



**ANNUAL REPORT**

**The National Pharmaceutical Council** is a health policy research organization dedicated to the advancement of good evidence and science, and to fostering an environment in the United States that supports medical innovation. Founded in 1953 and supported by the nation's major research-based biopharmaceutical companies, NPC focuses on research development, information dissemination, education and communication of the critical issues of evidence, innovation and the value of medicines for patients. For more information, visit **[www.npcnow.org](http://www.npcnow.org)** and follow NPC on Twitter **@NPCnow**.



# CHAIRMAN'S MESSAGE



**A**s I reflect back on 2016 and my time as chairman of the National Pharmaceutical Council, I do so with pride given the many research studies and activities the organization initiated and delivered throughout the course of the year.

2016 was particularly meaningful for NPC as it marked the first full year in which the organization executed on its new strategic plan, approved by the Board of Directors and intended to sharpen NPC's focus on four main areas of work—evidence, value, access and innovation. The strategic plan gave the organization a strong platform upon which to set its priorities and through which NPC was able to develop and communicate its well-respected peer-reviewed research and white papers.

My fellow Board members and I recognized as we entered 2016 that “value”—and how it is measured and considered, particularly in the context of a biopharmaceutical—was an emerging and important issue for the industry. From debates over health care costs and concerns about overall spending, the public dialogue was often heated and lacking in terms of evidence and balance. Through it all, NPC remained a thoughtful and leading voice, offering analyses, constructive criticism, suggestions for moving forward and partnering with other organizations, and guiding practices upon which to anchor the debate. Most important, and consistent with its mission, NPC's research provided a credible lens through which to consider the various aspects of the value debate.

In the coming year, NPC will continue to play an important role in the conversation about the evolution of our health care system, looking at how we conduct, analyze and communicate research; address challenges with how we structure our health care delivery systems to ensure patient access to the right treatments at the right time; and consider ways to ensure both biopharmaceutical and health sector innovation.

While my term as chairman ended in November, I will remain involved in NPC's activities and am eager to see the new heights NPC can reach under the stewardship of its new Chairman, Dr. Joshua Ofman, Senior Vice President of Global Value, Access & Policy, Amgen. As we close one highly successful year and consider the potential a new year brings, NPC's unique voice in health care policy research has never been more important and can help steer us toward a healthier tomorrow.

A handwritten signature in black ink that reads "Patrick D. Magri". The signature is fluid and cursive, with a large initial 'P'.

Patrick Magri  
Senior Vice President, Hospital & Specialty Business Unit  
Merck

# PRESIDENT'S MESSAGE



For the National Pharmaceutical Council, 2016 was a busy, yet very productive year. From the start, we placed an emphasis on activities impacting the development and use of value assessment frameworks, which could have a tremendous impact on treatment decisions, as well as on coverage and reimbursement decisions. In February, we launched *Guiding Practices for Patient-Centered Value Assessment* to encourage framework developers to follow sound practices and take patient views into consideration. These guiding practices remain one of NPC's most downloaded documents, have helped to position us as a thought leader on value assessment, and numerous organizations have shared the document or utilized the information in forming their own comments to framework developers.

I was especially proud of our efforts to bring together stakeholders throughout the year to discuss value assessment frameworks and how we can ensure these tools are used to enhance decision-making rather than block access to needed treatments. In September, we hosted our largest gathering to date, *Assessing Value: Promise and Pitfalls*, a conference attended both in person and online by several hundred participants. A following summary and related "explainer" video were viewed by thousands of stakeholders, further highlighting the importance of getting value assessment right.

Yet our work was not limited to "value" alone. We remained active on topics such as the scientific exchange of biopharmaceutical communications, changes to payment and delivery systems, access to publicly funded data, and dynamic cost sharing in benefit design, among other concerns.

In addition, we published more than 20 peer-reviewed studies and white papers, along with commentaries, blog posts and infographics to supplement our research. Our dedicated staff presented at more than 60 meetings and conferences this year, discussing our work in the areas of evidence, value, access and innovation. We also were cited in numerous media outlets.

Meanwhile, our membership also continued to grow, adding Mallinckrodt Pharmaceuticals, Purdue Pharma L.P. and EMD Serono to our roster of leading biopharmaceutical companies.

I remain thankful to NPC's Board of Directors and staff, who have a deep commitment to conducting research and activities aimed at understanding the current health care environment and seeking solutions to challenges that can hinder industry's efforts to improve patient outcomes.

2017 will be a challenging year, but we are looking forward to working with all health care stakeholders on finding common ground to better our health system and outcomes.

A handwritten signature in dark ink, appearing to read "Dan Leonard".

Dan Leonard, MA  
President

# DRIVING THE CONVERSATION ON EVIDENCE, VALUE, ACCESS AND INNOVATION

In 2016, the National Pharmaceutical Council's research and activities focused on four areas with significant impact on patient outcomes: accessing, generating and using high-quality **evidence** in health care decision-making; recognizing the **value** of medicines as an integral component of care; ensuring that patients have meaningful **access** to appropriate medications; and exploring how the health care system can support biopharmaceutical **innovation** that improves patients' lives.

## Accessing, Generating and Using High-Quality Evidence

For many years, NPC has been playing a leading role in encouraging the use of high-quality methodology and standards to conduct real-world research and helping decision-makers understand how to evaluate and use real-world evidence. Understanding how treatments work in the real world is an important and complex task to guide care in real-world, clinical practice environments.

Although this evidence provides useful information, obstacles exist. It's challenging for researchers to access the necessary databases; there are numerous and ambiguous regulations about what information biopharmaceutical companies can share; and it's difficult for health care decision-makers to analyze and use the data without the proper tools. NPC's research and activities explored and addressed these issues in greater depth, some of which were addressed in legislation or are under consideration by federal regulators.

### Accessing Data to Answer Health Questions and Improve Patient Outcomes

Health data held by federal and state agencies can be used by a wide variety of stakeholders to improve health outcomes and create system efficiencies. Access to publicly funded data can allow researchers to identify cost-effective, evidence-based care; predict treatment responses for different patients; and



NPC Chief Science Officer Dr. Robert Dubois presented NPC's health policy research at conferences like the National Value-Based Payment and Pay for Performance Summit.

evaluate innovative systems and payment designs. However, more granular individual-level health data is needed.

To understand if data can help inform health outcomes and system efficiencies, NPC and researchers from the University of Pennsylvania and the University of Maryland conducted a study, *Data, Data Everywhere, But Access Remains a Big Issue for Researchers: A Review of Access Policies for Publicly Funded Patient-level Health Care Data in the United States* (eGEMS, March), that examined how and to what extent nine federal datasets and 10 publicly funded, state all-payer claims databases allow access to individual-level health data. The study found that there is significant variation—sometimes within the same federal agency—in access restrictions based on the data request's purpose and the requestor's affiliation and funding source. In other cases, there were numerous indirect hurdles to using the data, including high user fees, prolonged wait times for data request approval and data delivery, and recency of data. The study highlighted four recommendations to





NPC Vice President of Comparative Effectiveness Research Dr. Jennifer Graff presents research on the need for increased data access at Health Datapalooza.

ensure that health data can benefit all stakeholders—and most important, patients who are receiving care.

One innovative approach to data access is the decision made in 2015 by the Centers for Medicare and Medicaid Services (CMS) to allow access to its claims data for “innovators and entrepreneurs,” regardless of funding or affiliation.

Further changes to data access policies were enacted in 2016 via the 21st Century Cures Act, which was signed into law by President Barack Obama in December. The Cures Act includes language that would advance the access, sharing and use of National Institutes of Health data for research purposes and facilitate collaborative research. To guide this activity, a working group, including members of the research community, would be convened to identify “recommendations on whether the uses and disclosures of protected health information for research purposes should be modified to allow protected health information to be available, as appropriate, for research purposes, including studies to obtain generalizable knowledge.” Other provisions in the Act require other publicly funded data initiatives, such as the Precision Medicine Initiative and a new registry for neurological conditions, to develop data access policies for different stakeholders. Although

NPC does not lobby, we will continue to watch this development as it could enable researchers to shine further light on challenging health questions.

Beyond this research, NPC presented on data issues at Health Datapalooza in May and AcademyHealth’s Electronic Data Methods Forum webinar in June.

### ***Communicating Health Information***

As health care continues to rapidly evolve, more and more stakeholders are recognizing the need to facilitate the communication of truthful, balanced and non-misleading information. However, it’s perplexing for the biopharmaceutical industry to communicate needed information because of numerous and ambiguous regulations. Today, clarity could be realized via legal challenges in First Amendment cases, Prescription Drug User Fee Act reauthorization, Food and Drug Administration (FDA) guidance documents and/or the Cures Act, depending on how its provisions are implemented.

Policy organizations and multi-stakeholder forums have sought to address this issue, including the Academy of Managed Care Pharmacy (AMCP), which hosted a Partnership Forum on the FDA Modernization Act (FDAMA) Section 114 in March. The forum, which was co-sponsored by NPC and in which NPC Vice President of Comparative Effectiveness Research Jennifer Graff, PharmD, participated, convened stakeholders from managed care, academia, health care providers and patient advocates to identify recommendations on the evidence required to meet their needs. Recommendations included language that could clarify the definitions for what is included in health care economic information, the standards upon which this information should be based, the relationship of the information within an approved disease indication, and with whom biopharmaceutical companies can share the information. Although FDAMA Section 114 was amended in the Cures Act to broaden the types of evidence that can be disseminated and with whom that information can be shared, other provisions, such as the standards for this information, remain unclear.

New product innovations require planning, budgeting and forecasting by health plans. To address information needs prior to product approval, AMCP hosted a second Partnership Forum meeting in

September to consider how pre-approval information could be shared with population health decision-makers. Under the Affordable Care Act and state mandates, plans are required to evaluate their benefit designs, formularies and rates 12 to 18 months in advance to meet submission deadlines six to nine months before the start of the intended plan year. In many cases, decision-makers need to take into account therapies that have yet to be approved by the FDA, but could come to market in the near term. Restricting the information that can be shared could result in unpleasant scenarios, such as a lack of patient access to new treatments or unexpected budget impacts for the government and employers. During this AMCP Partnership Forum, which NPC also co-sponsored and participated in, stakeholders recommended establishing a safe harbor to ensure that proactive dissemination of this information for the purposes indicated does not run afoul of existing FDA regulations.

Finally, in November, the FDA hosted a meeting, Manufacturer Communications Regarding Unapproved Uses of Approved or Cleared Medical Products, to gain further insight into how the existing communications challenges could be addressed. Dr. Graff testified at the public meeting, highlighting the need for broader communication to achieve public health goals and health care reform initiatives, and the existence of

**//** This real-world evidence can add a great deal of information to our existing knowledge base, helping us to better understand the benefits and risks of a particular treatment. **//**

best practices and standards that can be relied on to ensure scientific integrity. NPC will submit further written comments to the FDA in 2017.

### ***Using and Applying Real-World Evidence***

From personal health trackers to electronic health records, researchers can learn much about how treatments work in the real world. This real-world evidence can add a great deal of information to our existing knowledge base, helping us to better understand the benefits and risks of a particular treatment.

Recognizing its importance, the Cures Act specifically addresses the use of real-world evidence and calls on the FDA to develop a program to consider how this evidence could be used and evaluated. The Cures Act's provisions on real-world evidence,



Researchers participate in an in-person training from the Comparative Effectiveness Research (CER) Collaborative. Hundreds of users have participated in the CER Collaborative training program online and in person.



once executed, require the development of a draft guidance on the circumstances for which research beyond randomized controlled trials, such as observational studies, registries, claims and patient-centered outcomes research activities, could be relied upon for regulatory decisions.

NPC addressed the consideration of real-world evidence in peer-reviewed journals, clinical practice guidelines, and payer coverage and reimbursement decisions. The research was addressed via a variety of forums in 2016, including several panel presentations at the International Society for Pharmacoeconomics and Outcomes Research (ISPOR) 21st Annual International Meeting, AMCP Annual Meeting and Nexus, and at sessions hosted by the Center for Health Policy at the Brookings Institution and the Duke-Margolis Center for Health Policy.

To help inform coverage decisions, good evidence must be available. AMCP's *Format for Formulary Submissions, Version 4.0* provides a framework for health care decision-makers and biopharmaceutical companies to exchange evidence regarding the safety, efficacy and value of health technologies to inform formulary decisions. NPC had submitted comments as part of the *Format's* revision process and was pleased to see that provisions were included to ensure that considerations related to treatment benefit, value and affordability are carefully evaluated and balanced when making treatment decisions. NPC also was pleased to note that the updated version recognizes and includes NPC research and tools to assist with the evaluation of comparative effectiveness research (CER), consideration of how treatments work for both individual patients and



NPC's Dr. Graff discusses real-world evidence at a meeting hosted by the Duke-Margolis Center for Health Policy.



Dr. Lisa Simpson, president and CEO of AcademyHealth (left), and Dr. Joe Selby (right), executive director of PCORI, joined NPC Vice President of Health Services Research Kimberly Westrich and NPC President Dan Leonard for a webinar to discuss NPC's annual CER survey.

populations and the assessment of evidence for companion diagnostic tests. Given NPC's thoughtful and constructive feedback, AMCP asked Dr. Graff to serve on the *Format* committee.

The *Format* update continues to reference the CER Collaborative evaluation tools, and NPC continues to work with Collaborative partners AMCP and ISPOR. The CER Collaborative, founded in 2010, has developed a series of online tools to assist health care decision-makers in synthesizing and evaluating different types of comparative effectiveness research. A training program that supports the use of the online tool was developed and delivered through a partnership with the University of Maryland School of Pharmacy to improve the ability and confidence of individuals to apply CER study findings in their daily work. To date, more than 3,000 users have accessed the online resources, and hundreds of users have participated in the training program online, in person at professional meetings or on-site at biopharmaceutical companies throughout the year.

The CER Collaborative's tools are making a difference. A study, *Got CER? Educating Pharmacists for Practice in the Future: New Tools for New Challenges*, published in the *Journal of Managed Care & Specialty Pharmacy*, provided an early evaluation of the training program's impact on learners' self-reported abilities to evaluate and incorporate CER studies into their decision-making. Upon completion of the training program, learners said they had higher confidence in their CER evidence assessment abilities and reported improvement in their capabilities to evaluate various CER studies and identify study design flaws.

In addition, NPC participated in a study led by the RAND Corporation and funded by the Patient-Centered Outcomes Research Institute (PCORI) to better understand employer, payer and industry views of comparative effectiveness. The study showed stakeholders are interested in this research, but want to be more engaged to ensure their most important questions are addressed. To ensure engagement, the study suggested that “research leaders should clearly articulate the expected benefits of involvement, conduct the project on a timeline that works for the stakeholder, and be organized so that they can work efficiently with stakeholders.”

This was not the only study that sought to understand stakeholder opinions of CER. Each year since 2011, NPC has taken the pulse of stakeholders with our *Comparative Effectiveness Research and the Environment for Health Care Decision-Making* survey. Similar to findings in previous years, stakeholders continue to have a high perception of the importance of CER, but believe that its full impact is still three to five years in the future.

NPC Vice President of Health Services Research Kimberly Westrich presented the CER survey findings during a March webinar with PCORI Executive Director Joe Selby, MD, MPH, and AcademyHealth President and CEO Lisa Simpson, MB, BCh, MPH, FAAP. In addition to NPC’s survey and webinar, an analysis across the six years of surveys, *Comparative effectiveness research in the USA: when will there be an impact on healthcare decision-making?* was published in the *Journal of Comparative Effectiveness Research*. This analysis was among the *Journal’s* top 10 articles in 2016 by readership.

## Recognizing and Measuring the Value of Biopharmaceuticals

During 2016, much of our effort was focused on value, a topic that dominated the news and health care conversations. Given the ongoing shift from a health system driven by the volume of services provided to one based on the value of those services, along with a desire to reduce rising health care costs, the dialogue centered on how to measure the value of a medical intervention; its benefits to patients and society as a whole; and the associated costs to patients, payers and society.

A number of organizations have developed value assessment frameworks as a way to measure a treatment’s value, but the field is relatively young and still evolving. To better understand the environment, NPC published a white paper, *Current Landscape: Value Assessment Frameworks*, and followed up with *Guiding Practices for Patient-Centered Value Assessment*. The guiding practices set forth some basic guideposts to help developers, such as making sure input from patients and



NPC often utilized infographics as a way to explain its research to broader audiences.





Anna Kaltenboeck, Program Director and Senior Health Economist, Center for Health Policy and Outcomes, Memorial Sloan Kettering Cancer Center, speaks during a panel for value assessment framework developers at Assessing Value: Promise and Pitfalls.

other stakeholders is sought and fully incorporated; using established methods and transparent assumptions and reproducible models; using sound, high-quality evidence; and including a broad array of factors that matter to patients and society, among other practices. Most important, the guiding practices make clear that budget impact assessments, which measure resource use rather than value, should not be considered as part of a value assessment.

NPC recognized that these early value assessments could have a tremendous impact on patient treatment decisions, as well as on coverage and reimbursement decisions. As NPC asserted in commentaries and presentations, if we get it right, value assessments can be valuable and useful tools. But if we get it wrong, these tools could be used to limit patients' ability to get the new or innovative therapies they need. For these reasons, throughout 2016, NPC provided constructive feedback through

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public comments to and conversations with framework developers, such as the Institute for Clinical and Economic Review (ICER), the American Society of Clinical Oncology (ASCO), the National Comprehensive Cancer Network and DrugAbacus. NPC was pleased to see that both ICER and ASCO had made substantial changes to their frameworks, but more work is needed. NPC plans to remain engaged with these groups in 2017.

In September, NPC brought together a wide array of health care stakeholders for a conference to help shape the development of value assessment frameworks going forward, with the goal of ensuring these are effective tools for advancing patient care and achieving better clinical, economic and humanistic outcomes, rather than well-intentioned but flawed tools that impede such progress. The conference, Assessing Value: Promise and Pitfalls, brought together several hundred participants—both online and in person—to consider these issues.

During presentations and panel discussions, patient organizations, payers, providers, framework developers and biopharmaceutical manufacturers shared their views about existing value assessment frameworks, what steps need to be taken to improve these frameworks, and how to ensure that patients are engaged throughout the development and assessment processes. Results from two NPC-commissioned studies conducted by The Lewin Group were presented, including an evaluation of the extent to which existing frameworks align with NPC's guiding practices, and a comparison of four different value frameworks' assessments of multiple myeloma treatments. The former study was published as a



NPC's Dr. Dubois and The Lewin Group Senior Vice President Dr. Cliff Goodman discuss ways to move the field of value assessment forward during NPC's conference.

white paper; the latter is being prepared for peer-reviewed submission.

Following the conference, NPC released a summary of the discussion, along with the archived conference video and an “explainer” video. The explainer video highlighted NPC’s main views on frameworks, noting that frameworks are still in their infancy and are not ready for use in health care decision-making; multiple

**//** Payment and delivery models must recognize individual patient differences and ensure meaningful access to appropriate medicines. **//**

frameworks are needed to reflect different needs and end users; and if we get it right, value assessments can be valuable and useful tools.

NPC shared these views at more than two dozen meetings in 2016, including a standing-room-only symposium at ISPOR’s 21st Annual International Meeting in May and presentations at the BIO International Convention, Network for Excellence in Health Innovation invitational roundtables and numerous biopharmaceutical companies.



## Ensuring Patient Access to Treatments

In order to achieve optimal patient outcomes and improve the effectiveness and efficiency of our health care system, payment and delivery models must recognize individual patient differences and ensure meaningful access to appropriate medicines. NPC’s research has taken a closer look at pharmaceutical access issues and potential solutions, examining topics such as:

- 👉 the importance of access to a variety of treatment options because patient reactions to the same medications may differ;
- 👉 ethical concerns where similar patients pay widely differing amounts based on whether their illness responds to lower-cost therapies; and
- 👉 how to address the rising financial burden on patients and the health care system.



NPC presented during several sessions at ISPOR’s 21st Annual International Meeting, including a symposium on value assessment moderated by Mr. Leonard (left) of NPC.

## Individual Treatment Effects and Health Benefit Design

There are a multitude of genetic and environmental factors that make patients different and affect how they may respond to a certain treatment. For these reasons, while the “average patient” may respond best to a particular treatment, some patients may experience little to no benefit from it, so other treatment options may be best for them. These differences in how patients respond to treatments are known as “heterogeneity,” or “individual treatment effects.”

Heterogeneity matters because if a medical professional is providing care based on how the “average” person fared on that treatment, then that patient might not be getting the best treatment for his or her needs. It also matters because most insurance companies design their policies to meet the needs of the majority of people, so those who may respond differently may have a more difficult time getting other treatment options covered. Many groups that represent patients are concerned that comparative effectiveness research or value assessments could be used to block or restrict access to treatments that help some, but not “average,” people.

Two studies published this year built on NPC’s previous work on individual treatment effects. One peer-reviewed study, published in *Value in Health*, investigated heterogeneity of treatment effects for anticoagulants in atrial fibrillation across subgroups



NPC’s Ms. Westrich participates in a panel discussion at the Oncology Partnership Forum.

defined by clinical characteristics and variation in patient utilities for benefits and harms of treatment. According to the results, the optimal choice of anticoagulant in atrial fibrillation differs across subgroups defined by clinical characteristics and reasonable ranges of utilities.

A second study, *No improvement in the reporting of clinical trial subgroup effects in high-impact general medical journals*, published in the open-access journal *Trials*, examined how well researchers are conducting subgroup analysis. Although subgroup analyses and independent treatment analysis of clinical data are important ways to learn how individuals might react to a treatment, we aren’t doing enough of these studies well, the study found.







NPC Vice President of Membership and Operations Kathryn Gleason and Mr. Leonard share a laugh at NPC's exhibition booth.

Patients who do not respond to a first line of therapy due to their biology should not be financially penalized for needing specific medications on a higher tier of a formulary. A white paper, *A "Dynamic" Approach to Consumer Cost-Sharing for Prescription Drugs*, supported by NPC and written by A. Mark Fendrick, MD, of the Center for Value-Based Insurance Design at the University of Michigan, examined how to align consumer cost sharing with the clinical value of a treatment via "dynamic" pricing. Dr. Fendrick explains that "the level of consumer cost sharing for higher-cost medication should be aligned with the clinical value—not solely the price—when lower-cost alternatives do not produce the desired patient-centered outcomes." Rather than punishing a patient who perfectly complies with the treatment steps required by the health plan but cannot safely take or does not respond to first-step therapy and requires higher-level treatment, a dynamic approach would instead lower the consumer cost sharing obligation for higher-line treatment alternatives "only when the first-line therapy is contraindicated or is deemed ineffective at achieving the desired clinical outcome."

### ***Understanding and Managing Health Care Costs***

Understanding the spending patterns of high-resource patients, including prevalence of conditions and resource use across inpatient, outpatient and pharmacy settings, will help shape medication management, resource utilization and cost-management policies. *What Contributes Most to High Health Care Costs?*

*Health Care Spending in High Resource Patients (Journal of Managed Care & Specialty Pharmacy, February)* noted that while drug costs often draw the greatest attention, the higher share of expenditures for inpatient services among high-resource patients shows that reducing hospitalizations is the primary opportunity to reduce costs.

Clinical pathways are another care management strategy that NPC research examined in greater detail. Clinical pathways, also known as care pathways or integrated care pathways, are typically characterized as a method for managing patient care based on clinical practice guidelines, with the main goals of improving quality of care, reducing variation in clinical practice and increasing the efficient use of health care resources. Yet there is room for improvement in the development and implementation of care pathways, especially when it comes to patient engagement, according to *Care Pathways in US Healthcare Settings: Current Successes and Limitations, and Future Challenges*, published in the *American Journal of Managed Care* in January.

An ongoing collaboration between NPC, the American Medical Group Association (AMGA) and Premier, Inc., is designed to better understand the role of biopharmaceuticals in helping accountable care organizations (ACOs) meet their financial and quality goals. As part of this project, the partners have developed four case studies that highlight best practices in medication-related areas, the latest two of



NPC Vice President of Research Michael Ciarametaro (center) discusses his work with NPC staff.

which were published in the *Journal of Managed Care & Specialty Pharmacy* this year. *The Central Role of Physician Leadership for Driving Change in Value-Based Care Environments*, authored by Cornerstone Health Care, Summit Medical Group, NPC and AMGA, demonstrates how ACOs can optimize care processes among providers to increase care efficiency and improve patient outcomes.

The second case study, *Using an Electronic Medication Refill System to Improve Provider Productivity in an Accountable Care Setting*, highlights the critical components of Sharp Rees-Stealy Medical Group's electronic medication refill system that allows for a centralized team to manage all incoming prescription requests and demonstrates how pharmacists can help offset primary care providers' (PCPs) workload, as PCPs take on additional population health management tasks in ACOs.

NPC was asked to present on our ACO work at several conferences. Chief Science Officer and Executive Vice President Robert Dubois, MD, PhD, presented on ACOs' readiness to optimize medication use during a panel at the National Value-Based Payment and Pay for Performance Summit. Ms. Westrich also discussed ACOs' current capabilities in utilizing medications to achieve the best patient health outcomes during an educational session at the Pharmacy Benefit Management Institute's Drug Benefit Conference. Dr. Dubois participated in an Accountable Care Learning Collaborative webinar in June with Amanda Brummel,

PharmD, BCACP, director of Clinical Ambulatory Pharmacy Services at Fairview Health Services, to explore strategies to integrate pharmaceuticals and understand approaches being used for medication management.

## Promoting a Strong Environment for Biopharmaceutical Innovation

Biopharmaceutical innovation is necessary for the discovery of cures and better health outcomes, but innovation is also necessary for improved health care delivery and payment systems.

As health care leaders seek to make the essential transition to value-based care, there are alternatives to wring unproductive costs out of the system that do not involve restricting patient access to innovative, quality care. Reducing low-value care is one effective way.

Research has shown that an estimated \$765 billion is wasted annually in health care expenditures, such as unnecessary procedures. Identifying wasteful or unnecessary medical tests, treatments and procedures has allowed physicians to make better decisions about a patient's care plan based on his or her unique situation and contributed to a reduction in the cost of care. Now, however, there is a need to move forward and understand where the new consensus exists on defining and measuring other areas of low-value care. NPC's study, *Reducing Low*

*Value Care*, found three areas where that consensus exists to begin further efforts to reduce it and improve quality and lower costs: addressing medical errors, which are the highest-priority reduction; pricing failures; and overuse and overtreatment. This study was written in conjunction with the Altarum Institute and the Center for Value-Based Insurance Design at the University of Michigan and published on the *Health Affairs Blog* in September.

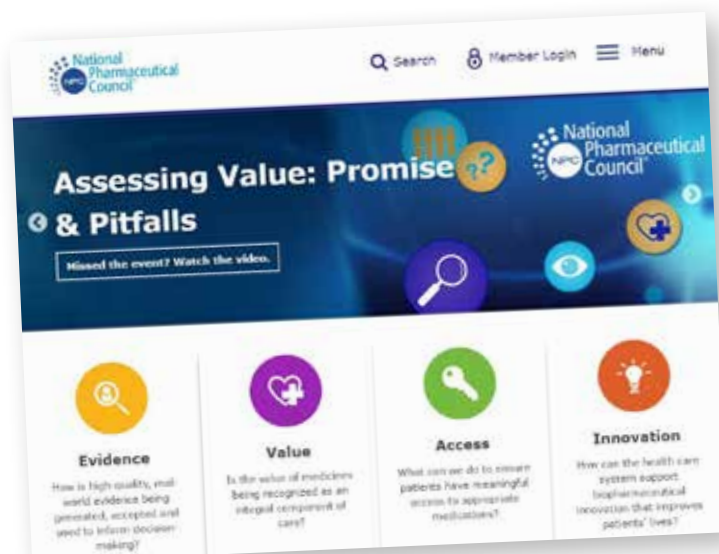
Another study, *Designing Successful Bundled Payment Initiatives*, published in April on the *Health Affairs Blog* by NPC Vice President of Research Michael Ciarametaro, MBA, and Dr. Dubois, outlined ways to strike a balance between minimizing the risk of unintended consequences and maximizing chances of lowering costs and improving quality of care under a bundled payment reimbursement model.

Via his regular “Methods to Policy” column in the *Journal of Comparative Effectiveness Research*, Dr. Dubois posed a series of questions about health care spending. *Optimal Slices of the Healthcare Spending Pie: Can Traditional Comparative Effectiveness Research Address Resource Allocation?* considered how much is spent within each area of health care, such as on medicines, hospitalization, surgery and other areas, and whether there is an optimal spending percentage for each area that should be targeted. A peer-reviewed study aimed at addressing these questions is in process for 2017.

NPC staff had an opportunity to discuss these topics during a panel presentation at the ISPOR 21st Annual International Meeting, a University of Pennsylvania roundtable, and a workshop hosted by the MIT Laboratory for Financial Engineering, Tapestry Networks and the Dana-Farber Cancer Institute.

## Enhancing NPC Programs and Communications Outreach

NPC’s research efforts were further strengthened by the addition of Ilene Hollin, PhD, MPH, our Schaeffer-NPC Postdoctoral Health Policy Fellow. The fellowship is a joint two-year program of NPC and the Leonard D. Schaeffer Center for Health Policy and Economics at the University of Southern California. During her fellowship, Dr. Hollin will focus on the economics of rare diseases, patient preferences and innovative health care payment and delivery models for complex patient populations.



NPC unveiled our redesigned, mobile-friendly website, [www.npcnow.org](http://www.npcnow.org), placing our four main research areas—evidence, value, access and innovation—front and center.

In 2016, NPC continued to collaborate with other stakeholders, encouraging dialogue on key issues that impact the health care sector. We also expanded our communications efforts to ensure our research reached a wide range of stakeholders. From social media platforms such as Twitter, LinkedIn and Facebook to video channels such as YouTube



Dr. Ilene Hollin joins NPC as its Schaeffer-NPC Postdoctoral Health Policy Fellow.

and LiveStream, NPC’s information was developed in diverse formats like infographics, white papers and videos that could be easily shared online and understood by a variety of audiences. In addition, NPC’s staff experts were quoted discussing our research in media outlets such as *Politico*, *Morning Consult* and *Pharmaceutical Executive*.

We also redesigned our website, [www.npcnow.org](http://www.npcnow.org), making it more mobile friendly and placing our four main research areas—real-world evidence, value, access and innovation—front and center. Along with the website redesign, we enhanced our two main emails, the *CER Daily Newsfeed*®, a daily summary of CER activities from around the world, and *E.V.I.dently*®, our monthly e-newsletter. All of these resources contain a wealth of information about the how the biopharmaceutical industry’s most pressing issues impact patient health.



# NPC MEMBERSHIP

The National Pharmaceutical Council is unique among organizations based in the Washington, D.C. area. Similar to a trade association, it is supported by membership that includes 22 of the world's leading biopharmaceutical companies; like a think tank, NPC conducts health policy research that is frequently published in respected peer-reviewed journals. NPC also stands apart from other organizations in that it does not engage in political advocacy, but collaborates with stakeholders across the health care sector to understand, consider and develop potential policy solutions.

Each member company is represented by a director on the Board and further helps to shape the organization's research agenda through participation on the various board-level committees, as well as on the Research and Strategic Communications Work

Groups. NPC's interaction with leading scientific and policy experts from across key health care sectors, as well as with multiple stakeholder organizations, provides member input through a wide range of speakers and collaborations.

NPC members have public access to extensive resources, ranging from the full pipeline of NPC-sponsored research to such signature offerings as the *CER Daily Newsfeed*® (aggregates all of the day's news on comparative effectiveness research) and *E.V.I.dently*® (monthly e-newsletter summarizing NPC activities). Resources developed solely for NPC members include Executive Briefs detailing the impact of developments in the health care landscape on the biopharmaceutical industry, and access to educational resources, practical tools, analytical papers, and other information in the members only section of the NPC website.

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