

# Integrating Pharmacy into Value-Based Care

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- Drug therapies are critical for managing chronic conditions, preventing complications, and improving outcomes
- Pharmaceutical costs continue to rise, increasing 13.6% in 2023 alone and totaling \$722.5 billion, driven in part by high-cost specialty drugs, which heightens urgency around affordability and patient access
  - *Source: American Journal of Health-System Pharmacy, 2024*
- Despite this, pharmacy remains under-integrated in value-based care (VBC) models and is often managed separately from total cost of care strategies



Despite its central role in managing disease and cost, pharmacy often sits outside VBC models, limiting transparency, accountability, and integration

# Two Distinct Strategies for Integrating Pharmacy into Value-Based Care

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## Reducing TCOC Through Pharmacy Integration

- Leverages medication therapy management and clinical pharmacists on care teams
- Uses pharmacy claims data to track adherence and identify risks
- Employs pharmacies to prompt preventive visits or flag high-risk patients
- Ties medication use to care coordination, chronic disease control, and quality benchmarks
- Barriers: data fragmentation, unclear accountability, and limited reimbursement for pharmacist-led care

## Controlling Direct Drug Spend

- Holds participants accountable for drug spend performance
- Promotes formulary adherence and the use of generics and biosimilars as a strategy to manage drug spending and support value-based prescribing
- Leverages indication-based pricing, value-based formulary design, and subscription models to align payment for high-cost therapies with clinical value and affordability
- Implements site-of-care optimization to reduce infusion and specialty drug costs
- Barriers: pricing opacity and PBM dynamics

*Addressing drug cost in VBC requires both using pharmacy to improve care outcomes and reduce total cost of care and actively managing spend through pricing and prescribing strategies*

# Building Value-Based Mechanisms Around Pharmaceuticals

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- VBC offers a platform to connect drug effectiveness with measurable outcomes and sustainable ROI
- IPPS hospitals are exploring models such as medication stewardship programs, enhanced formulary management, and care coordination initiatives to align medication utilization with value-based care goals
- Successful models are rooted in defining drug value within population health goals, not in isolation



*Strategic contracting must clarify both the goal of the expected benefits of the drug and how success will be measured*