



Joe Eichenholz, MA

...short story...strategic consultant to health care companies and health economist

**footprints:** career pathway through government, health insurance/managed care, employer, medical education and consulting | followed and participated in the evolution of health care policy and practice | **key areas of interest & expertise:** the future of the formulary, technology and medical practice areas and the process by which evidence will be gathered, processed and used in clinical and economic decision-making by all stakeholders in the system

**DELFINI:** What would you like to address for this interview?

**JOE:** What I want to address today comes both from my experience as a health care economist and from my belief in the importance and value of pharmacy and therapeutics (P&T) committees, which is why I serve The Pharmacy & Therapeutics Society (PTS) as Executive Director. What I want to speak about is the evolving framework for health care decision-making as the world of health care technology gets increasingly more complex – and this extends beyond pharmaceuticals to medical technologies as well.

We need a framework that is useful and robust—one that will stand up to scrutiny by any stakeholder, be accepted by the public, policymakers and health care providers as being in their best interest and is versatile enough to allow modification as needed. It is an evidence-based framework for successfully developing and implementing clinical and economic policies and generating and utilizing clinical information to the greatest advantage.

The “technology” of health care is rapidly becoming more complex. We have brand name drug therapies, generics, biologics and biosimilars. We have non-drug diagnostic and therapeutic technologies and other interventions. We have growing areas of treatments informed by genetic markers, and we are headed toward growing opportunities for personalized medicine. Healthcare stakeholders need to know how well interventions work. Private and public sector policymakers need to thoughtfully develop and implement new forms of pharmacy and medical benefits. Evaluations of healthcare interventions need to accompany their development and testing. These are critical issues with crosscutting implications which, when fully realized, we hope will result in optimal care. Let me illustrate this with an example—

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- Pulmonary arterial hypertension (PAH) affects a relatively small population base compared to diseases like diabetes and cancer; the degree of disability may be great, the mortality may be high and management of PAH is complicated and frequently costly. Treatment options include oral, inhaled, injected and infused drugs, all of which are very expensive. They may be given in combination. They are often delivered and managed through specialty pharmacy. They are covered under both medical and pharmacy benefits. Patients, providers and policymakers must have relevant, accurate information about all of these potential interventions and their side effects in order to make informed treatment decisions. Coverage decisions should ideally be neutral with respect to the incentives associated with any particular treatment. Patient cost sharing should ideally be neutral with respect to any particular treatment as well.

Now look at treatment of cancer. Biomarkers and personalized medicine are on the horizon. As techniques get more sophisticated, the therapies and mix of therapies have gotten more complex and more

expensive. Overall, the evolution of the technology and drug assessment processes needs to consider what are the outcomes of these interventions and what are their opportunity costs, whether it be at the government level for public programs or at the employer level for private sector programs, in order to provide optimal value within each set of priorities. What are the expensive technologies? Which ones deal with the most confounding situations? Which ones have the greatest promise of success?

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At a macro level, this is a public policy issue; at a more micro level, greater consideration of outcomes is an issue for P&T committees. They need to be able to move across traditional benefit "silos" so that both medical benefits and pharmacy benefits are addressed. The dichotomy will be less clearly delineated in the future, so a formulary or technology assessment committee needs to be thinking about both sets of benefits. Over time, we might expect to see P & T committee structures and processes adapted to support broader technology assessment.

All of this translates into value-based health care and value-based benefit design, and the foundation for all of it is evidence-based medicine. We must deliver the right treatment for the right patient in the right location in the right way to achieve the desired results. P&T committees must be able to synthesize the evidence, establish clear priorities and put forward choices for patients to make with their physicians and other health care providers. The P&T process should stand between us and making those choices in ignorance.

The Pharmacy & Therapeutics Society (PTS) seeks to foster interdisciplinary collaboration and information exchange in the P&T process. We support evidence-based formulary development and implementation across all practice settings as key elements in value-based benefit design. We evaluate best practices in P&T committee structure, organization, and operation. We evaluate the best practices in the P & T process, and share what we learn with all interested parties.

**DELFINI: What would it take for all of this to successfully happen?**

JOE: Addressing many such issues in health care is like solving a simultaneous equation model. Solutions must simultaneously satisfy all of the equations. In our opinion at the P & T Society, the future framework for health care is going to be an evidence-based model. Coverage and reimbursement should follow the evidence. Of course, there are additional social, ethical and economic considerations as well, but everything needs to be balanced in recognition of available evidence and value.

Employers have begun to raise the value challenges to levels that are likely to grow over the next several years, and I think we've have yet to see the true long term pressures that are going to effect the greatest changes in healthcare. Just as my grandparents never forgot the Great Depression and how it changed people's way of thinking and behaving, we are unlikely to forget the increasing economic and social pressures we currently feel as a nation. We are facing a dramatically changing environment — and I am not speaking politically — I am speaking as a policy analyst and an economist. Our nation's economic, social and political priorities are being rebalanced. There are unique exogenous factors affecting healthcare. I think we are facing a "perfect storm" in healthcare right now, and I don't think the healthcare system is ever going to forget the period that began with 2009.

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Research on clinical effectiveness can lead to more value-based health care. Value based benefit design has the potential to help us save money by incentivizing behaviors that will ultimately reduce costs, not just shift them. This needs to inform policies which address resource allocation, health care

availability and the availability and use of specific interventions and technologies.

There will be more pressure on Pharmacy and Therapeutics committees and technology assessment committees to provide solutions that stand up to scrutiny by the private sector, government, employers, scientists and all of society. Ideally, these committees "blend" knowledge and perspectives of all stakeholders. These committees must possess processes that administer, collect, evaluate, synthesize, translate evidence and factor in other considerations for stakeholders' decision-making. These committees must be organized correctly and institutionalized within organizations. Committee members and staff must be better-trained and better-equipped to manage evidence. Hard choices must be made by these groups and they will need robust processes as well as community and organizational support.

It is the responsibility of health care leaders to vigorously support these activities and ensure that the infrastructure supports this work. Healthcare leadership needs to support the organizational infrastructure and processes necessary to collect, evaluate and communicate evidence to physicians and other health care practitioners in a way they can apply it in patient care and translate the implications of healthcare decisions to patients in a way that maximizes their ability to make choices consistent with their values where there are choices to be made.

Now, and in the future, health care needs should be defined by the evidence regarding effectiveness and safety while at the same time taking into account value and patient preferences where appropriate. Refinement of the evidence must occur through an informed process so that patients understand the issues and patient demands are realistic and achievable. Decisions regarding benefit design and economic issues should convey to the entire community the reality that patients are getting the best care at a fair price. Decisions regarding benefit design, treatment and clinical guidelines and pathways, and the cost of services to the various stakeholders need to reflect the fundamental evidence of effectiveness of various health care interventions.

**DELFINI: Do you have any concluding remarks?**

**JOE:** Yes. The P&T process should be a key focal point for future decision-making regarding many aspects of health care coverage and payment. Committees need knowledgeable and dedicated participants who can examine clinical and economic factors as appropriate and support the priorities and values of the

organizations they represent. The committee needs to be the fulcrum for the balance between rigorous analysis of issues and the human factors inherent in employers' health care coverage or a public-sector benefit program to achieve a delicate balance of the evidence and the true needs of the patient.

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Editor's Note: For more information on the Pharmacy and Therapeutics Society, please contact Joe at [jeichenholz@pandtsociety.org](mailto:jeichenholz@pandtsociety.org), 201-923-4534, or visit their web site at [www.pandtsociety.org](http://www.pandtsociety.org).