



# Special Report on Value-Based Agreements between Payers and Manufacturers

Providing a source of truth and guiding force to initiate your value-based contracting discussions with evidence-based insights.

## How will you prepare your approach to value-based contracting discussions?

Gain intel from payer organizations representing 75% of Commercial and Medicare lives on **how they plan to manage value-based agreements** to improve your discussions and VBA contract design. Recognize the most **critical factors for success and failure** ahead of contract engagement.

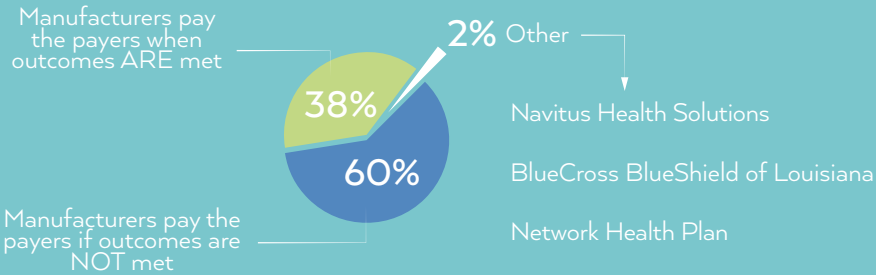
## UNBLINDED REPORT SAMPLE SIZE



Survey Field Dates:  
03/12/2020 - 03/31/2020

## INSIGHTS CAPTURED

### Payer Payment Arrangement with Manufacturers

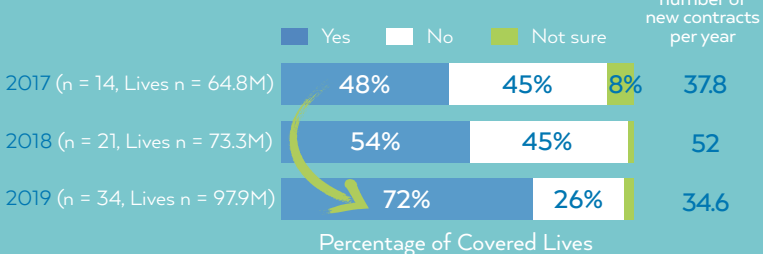


Most often VBA is structured in a way that manufacturers **pay the payers IF OUTCOMES ARE NOT MET, rather than when expected outcomes are met**

The number of payers engaging in value-based agreements HAS GROWN SINCE 2017 with expectations to increasingly utilize this type of agreement in the future

## PAST 3 YEARS

### Payer Engagement of VBAs with Manufacturers



## NEXT 2 YEARS

### Participation in VBAs over the next 2 years



## QUESTIONS ANSWERED

- How many Value-Based Agreements (VBA) did payers engage in the past 3 years as well as for 2020? How do they anticipate the VBA frequency to change in the next 2 years? What is the average length of VBA contracts within each payer organization?
- What type of VBAs (Indication, Outcome, Volume, Cost, Regimen, Clinical pathway etc.) did payers engage within each therapeutic categories in the past 3 years as well as for 2020?
- How many VBAs are currently in each stage of engagement and at which stage most contracts fail?
- What kind of payment arrangements do payers have with the manufacturers and who assumes most of the risks for such contracts? Which aspect of VBAs are perceived to be most valuable? What are some of the current challenges in implementing VBAs?
- What are some of the factors when self-insured vs. fully insured plans are taken into considerations for VBAs?
- Who initiates the VBA discussions and designs these contracts? What metrics are used by payers to measure outcomes?
- What are three most critical factors that payers attribute towards a successful VBA contract and top three reasons for VBA failure?
- Which management criteria within traditional drug utilization policies are impacted due to VBA implementation?
- What is the impact of regulatory / legal considerations and which value frameworks are influential while establishing VBA?