

## The path forward for innovative contracts: A survey of US healthcare payers

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Engagement of healthcare payers in innovative contracts has grown substantially over the past several years with engagement only expected to increase.<sup>1</sup> Innovative contracts are broadly defined as collaboration between payers and manufacturers to improve outcomes, reduce costs. There are many types, including outcomes-based or value-based contracts, subscription models, shared-savings models, disease management programs, and research collaborations. Xcenda asked payers to share their experience with innovative contracts.<sup>2</sup>

### Important considerations for establishing partnerships with manufacturers % reported to be extremely / very important

#### Elements in establishing partnerships with manufacturers

Simple and easily measurable outcomes (95%)

Reasonable time frame of contract (84%)

Sufficient size patient population for the indication that will be included in the contract (73%)

Risk-sharing between the pharmaceutical manufacturer and the payer (70%)

#### Factors that hinder successful innovative contracts

Lack of resources to appropriately implement and monitor compliance (62%)

Ability to negotiate acceptable contract terms (59%)

Regulatory barriers that prevent implementation or disclosure of information (51%)

### Industry Implications

- When designed and implemented appropriately, innovative contracts can be a successful strategy to increase access, improve outcomes and manage costs<sup>3</sup>
- A deep understanding of the optimal contract design tailored to the product and therapeutic area is critical to a successful innovative contract
- With increasing payer interest and participation in innovative contracts, there is ample opportunity for manufacturers to engage with payers to identify the role innovative contracts may play in their market access and contracting strategy



Xcenda can help your team determine if an innovative contract is appropriate. Contact [Rebecca Sugarman](#) or [Michael Sporck](#) to gain a deeper understanding of the contracting landscape or for support in developing a customized contracting strategy for your product.

**Methodology:** An online survey was fielded to a panel of managed care professionals from Xcenda's Managed Care Network (MCN) in October 2021. Survey respondents were asked about the current and future landscape of innovative contracting agreements between US healthcare payers and biopharmaceutical manufacturers. Respondents were active formulary decision makers from health plans, integrated delivery networks, and pharmacy benefit managers.

### Xcenda's payer research found that:



74%

of payer survey respondents indicated they had been involved in innovative contracts with pharmaceutical manufacturers



57%

of respondents

had 3 or more contracts pending or executed in the past 5 years



70%

of payers

said they were extremely/very interested in pursuing outcomes-based contracts, (currently the most common type, comprising a majority (84%) of reported innovative contracts)



Over the next 5 years, payers are primarily interested in contracts focused on **diabetes, oncology, and chronic inflammatory diseases**