APACMed

VALUE-BASED MARKET ACCESS SYMPOSIUM 2022

SUMMARY REPORT

The Evolving Health Technology Assessment Landscape for Medical Devices & Diagnostics

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02 Introduction

> *The ultimate goal is patient-centric health care delivery, timely access of high-quality and affordable health care, which is also sustainable and improves patient outcomes. Transparency in collaboration between all stakeholders is key in bringing all the innovative MedTech devices and products to patients who can then take charge of their own health and make informed decisions.*

Shakilla Shahjihan

Chairperson, APACMed GAMA Committee,
Divisional Vice President, Government Affairs,
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The Value-Based Health Care system (VBHC) is a framework for restructuring health care systems with the overarching goal of maximizing value for patients, where value is defined as health outcomes per unit of cost. The VBHC system can not only lower health care costs with better outcomes in patients, but also make health care by providers more efficient and targeted, thereby enhancing patient satisfaction. With VBHC systems in place, payers will have evidence-based metrics for cost control and risk reduction, while industries will be able to align their prices catered more towards patient outcomes. All these factors will in turn benefit society with subsequent reduction in health care spending and prospects of a better overall health scenario. MedTech can significantly contribute across the care continuum that spans prevention, screening, treatment, recovery, and sustainability. Areas of contribution involve device innovation, data analytics, telehealth solutions, and partnership with providers, health assessment technology bodies and payers. The central theme, however, remains universal evidence-based improvement in patient outcomes.

Health care companies are under significant pressure from macroeonomic headwinds, including inflation and supply chain disruption. Recent surveys indicate that the health care cost base increased by around 8% last year, and will increase by around 6% in 2023[1], largely from raw materials and personnel cost increases. Component shortages, particularly of semiconductors, pose a risk to expanding production volumes and are further driving up MedTech cost structures. Air and ocean freight are experiencing capacity and shipment delays, resulting in costly supply chain challenges.

Industry must respond to these challenges, as well as a greater demand for health care in the Asia-Pacific (APAC) region. Health care investment in key markets in the region, such as Australia, Japan, China and India, is estimated to grow significantly. The driving factors include a growing aging population, increased incidence of chronic diseases, moves towards establishment of national universal health care systems with established reimbursement mechanisms, and increased government focus on the development of health care infrastructure.

The recent trends in rising prices, emergence of innovative technologies and increased demand for health care necessitate a shift in methods to assess medical technologies and inform value-based policies, pricing and reimbursement decision-making. The challenge remains in the lack of established and transparent Health Technology Assessment (HTA) guidelines for assessing technologies. Recognizing the need for collaboration of stakeholders across the health care system, and the valuable role industry can play in driving VBHC through early dialogues with government, the APACMed Government Affairs and Market Access (GAMA) Committee hosted its first VALUE-BASED MARKET ACCESS (VBMA) SYMPOSIUM in June 2022.

The objectives of the APACMed VBMA Symposium were to further advance understanding of how value is defined by different stakeholders in health care systems, learn about value-based reforms adopted in the APAC region, and identify the role industry can play in value-based market access. The Symposium leveraged on the technical expertise, real-world operating experience and networks from the extensive community of government affairs and market access industry professionals across over 15 APAC markets from more than 40 companies in the medical device and diagnostics sector, as well as academicians, physicians, payers, and providers.

This Summary Report highlights the key messages from the Symposium: patient centricity as being vital to the definition of “value”, the importance of risk-sharing public-private partnerships to further patient outcomes, and collaboration between stakeholders to facilitate a VBHC framework that is transparent, unique to MedTech, and supported by real-world evidence and learnings from across the region. The insights from this report can be used by industry professionals to continue to advocate for HTA processes that reward innovation and are patient-centric, and develop strategies that reduce uncertainty for stakeholders.

Key Definitions

Value-Based Health Care:
A delivery model that centers around patient outcomes. ‘Value’ in value-based health care is defined as measuring health outcomes against cost for such delivery.[2]

Health Technology Assessment:
Refers to a systematic and multidisciplinary evaluation of direct and indirect consequences of health technology and intervention.[3]

1. Adapted from, L.E.K. Consulting. Pricing Best Practices for the MedTech Industry: There’s No Time Like the Present. Available from: https://www.lek.com/sites/default/files/PDFs/medtech-pricing-inflation.pdf Accessed on 25 January 2023.
2. Adapted from, Teisberg E, Wallace S, O’Hara S. Defining and implementing value-based health care: a strategic framework. Acad Med. 2020;95(5):682-685.
3. Adapted from, WHO. Health Technology Assessment. Available from: https://www.who.int/health-topics/health-technology-assessment#tab=tab_1 Accessed on 14 July 2022.

03

KEYNOTE ADDRESS

Transformation to Create High-Value Systems

Professor Rifat Atun

Professor of Global Health Systems
Department of Global Health & Population and
Department of Health Policy & Management,
Harvard T.H. Chan School of Public Health

The transition to a resilient, responsive, sustainable high-value health care system necessitates innovation in some of the key critical components in the system. This may include interoperable and integrated digital data systems with real time analytics and performance benchmarking, structured measurement of costs and outcomes, systems for risk stratification, bundled health care services, integrated care pathways, value-based procurement and payment models, and an ecosystem for innovation. Lastly, adoption and cross-learning, along with behavioral and strategic changes among payers and providers, is also much needed.

In order to partake in this transition, MedTech must also make a transition to context sensitive innovations from generalized solutions, and boutique cases to strategic investment-based tactical projects. Building on the insights from his 2021 book "Building a High-Value Health System"[4], Professor Atun described ten essential steps that MedTech can follow as a change maker to facilitate strategic public-private partnerships (Table 1).

In these approaches, MedTech can enter risk-sharing partnerships with providers or payers that improve patient outcomes while lowering the cost of delivering those outcomes, ranging from the treatment level to population management of diseases.

The COVID-19 pandemic has exposed the underperformance of health care systems with regards to effectiveness, equity, responsiveness and efficiency. There is a need, now more than ever, for health care to move towards a high-value and innovative health system starting at the therapy, single disease, multiple disease bundle or population level with temporal bundling.

4. Adapted from, Atun R, Moore G. Building a High Value Health System. 2021.

10 Essential Steps for MedTech

Ensuring high level leadership	Building trust and transparency across all coalition members
Defining a shared problem by all stakeholders and scope of a solution	Balancing opportunities with risk for better alignment of risks with rewards
Achieving shared values (higher value for money that ensures value for many)	Establishing appropriate financing models
Program/model co-creation (between supplier and provider/payer)	Defining outcomes and putting systems in place to measure performance
Designing partnerships and coalitions to deliver results	Adopting an agile management approach

Table 1

04

PANEL DISCUSSION

The Evolving Value-Assessment Landscape For Devices And Diagnostics

Dr Mikki Koo
Director,
Health Policy &
External Affairs,
Roche Diagnostics

Datuk Professor Dr Looi Lai-Meng
Commissioner,
Lancet Commission,
Diagnostics, Professor,
University Malaya
Medical Centre
(UMMC)

Dr Joanne Yoong
Founder, Research
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President Elect
ISPOR Singapore

Professor David Sim
Deputy Head,
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Centre Singapore
(NHCS)

Dr Anh Bourcet
Regional Director,
Market Access APAC
Rapid Diagnostics,
Abbott

There exists significant variation across APAC today in the level of understanding around which, when, and how medical technologies should be evaluated, especially at a time when several emerging markets have moved to, or are moving towards, universal health care. The panelists discuss the evolution of patient access to innovative and enhanced medical devices as an increasing number of countries adopt health technological assessments (HTA) in their policies and reimbursement decision-making.

The Difference in MedTech and Pharmaceutical-based Assessments

Panellists noted that some HTA systems are still pharmaceutical- centric, even though some methods relevant to pharmaceutical assessment may not be applicable to MedTech, for instance:

- While patient outcomes of a pharmaceutical drug is based on adherence and correct dosage administration, in medical devices and diagnostics it is dependent on skill of the physician and occurrence of a “learning curve” with the user.

The COVID-19 Impact

COVID-19 accelerated the development, reimbursement and adoption of telemedicine and digital health. Some of the pandemic-driven positive changes in the HTA/reimbursement landscape include:

- Reimbursement of home-based monitoring medical devices
- Acceleration of digital technology adoption and assessment
- Reimbursement of telemedicine services and accelerated assessment
- Access pathways for COVID-19 vaccines and diagnostics

Successful implementation of value-based MedTech assessments requires collaboration between various stakeholders across the health care ecosystem. This process requires industry to be a vital partner with early dialogues with government bodies looking to bring value-based assessments to their markets. Furthermore, given the traction of value-based health care in the APAC region, the onus is on market access practitioners within the MedTech industry to monitor trends in reimbursement models and advocate for reimbursement to be commensurate with product value, particularly in countries that are revising their reimbursement pricing mechanisms.

Value of Diagnostic Information (VODI)

VODI explores the multidimensional framework that explores the benefits and impact of value-based diagnostics to patients, health care professionals (HCPs), heath systems, citizens and society at large going by the idea of ‘value for all’.

- Value for patients is derived from improved patient decision-making, improved survival rates and life expectancies, as well as improvement in quality of life and planning
- Value for health care professionals is derived from rapid and appropriate clinical management, management of patient expectations regarding prognosis and treatment course, and value of early diagnosis and intervention
- Value for health care providers is derived from operational efficiencies, resource planning and risk management while value for health systems entails economic efficiencies and public health benefit.

The information provided by VODI is multi-dimensional, impacts the entire care pathway, and carries different value for the various stakeholders in the health care ecosystem. Hence, it is necessary for various stakeholders to collaborate and establish a different value assessment framework to define, evaluate and reward the value created.

The Right Diagnostic Framework

Drugs and MedTech devices aim to directly improve patient health and are expected to have direct health outcomes and cost gains. In contrast, medical diagnostics promote the efficient use of health care and promote cost saving by delivering the right treatment to the right patient at the right time, thereby reducing unnecessary medical spending. However, the value of diagnostics has always been under-recognized and hence under-funded, relative to drugs or medical devices. One reason is due to current evaluation frameworks not being appropriate for the evaluation of diagnostics.

The panel thus explored appropriate evaluation frameworks for diagnostics and implied that a framework must be adopted per local setting, advising against a ‘one size fits all’ approach for the APAC region. Decisions on diagnostics must be made by the right stakeholders, considering the right metrics with a focus on patient needs and value. It must also be futuristic in terms of population health and precision medicine.

05

FIRESIDE CHAT

Value of Real-World Evidence for Medical Device Reimbursement and Performance-Based Funding

Michelle Bulliard
Vice President,
Global Head, Real-World Solutions,
IQVIA

Christoph Liesche
Head of Public & Government Affairs
Asia-Pacific,
Fresenius Medical Care Asia Pacific Ltd.

What is real-world evidence, real-world solution and real-world data?

Real-world data relates to data on patient health, patient experience and delivery of care. This data is collected outside of a highly controlled clinical trial. Some examples of real-world data sources include electronic health records, administrative hospital data claims, and patient registries (either at the national or international level, or from manufacturers that have their own registries). Another emerging source of particular importance to VBHC is patient-generated health data through wearables, sensors and connected devices. This offers us the opportunity to think of different, new and novel data sources to help answer research questions and demonstrate the value of devices across the product lifecycle.

What is the role of real-world evidence in market access strategies?

There is a tendency to look at real-world evidence as collected after the device is on the market. However, this trend is shifting as companies look for smarter ways to gain access to high-quality real-world data across the product lifecycle. One example is early planning and mapping wherein manufacturers are looking at developing devices that can help generate data such as patient unmet needs, mapping the patient journey, and identifying gaps that can be bridged with technology. Another aspect for use of real-world evidence is regulatory decision-making, especially in the pre-market setting. This would, for example, entail gathering real-world data to support label expansion and indication of a device using this evidence. This would also indicate that we need to demonstrate indirect value, especially when thinking of value-based health care. There is a need to look beyond direct value.

What is the global and APAC perspective of real-world evidence on device use and delivery of care?

There have been visible changes across the region, starting with China, wherein they have published guidelines in 2021 on using real-world evidence correctly. In Japan, new guidelines have been published on the use of patient registries for decision-making. China and Japan have both also put together a real-world evidence taskforce that advises on engaging regulators early to discuss strategies that indicate use of real-world data to support market access initiatives. Australia has followed suit, and a published guidelines on the use of real-world evidence for decision-making along with the use of patient-reported outcomes. Globally, 50% of companies are already using real-world evidence, 20% are planning to use it, and 28% remain unsure. While the APAC region is not yet at par with Europe or the United States for VBHC, increased adoption of the use of real-world evidence can nudge the region towards better uptake of VBHC.

06

PANEL DISCUSSION

Considerations for Diagnosis-Related Group (DRG) Funding Reforms in China

> *"We will need to balance the needs of multiple stakeholders by considering – can the system help to improve quality of care? Does the system actually have the dynamic to support a value-based system? How can we improve medical innovation?*

Professor Xuan Jianwei
Director of Health Economic Research Institute,
Sun Yat-Sen University

Although DRG has been established in China for some time now, much work is needed to optimize the system, given the context of different standards applied throughout all hospital types and the advancement of MedTech. Medical innovation should also align with DRG and strive to work synergistically.

Alicia Chang
Country Lead, China,
APACMed

Global Case Study: Value Assessment of Innovative Technologies under DRG in Germany

Dr. Loppow began with an introduction of DRG in Germany and how it could bring about suggestions and recommendations for DRG implementation in China. The introduction of DRG in Germany led to a reduction in case numbers, little to no effect on the formation of specialized centers, and essentially no effect on quality outcomes.

Dr Detlef Loppow
Managing Director,
Martini-Klink

Some of the suggested approaches that Dr. Loppow provided are:

- Focus on quality of outcomes
- Require hospitals to measure the quality of outcomes
- Establish an institution to independently verify outcomes submitted by hospitals
- The expected quality of the results of medical treatment must be made accessible to the public in an understandable form

Value-Based Assessment in Beijing and Other Pilot Cities

China is currently employing the use of China Health Security (CHS)-DRG with the latest version as v1.1. DRG has undergone several variations since 2008 with Beijing (BJ)-DRG primarily on payment systems, China (CN)-DRG focusing on medical performance evaluation and quality supervision, CR-DRG primarily on prefecture- and county-level hospitals, and lastly, C-DRG looking into pricing and payment systems based on clinical diagnostic terms. In 2019, the National Health care Security Administration and the People's Government of Beijing Municipality established a 3-year pilot program for CHS-DRG. This program was implemented in 30 cities across China. It was observed that there was an increase in HCP engagement opportunities to adjust grouping and pricing, when compared to MS-DRG in the United States.

From 2019 to 2021, throughout all 30 pilot cities, there was a decrease in drug proportion cases, relative to an increase in medical service expenses. Commencing in 2022, a new three-year program is to be carried out, with an estimate of late 2024 to early 2025 for complete implementation of CHS-DRG nationwide.The proposed CHS-DRG system (v1.2) will allow drug and medical technology companies to apply and be assessed for payment, following which public announcement and settlement of accounts will ensue.

Value-Based Assessment in Wuhan

In 2019, the pilot program for a value-based assessment of DRG was conceived and planned. The relevant authorities and planning team were noticed by the Health Sciences Authority (HSA). This program was implemented and executed through 2022.

The program resulted in wide medical coverage throughout the city of Wuhan, with sufficient medical resources and an increase in competition throughout the medical industry. The hospitalization rate dropped from 21% to 17%, along with medical insurance compensation further reduced. Hospitalization costs reduced from an average of 14,992 Yuan to 13,712 Yuan. Deputy Director of HUST base of NHSA, Chen Hao, also proposed measures for the future of DRG, including standardizing DRG across the board, and accounting for different physician and patient expectations, patient volumes and requirements.

Current DRG Reform

Medical insurance compensation is expected to change with the implementation of DRG in the country. The standards of compensation set by DRG may be different from those set by medical institutions. This discrepancy is currently one of the greatest challenges to implementation. Dr. Wang Haiyin emphasized that changes are needed to set a balance between what is provided and demanded by insurance platforms and medical institutions, respectively. One of the points made in view of the reform is that there must be mutual understanding and agreement between the health authority and medication vendor/distributor, particularly on medical technology and pricing. Medical innovation in developing new and more advanced medical technology is also seen as a way of overcoming this issue. Through this, Dr. Li Pei agrees that Diagnosis Intervention Packet (DIP) can be incorporated into DRG, as DIP has a smaller, more specific group criteria, which can be seen as an added advantage to DRG.

MedTech Innovation in DRG Reform for The Future

Professor Xuan Jianwei suggested three areas of focus for DRG reform: improving quality of care, capacity to support value-based medicine, and medical innovation. Despite these challenges, he perceives them as opportunities to build a more dynamic system. There have been concerns that DRG might impede the development of MedTech. However, Director Lin Min responded that in various hospitals and departments, there has been tremendous growth and innovation in technology, concluding that DRG does not hamper MedTech innovation. If anything, efficiency in medical treatment has increased the introduction of DRG. The next steps in optimizing MedTech innovation and application are to focus on cost and quality of life.

Zheng Jie
Lead of National DRG technical steering group, Director of Beijing Medical Insurance Management Center of Beijing Municipal Medical Insurance Bureau

Chen Hao
Deputy Director of HUST Base of National HSA, China

Dr Wang Haiyin
Director of HTA Department, Shanghai Health Development Research Center

Dr Li Pei
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07 PANEL DISCUSSION

Value-Based Health Care: Are We on the Right Track?

The Country Panels session of the Symposium opened with Ms Julia (Ngoc Anh) Tran, Chairperson of the APACMed Vietnam Centre of Excellence (CoE) and Director of Government Affairs, Vietnam, Abbott Laboratories, sharing perspectives from Vietnam on HTA and VBHC and highlighted the need to learn best practices from other markets. Within the APAC region, Korea and Australia are categorized as "developed markets", operating with universal health coverage and established HTA and reimbursement processes. This discussion highlights the challenges to consider for advanced markets and opportunities of learning for developing markets.

The Korean Perspective

Korea has a centralized system of universal health care administered by the National Health Insurance Service (NHIS). The National Evidence-based Health care Collaborating Agency (NECA, HTA agency) operates on the basis of input from the broader private sector to develop evidence-based guidelines and promote industry-wide adoption within the medical community. While there is no national plan or strategy specifically addressing VBHC, South Korea's health care system is in transition from evidence-based health care to value-based health care. A lack of standardized measures, however, negates any claims to value optimization, making it challenging to incorporate VBHC at a higher level without universally applicable approaches and scoring metrics for quantifying trade-offs.

In its initiative to move towards value, the 5-year National Health Insurance Comprehensive Plan of South Korea is catered specifically towards 4 enablers, which now include value-based health care, people centricity, sustainability and innovation. The value appraisal standard system for MedTech in Korea is quantified according to clinical usefulness, cost-effectiveness, and technological innovation, with premiums decided based on two broader tracks:

1) Clinical evidence
2) Technological and functional evidence.

The speakers reiterated the advantages of synergizing the individual strengths of a VBHC system and cost-effective analysis (CEA), wherein CEA may learn patient centeredness as an outcome measure, while CEA integration may help establish robust methods of VBHC implementation. The discussion concluded with speakers identifying prerequisites needed for successful and widespread implementation of VBHC in MedTech in Korea. These include multistakeholder engagement, infrastructure development for accurate costing of outcome measures, and payer and health authority-initiated education programs, as highlighted by Dr Sang-Soo Lee, APACMed Market Access Working Group Chairperson, Senior Director, Healthcare Economics & Government Affairs, Medtronic North Asia (Japan and Korea).

Dr Sang-Soo Lee
APACMed Market Access Working Group Chairperson,
Senior Director, Healthcare Economics & Government Affairs,
Medtronic North Asia (Japan and Korea)

Professor Jaeyong Shin
Assistant Professor,
Department of Preventive Medicine
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The Australian Perspective

Jane McMillan, Vice-Chairperson of the APACMed GAMA Committee and Head of Government Affairs and Policy, APAC, MedTech, Johnson and Johnson offered valuable insights into the MedTech industry for Australia. With extensive experience in government, she elaborated on the existing cost-based system that provides reasonable patient access and expanded upon the implementation of VBHC in Australia.

In Australia, VBHC entails reducing low-value interventions and technologies, redesigning models of care to improve integration between providers, and increased use of patient-reported measures to drive improvement. The objectives for VBHC in Australia are cost reduction, improvement of clinical outcomes, improved patient satisfaction, and a positive patient experience.

However, the existing payment mechanisms in Australia may not be optimal for the incorporation of VBHC. The two major avenues in primary and hospital care in Australia are a combination of fee-for-service and activity-based funding, which largely encourage service volumes over patient outcomes, with limited scope for reducing cost and increasing efficiency. This current payment scheme encourages wastage of health care resources, and fragmentation of health care delivery into non-integrated primary and secondary care. Overall, these factors indicate a non-conducive landscape for VBHC implementation.

The Australian Center for VBHC was established in 2019 to increase awareness and knowledge around VBHC principles. They are also responsible for influencing public policies for care models and innovative funding mechanisms. Current funding mechanisms in Australia are based on a tender-based public system, with a HTA-based process followed only by the private sector. Industry plays a key role in incorporating VBHC, but current funding mechanisms in Australia do not allow for stable partnership between industry and VBHC. Value-based agreements have been channelized as an example of how industry as a whole can partner to deliver efficient value-based services.

Australia is on the right path, however there is room for improvement with respect to integration between providers and exploring appropriate funding models to increase patient reported outcome measures to drive improvement.

Australia has also been on the path to revisit their DRG payments structures (from 2020-2025) and looking at reforms on how to explore different funding structures such as bundled and capitated payments, which is already being tested in some states. Now, Australia is looking into more a permanent model for these new funding models. Engagement of all stakeholders, including the industry, will ultimately determine the scope and success of VBHC in Australia.

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DePuy Synthes, Asia-Pacific

Jane McMillan
Vice-Chairperson of the APACMed GAMA Committee,
Head of Government Affairs and Policy, Asia-Pacific
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08

PANEL DISCUSSION

Perspectives on Quality Health Care Delivery in India

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National Health Authority
Government of India, New Delhi

Bivash Chakraborty
Head of Regulatory Affairs & Quality & Government Affairs South Asia, bioMérieux India

Shri Kanwalpreet Singh
Director – Procurement & Policy Division, Department of Expenditure, Ministry of Finance, Government of India, New Delhi

Dr Saurabh Kumar
Senior Director & General Manager of HEOR, IQVIA

India launched one of the world's largest social health insurance schemes - Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (ABPMJAY) in 2018, which uses a system of case-based payments in which providers are paid a fixed rate for a bundled set of services provided against a defined Health Benefit Package (HBP). Further, quality of care is an integral parameter also envisaged in the National Health Policy 2017 to foster patient focus, better health outcomes and an assurance-based approach. In this session on "Providing Quality Health care in Universal Health Coverage through Value-Based Pricing", senior government officials from the National Health Authority and the Department of Finance shared their views on the importance of value-based pricing in the ABPM-JAY.

VBHC From the Government Perspective

In India, VBHC from the government perspective is congruous with the universal health coverage which caters to maximizing the health of the population through greater service coverage and adequate financial risk protection with minimum out of pocket charges within the ABPM-JAY care framework. This ensures the benefits of public financing accrue more towards the vulnerable section of the population. VBHC within the ABPM-JAY ecosystem is in sync with these dimensions of universal health coverage.

VBHC From the Industry Perspective

Patient centricity and patient outcomes are key aspects of VBHC across all stakeholders, including policy makers, payers, providers and within industry. A well-designed, innovative, and value-driven medical technology can accelerate the availability of new technologies for a larger population of patients, lead to better care and optimal outcomes for patients, increase treatment choices, and reduce financial waste for patients and health care systems. In-vitro diagnostics, which covers over 70% of clinical outcomes, is an important aspect of value-based outcomes. Value for medical devices must be based on clinical impact, patient impact, care-delivery revenue, provider-cost impact, and public and population impact. In this context ABPM-JAY is one of the world's largest health care schemes and a premier initiative to provide affordable health care to families, with MedTech innovation at the crux of it.

Key Learnings from ABPM-JAY From the MedTech Perspective

From the public procurement perspective, value in health care is highly subjective and cannot be viewed under the same umbrella as other sectors.

There is a need for well-trained professionals who are knowledgeable about the operations of the latest technological innovations.

Opex-based procurement policies and updating procurement policies in ABPM-JAY implemented in hospitals needs to be revisited in this sector.

Some values that have already been initiated in the ABPM-JAY system:

1. The Ayushman Bharat digital mission aimed at providing a base for other quality improvement and value enhancement initiatives
2. Importance given to follow-up care to counter any procedure failures and readmissions reduce both health care and patient burden
3. Differential pricing was added as part of the new health benefit package, ensuring uniform and city-based pricing
4. Established HTA India (HTAIn), with the aim of evaluating several selected medical technologies. Central and state health ministries, and any government health care provider or agency directly or indirectly involved in the health sector in India can submit their topic(s) to the HTAIn for a rigorous, systematic and transparent assessment.

ABPM-JAY has two units: Ayushman Bharat, and a health and wellness center launched in 2018 with the aim to expand to 150,000 health and wellness centers across India, specifically catered to patients with minor disorders and ailments not requiring hospitalization in order to reduce the burden on secondary and tertiary hospitals. The government is moving from a provider to payer model to ensure the lower strata of the population sees benefits in the form of more accessible and affordable health care.

Moving forward

- A consultation paper on value-based incentives has been proposed. It outlines a set of financial incentives to be built into hospital payments, linked to specific indicators.
- Move towards introducing diagnosis-related group (DRG) type reimbursement processes to make case-based bundled payments cater more towards patient disease characteristics, such as severity complications or adverse risk factors.
- Initiatives to have a continuum of care between the primary, secondary and tertiary system to instill more value within the health system
- A subcommittee of HTAIn to bring value to procurement or purchasing decisions through strategic purchasing and price negotiation with stakeholders using HTA evidence, especially for products such as implants and high-end drug consumables. This price setting through collective bargaining will benefit hospitals and ultimately patients.

> ***"One area of improvement, for which we can see willingness amongst the authorities, is to consider differential pricing for a procedure or technology, in recognition of innovation that advances technology and leads to improvement of patient outcomes.***

Vibhav Garg

Chairperson, APACMed India CoE
Director, Government Affairs Strategy,
India HUB & ASEAN,
Boston Scientific

09 KEY HIGHLIGHTS

Summary and Call to Action

The Symposium was concluded by Dr Alice Chu, APACMed Market Access WG Vice-Chair and Director of Market Access and Medical Marketing, Glaukos Corporation. Dr Chu reiterated the importance of collaborating with all stakeholders towards building a transparent, MedTech-dedicated HTA process that is rooted in real-world evidence - from industry to physicians to patients. The APACMed VBMA Symposium was a first step in this direction with the sharing of different stakeholder ideas and perspectives, the main takeaways of which are summarized below.

Time has come for stakeholders to advocate for a good HTA system which is distinct from that for pharmaceuticals, with clear and transparent guidelines

There is a need for justification of HTA recommendations and the expansion of evidentiary support to include real-world evidence complementing RCTs (if needed), with inputs from physicians, surgeons, medical associations and patients. It is necessary to monitor trends in reimbursement models and advocate for reimbursement that is commensurate with product value. It is essential to promote faster-access schemes that reduce risks such as coverage, with evidential development and managed-entry schemes. Internal advocacy is necessary to convey that real-world evidence is a must-have for a pipeline strategy, and hence requires adequate funding.

> *"The value assessment should capture the value of diagnostics across the entire care pathway, rather than at one juncture of use. There needs to be a paradigm shift and we need to recognize a broader perspective of benefit those medical technologies can bring to the health care system, patients and society at large.*

Dr Mikki Koo

Director, Health Policy & External Affairs
Roche Diagnostics

> *"Time has come to move to a value-based health system with an innovative delivery of care that provides "value for money" and "value for many".*

Professor Rifat Atun

Keynote Speaker, Professor of Global Health Systems, Department of Health Policy & Management,
Harvard T.H. Chan School of Public Health

In the area of diagnostics, it is necessary to raise awareness and advocate for a different value assessment framework for diagnostic technologies

The information provided by the value of diagnostic information is multi-dimensional, impacts the entire care pathway, and carries different value for the various stakeholders in the health care ecosystem. There is a need to include direct and indirect value benefits for the patients, the health care provider, the health system, citizens, and society.

In Australia and Korea, the value definition is being expanded to include efficiency and patient experience

Prerequisites such as multistakeholder engagement, infrastructure development for accurate costing of outcome measures, and payer and health authority-initiated education programs were discussed as essential factors necessary for successful implementation of VBHC in the Korean MedTech sector. Engagement of all stakeholders, including industry, will ultimately determine the scope and success of VBHC in Australia, where there exists room for improvement with respect to integration between providers and appropriate funding models to increase patient-reported outcome measures.

In India, collaboration between stakeholders is key to implementing value-for-money policies under universal health coverage, with continued focus on patient safety and outcomes

Future directions to aid successful VBHC implementation in India include the introduction of financial incentives in hospital payments, DRG-type reimbursement processes, a continuum of care between primary, secondary and tertiary systems, and a HTA(IN) subcommittee to bring value to procurement and purchasing decisions. In China, the call to action is to improve DRG infrastructure, increase information transparency and focus on patient experience.

The insights from the APACMed Symposium highlight the importance of building a VBHC framework that rewards innovation and facilitates patient access; one that is supported by real-world evidence, collaboration and learnings from the region. APACMed seeks to be a partner to governments looking to undertake value-based reforms and stands ready to share its insights and expertise in future collaborations. This Summary Report marks the start of a series of country-level engagements to build on its regional perspective on VBHC.

10 Speakers

Professor Rifat Atun

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