VALUE-BASED CONTRACTS ARE A WIN-WIN FOR PATIENTS

but regulatory barriers are a large obstacle to broad adoption

How we currently pay for medicines may not always be the best approach for the newest innovative therapies, as they don’t always reflect that different medicines are best for different patients, and often leave patients with high out-of-pocket costs and other barriers to care.

In order to help ensure patients can have better access to medications they need and with lower co-pays, BI has been pursuing innovative arrangements with health plans where BI assumes more risk. These are called value-based contracts and stipulate that the cost to the insurance companies varies on how effective the drug is with treating their patient population.

**BENEFITS**

- Off-setting medical costs
- Assurance that the product is “as advertised”
- Patient outcome improvements
- Capture real world information

**CHALLENGES**

- Misalignment of incentives with pharmaceutical benefit managers (PBMs)
- Administrative cost of collecting data
- Too complicated to administer
- Infrastructure is not scalable
- Regulatory and legal barriers

**POTENTIAL SOLUTIONS TO ADDRESS LEGAL AND REGULATORY BARRIERS TO VBCS**

1. Addressing the Federal Anti-kickback Statute
2. Create an Exception to the Medicaid Best Price Rule

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