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# The Calculus of Coverage: Assessing Product Value

Four takeaways from Advisory Board’s cross-industry panel discussion

## 2018 Medical Leaders Charter Advisor Roundtable

Cross-industry panel participants:

<p>H. Takaji Kittaka, Jr., MD Chief Transformation Officer, Adena Health</p>	<p>Richard Popiel, MD, MBA EVP and Chief Medical Officer, Cambia Health Solutions</p>	<p>Kyle Skiermont, PharmD Chief Operating Officer, Fairview Pharmacy Services</p>	<p>Brian Solow, MD Chief Medical Officer, Optum Life Sciences (former CMO of Optum Rx)</p>
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“*I say this lovingly, but I don’t trust you.*” —Dr. H. Takaji Kittaka, Jr.

The above statement, with its sincerity and directness, left a powerful impression on the life sciences medical affairs and HEOR<sup>1</sup> leaders who participated in a recent one-day summit that Advisory Board research leaders convened to discuss heightened customer demands for evidence and value. Dr. Kittaka’s perspective was one of four distinct “customer voices” dialed up during a cross-industry panel discussion that kicked off the day’s agenda. His candid admission, about half-way through the panel discussion, paved the way for a productive conversation in which payer, provider, and life sciences leaders could all be honest about the challenges they face in trying to assess and communicate value.

The panelists (as noted in the box above) included medical leaders from an Ohio-based ACO, a regional health plan in the Pacific Northwest, a Midwestern health system pharmacy enterprise, and the Optum life sciences group.<sup>2</sup> The panelists fielded an array of questions about decision making criteria, access and appropriateness, trust and transparency, and the cost of innovation. In reflecting on the rich and far-ranging discussion, Advisory Board leaders flagged four key takeaways worthy of further research and discussion.

### Four key takeaways for medical affairs and HEOR leaders

- #1** Institutional customers are converging on the importance of total cost of care as a critical measure of value
- #3** Data limitations aren’t stopping customers from conducting their own analyses
- #2** Customers’ value frameworks differ from manufacturers’ in several significant ways
- #4** Greater alignment on evidence and messaging can open doors to improved cross-industry collaboration

1) Health Economics and Outcomes Research.  
2) Advisory Board is a subsidiary of Optum. All Advisory Board research, expert perspectives, and recommendations remain independent.

# What's next?

Future membership offerings will be directly informed by member feedback

## Praise for panel discussion



*"I could have listened to those panelists for three more hours!"*

*"I don't normally get any value out of panel discussions, but that was the single best panel I've ever heard."*

*"If the Advisory Board could put together more payer and provider panels like that, I'd definitely be interested in your meetings."*

*"When Dr. Kittaka told us he didn't trust us, I took notice and paid more attention. I knew this guy was for real and that everything he said after that would be honest and direct."*

## Sampling of proposed events and deliverables



### 2019 Cross-Industry Value Summit

- Advisory Board keynote: Health Care Market Update
- Facilitated panel discussions: Value frameworks
- Research directives: Turning insight into action
- Rotational breakouts: Small group discussions with medical decision-makers from different customer segments
- Speed networking
- Report: Learnings and actionable takeaways from 2019 Value Summit

### Insights into payer and provider archetypes

- "Inside the Mind of the Payer" benchmarking survey
- Expert Insight: "What You Need to Know About Health System P&T Committees"
- Virtual panel: Provider-sponsored health plans
- Payer archetype profiling catalogue (attributes, representative orgs, evaluation priorities, case studies)

## FOR ADDITIONAL INFORMATION

Contact Ashley Rice at [ricea@advisory.com](mailto:ricea@advisory.com) for more information about membership in the Medical Affairs Leadership Council and more detailed plans for the year ahead.

# Advisors to our work

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Over the course of 2018, the Medical Affairs Leadership Council conducted 60+ qualitative research interviews, administered a quantitative benchmarking survey, and convened a roundtable discussion of 15 medical affairs and HEOR leaders from a cross-section of pharmaceutical and medical device firms to inform our research. We would especially like to recognize the following organizations for being particularly generous with their time and expertise.

## With sincere appreciation

AbbVie	Cook Medical	Nestlé Health Science
Abiomed	Cordis	Novartis
Agios	Daiichi-Sankyo	Olympus
Allergan	Dräger	Pfizer
Amgen	EMD Serono	Phillips
Astellas Pharma	Ferring Pharmaceuticals	Regeneron
AstraZeneca	Flexion Therapeutics	Roche Diagnostics
Avanos	Hill-Rom	Shire
Axovant	Intercept	Spark Therapeutics
B. Braun	Ironwood	Stryker
Bayer	Medline	Sunovion
bioMérieux	Medtronic	Vertex
Biosense Webster	Melinta Therapeutics	Zimmer Biomet
BTG	Merck	



### 2018 Medical Affairs Roundtable Participants

Toby Patterson, MD <b>AbbVie</b>	S. Machel Manuel, PhD <b>Ironwood</b>	Vivian Herrera, DDS, MPH <b>Novartis</b>
Joseph DiCesare, RPh, MPH <b>Allergan</b>	Moe Bishara, MD <b>Johnson &amp; Johnson (Biosense Webster)</b>	Michael Cattaneo, PharmD <b>Pfizer</b>
Bob Cuddihy, MD <b>Amgen</b>	Tonya Dowd, MPH <b>Johnson &amp; Johnson (Biosense Webster)</b>	Tim Hylan, MA, PhD <b>Pfizer</b>
Gary Thal, MD, MBA <b>Astellas Pharma</b>	Barbara Connell, MS <b>Medline</b>	Wendy Kampman, MD <b>Regeneron</b>
David Hahn, MD <b>BTG</b>	Rohit Borker, PhD <b>Novartis</b>	Yvonne Bokelman, MBA <b>Zimmer Biomet</b>

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The best  
practices are  
the ones that  
work for **you.**<sup>SM</sup>

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2445 M Street NW, Washington DC 20037  
1-202-266-5600 | [advisory.com](https://www.advisory.com)