumira and Bristol-Myers Squibb’s Otsuka’s Abilify Assist patient support programs have long offered dosing schedule and prescription refill reminders in order to improve adherence.

However, as efforts like the Asheville Program have shown, moving beyond stand-alone patient support programs to a care collaboration strategy with services that engage multiple healthcare stakeholders to improve patient adherence can achieve more value for the overall healthcare system—value that could be captured by pharmaceutical companies. As pharmaceutical companies explore providing care collaboration services bundled with their products, Accenture believes that careful planning, partnering, and deal structuring will allow pharmaceutical companies to capture part of the additional value they are creating in one or more of the following ways:

1. Commanding higher prices for your product or better contracting terms due to the improved patient outcomes and lower total cost of care
2. Increasing customer stickiness, and therefore increasing the use of the associated product, in the face of competition due to the improved patient outcomes and lower total cost of care
3. Sharing the risk and reward associated with the use of your products and services, such as the partnership between Merck and Cigna, which ties Januvia and Janumet reimbursement to adherence and outcomes or the risk sharing agreement between P&G, Sanofi, and Health Alliance Medical Plans for Actonel outcomes, both of which have set an excellent precedent for next-generation care collaboration strategies.

Given the need and desire from both healthcare stakeholders and patients, one area of immediate opportunity is to improve therapeutic adherence, patient engagement, and ultimately, predictable positive outcomes for multiple chronic and chronic-acute diseases.
Changes across the healthcare industry are putting pressure on pharmaceutical companies to justify the value of their products and services. Pharmaceutical companies can do so by creating and providing new complementary collaborative care products and services to payers and providers as a risk-sharing or value-delivering partner. Providing high quality care collaboration services offers the potential for pharmaceutical companies to use their knowledge to improve patient outcomes while also increasing customer stickiness and demand for their products. It will also allow pharmaceutical companies to play a critical role in the shift to value-based healthcare delivery that is taking hold in most major world markets in partnership with their payer, provider and patient customers.
End notes


2 Australia, Canada, France, Germany, Greece, Japan, South Korea, Mexico, Poland, Switzerland and the United Kingdom.


4 For this document, we will define a payer as any entity that bears the cost of providing medical care for its members or employees. As such, traditional public and private payers, as well as self-insured employers will be included in this definition.


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8 Integrated Delivery Networks


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Accenture has worked with a variety of pharmaceutical companies to incorporate care collaboration and to align stakeholder incentives around providing healthcare services to deliver value “beyond the pill.” It is critical to the success of these initiatives to meet the business goals of expanding reach and revenue, while remaining in compliance with commercial and anti-kickback regulations. Accenture does not provide legal counsel related to these topics. However, in our experience, companies that successfully navigate these issues in a timely manner have a clear, robust process in place to compliantly and efficiently assess the fair market value of any services they are planning to implement.

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