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MIT suggests Policy and Practice for accessible and sustainable healthcare

13 February 2019 | News

Innovative Therapies Will Require Innovations in Financing and Regulations



The MIT-based Financing and Reimbursement of Cures in the US (FoCUS) consortium released a series of large-scale policy and practice recommendations for financing new and upcoming curative and durable treatments to ensure broad patient access and healthcare system sustainability.

The recommendations were released at a FoCUS-hosted conference at the National Press Club. The conference featured keynote remarks from U.S. Senators William Cassidy (R-LA) and Sheldon Whitehouse (D-RI), and 30 other speakers spanning the spectrum of healthcare system stakeholders.

Curative and durable treatments encompass a class of therapies with a short, sometimes single dose, treatment regime that offer the opportunity of lasting benefits. Yet, these therapies have a significant health care financing challenge for many consumer and payers.

"We have got to establish new paradigms to pay for these drugs," said Senator Cassidy. "The choice is not between paying whatever a company decides to charge for a medication, or denying access to a life-saving drug, but a middle [that] establishes a cost society can afford and a means which facilitates paying that cost, and at the same time rewarding innovation and making sure there's access."

Milestone-based contracts, performance-based annuities, and novel Orphan Reinsurer and Benefit Managers (ORBMs) will help healthcare organizations meet new financing challenges by navigating complexity in disease and patient profiles, novel therapies, funding mechanisms, and performance risks.

The accompanying policy suggestions for public agencies and programs, such as the FDA and Medicaid, include new performance metrics policies, payment and reimbursement practices, and legal frameworks to sustain innovative therapies.

"Cell and gene therapies are giving us the opportunity to cure diseases that we could once only hope to manage," said Senator Whitehouse. "I'm excited about the pilots being launched by MIT to test milestone-based contracts and other creative ways to pay for therapies. These payment models represent a fundamental shift in the way we think about paying for value and they aim to help the market bear medical innovations."

"We focus on helping the system catch up with the science in biomedical innovation, and do it in ways that are both patient-centered and system-sustainable," said Dr. Gigi Hirsch, Executive Director of the NEWDIGS Initiative.