What do stakeholders need from VBCs?

Taking value-based contracts (VBCs) from experimentation to mainstream
Unsustainable costs and variable patient outcomes are accelerating the volume-to-value health care transformation. One approach to speed this transformation is the practice of value-based contracts (VBCs) among pharmaceutical manufacturers, payers, and providers. Adoption of this approach has been slow due to misaligned incentives, difficulty measuring outcomes, and a lack of consensus about industry standards.

Almost 30 participants (representing a cross-section of the industry including health plans, health systems, pharmaceutical manufacturers, and patient organizations) came together at Deloitte’s Value Exchange Summit in Chicago to address the core question: **How do we accelerate value-based contracts to positively impact patient outcomes and reduce health care’s overall cost?**
What is needed to make VBCs a reality from each stakeholder’s perspective?

Participants were asked to envision a world unconstrained by hurdles and define what success looks like for their role and what’s needed to make a VBC model a reality. They then discussed what the hurdles meant to them, and how they might influence them. Here’s what they said.
What patients need

Significantly improved outcomes that take patients’ voices into account when defining what value means; informed by better contextual data for shared decision making.

Patients hope to get access to the right treatment at the right time to improve their health. They want more transparency of information so they can play a more active role in their own care. They also want their voices heard when defining what value is. To make VBCs the preferred model, patients need providers and payers to share their vision of quality health care. They need VBCs to help them gain access to the right treatments at an appropriate cost, and in exchange, they are apt to play a bigger role in the information ecosystem of the future. Patients are open to sharing data, but will require trust and meaningful, actionable insights to be shared back that can ultimately help improve their lives. With advancements in technology such as wearables, patient mobile apps, and the emergence of standards that can allow patients to better share their data, that future is possible today.
What providers need

Patient-centric, frictionless care.
The best, most cost-effective outcomes.

Providers hope to create a seamless experience for their patients with the right treatments for the best outcomes. Their focus is on patient care. They believe VBCs can make a meaningful and measurable impact while helping control the overall cost of health care, and they will always advocate for access to the best treatments for their patients. To make VBCs the preferred model, providers want a seat at the table early on. Providers want to be part of the solution. They are a critical part of the equation, but at times are not part of the early discussion. They need consistent approaches, buy-in from all partners, and a longer time horizon for results. Data will underpin the success of VBCs becoming more mainstream. Providers believe there needs to be a greater effort placed on establishing interoperability to streamline information so it flows between the right stakeholders in a secure, trusted way. Without an efficient way to collect and share data, VBCs may continue to face strong headwinds that slow their progress.
What payers need

Aligned interests for affordable outcomes.

Payers hope VBCs will help drive affordable, quality coverage for their members, ultimately leading to healthier patients. They believe VBCs can lead to better patient care, a better patient experience, and better cost control. **They want insights about which treatments are working and they want to create partnerships with shared risk and aligned incentives.** Payers want VBCs that are a win for all parties and want to spur innovation—especially for cures. For VBCs to work, payers seek to restructure the payment model away from traditional rebates and toward a value-based partnership. To make this a reality, payers prefer accessing information by integrating multiple sources of data that can provide transparency into well-defined value metrics. For some treatments, measuring value may require a long-term horizon and there will be a need for cross-payer data collection as patients move between plans. A trusted way to collect and share data between multiple payers, with analytics to measure the true value of a treatment, will be crucial for success.
What manufacturers need

VBCs can be efficiently leveraged to ensure access for patients and a win for stakeholders.

Manufacturers hope VBCs can facilitate patient care that would be a win for all involved (i.e., patient, provider, payer, and manufacturer). They hope VBCs can become more standardized and easily implementable across all relevant disease categories to drive increased use of these arrangements, ultimately enabling access to their products at an appropriate price. To make VBCs the preferred model, they seek trust among all parties, data that demonstrates value, risk-sharing instead of risk-shifting, an easier path to operationalize these contracts, and the removal of legal barriers. They want better data, and ways to share data that instill trust and transparency. And that will require all sides coming together, embracing new technology and collaboration.
Follow our prescription for better VBC outcomes

In order to make meaningful progress on value-based contracting programs, providers, patient organizations, payers, and life sciences companies should collaborate to build the necessary capabilities, standards, and technology that will accelerate the shift to these new models. Doing so can help control costs, create access to care, and improve patient outcomes.

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