

## Building Value Through Health Economics and Outcomes Research in a New Payer Environment

### Objective

The objective of this presentation is to demonstrate the need to use appropriate, and at times innovative, methodologies to define brand value and effectively position products in the context of a therapeutic area that is important to providers and payers.

### Background

The current health care environment is increasing the need for pharmaceutical, biotech and device companies to provide clinicians with credible evidence regarding the clinical, economic, and quality-of-life-related outcomes of treatments they may use in their practice. Payers are also requiring these companies to be increasingly specific about how they define the value of a medical device, pharmaceutical or biotechnology product – in terms of both cost and quality. These realities, combined with demands on industry to achieve quick results, place pressure on commercial and HEOR teams to develop strategies that yield short-term results without sacrificing long-term outcomes. Dealing with this pressure requires a comprehensive perspective that enables the selection and design of tailored, and sometimes new, tools and methodological solutions.

### Presentation

Two case studies are presented as examples of successfully using existing methodological approaches in an innovative way to position products according to the requirements of payers, providers and even patients.

The first case study is associated with bipolar disorder, set in a time when the national priority was, and still is, to focus on increasing depression screening and improving treatment for it. An unintended consequence of this policy is that patients with bipolar disorder, presenting with depressive symptoms, were either unintentionally misdiagnosed or inappropriately treated; also, a significant number of patients with less severe bipolar disorder were being underdiagnosed and not treated. In response to these insights, a measurement-based quality improvement initiative was undertaken to develop and validate performance measures. These measures, subsequently endorsed by the National Quality Forum (NQF), are being tested for use by the VA and some managed care and commercial plans.

The second case study relates to insomnia, a condition problematic for several reasons: It is difficult to define precisely, and people often fail to appreciate that it may cause disability and have negative effects on functional status, quality of life, and resource utilization. This study used a large, managed-care database to identify a nationally

representative sample of 12,000 Americans. The subjects underwent a fully structured diagnostic interview to identify the presence or absence of insomnia, both primary and comorbid. Patient-reported outcomes that were captured included disability, lost productivity, accidents, injuries, and changes in functional status and quality of life. Data from this study now help drive the international discussion among policy makers regarding appropriate diagnosis of insomnia and its subtypes. Further, they are being used to educate stakeholders, such as employers, about the real impact of insomnia on outcomes such as disability, absenteeism, workplace injury and resource utilization.

Approaches such as these can generate credible data that enable sponsors to define “unmet needs” and appropriately position therapeutic products for payers and providers.