Payer perceptions and formulary coverage trends for digital therapeutics (DTx)

**Background**

Digital therapeutics (DTx) represent a rapidly growing and expanding market with increasing demand by payers for access to these innovative products. Payer formulary designs are becoming more complex, with a reliance on evidence-based strategies to ensure appropriate patient access. While many payers have embraced digital solutions, others remain hesitant to cover DTx due to a lack of understanding of the development and evidence. A double-blinded, web-based survey was fielded to healthcare decision makers (HCDMs) to assess payer perceptions and trends related to product reviews, formulary coverage, utilization management, and evolving market with increasing demand for payer review of DTx. The survey findings were presented at the AMCP Nexus Annual Meeting in October 2022.

**Objective**

To determine perceptions and trends related to product reviews, formulary coverage, utilization management, and evolving market with increasing demand for payer review of DTx among healthcare decision makers (HCDMs) was an evolving market with increasing demand for payer review of DTx.

**Methods**

A double-blinded, web-based survey was fielded to healthcare decision makers (HCDMs) from June 1 to July 30, 2022. The survey was deployed to decision makers across the country and asked about their organization's DTx coverage practices. The survey was fielded to 650 decision makers and 522 responses were collected with responses included only if the individual was employed by a public or commercial payer organization. Respondents were asked to indicate their payer role.

**Results**

- **Table 1. DTx coverage management by product**
  - Respondents noted that their organization has provided coverage for at least 1 mobile app (30%) and digital telemonitoring devices (28%).
  - Of those who reviewed 1+ DTx technologies (N=44), 40% have provided coverage with PA with step therapy.
  - Respondents also identified these disease states as high-impact areas for DTx regarding the potential to improve medication adherence and overall health outcomes:
    - **Figure 2. DTx reviewed by P&T committees in the past 12-18 months**
    - **Figure 3. Management priority of DTx by product type**
    - **Figure 4. Prescription impact on DTx coverage decisions**
    - **Figure 5. Management priority of DTx by disease state**
    - **Figure 6. Prescription impact on DTx coverage decisions**
    - **Figure 7. Likelihood of coverage if paired with a drug therapy**
    - **Figure 8. Challenges with PDTx**
    - **Figure 9. ICMPS code PDTx coverage impact after April 1, 2022**
    - **Figure 10. Coverage requests when PDTx on formulary**
    - **Figure 11. Preferred methods of communication for DTx information**

**Conclusions**

- The results indicate that ICMPS is continuing to evolve to help payers navigate the complex landscape of digital health products. This evolution offers significant opportunities for payers to more effectively manage the rapidly expanding DTx market.

- The benefits of digital therapeutics include improved medication adherence, patient engagement, and overall health outcomes.

- Coverage appears to be tied to payer prioritization, with a higher likelihood of coverage when a payer prioritizes patient outcomes, cost of care, and evidence-based strategies.

- Combination of payers' belief that digital therapeutics offer value along with their requirement for evidence and treatment guidelines may influence payer access.

**Limitations**

The research is subject to the biases inherent in any survey study, including non-response bias and self-selection bias. Survey results were also driven by an active engagement in the evaluation of digital therapeutics.

- **Table 2. Survey respondents by payer role**
- **Figure 12. Challenges with PDTx**
- **Figure 13. Preferred methods of communication for DTx information**

**References**

3. Centers for Medicare & Medicaid Services (CMS). Centers for Medicare & Medicaid Services (CMS) code by CMS may provide a more standardized approach to determining digital therapeutic product quality, access, and evidence exchange approaches.