Duke | MARGOLIS CENTER *for* Health Policy

Developing Feasible Payment Reform Pathways for Antibiotics to Meet the Needs of Providers, Payers, and the Populations They Serve

1201 Pennsylvania Ave, NW, Suite 500, Washington, DC 20004
January 29, 2019
9:00 am – 3:00 pm

Meeting objective: Serious bacterial infections can result in costly hospital stays and complications, particularly if initial treatments fail to improve the patient's condition. Recently, it was estimated that antibiotic-resistant infections add an additional $2.2 billion dollars to the yearly cost of healthcare in the United States. Novel antibiotic treatments have the potential to reduce these costs by averting the impacts of antimicrobial resistance, but a limited number of innovative treatments are currently in development. This lack of development is due to limited returns on investment stemming from generally effective generic treatments and good stewardship practices, which limit use, coupled with a fee-for-service payment structure that rewards high-volume use. However, as resistance to generic antibiotics increases, a robust arsenal of novel antibiotics is needed to ensure public health. This roundtable will explore the value of antibiotics and whether payment reform models could enable more sustainable utilization and development.

9:00 am – 9:15 am **Welcome and introductions**
Mark McClellan, Duke-Margolis Center for Health Policy

9:15 am – 9:45 am **Overview of antibiotic payment reform**
Mark McClellan, Duke-Margolis Center for Health Policy
Amber Jessup, Office of the Assistant Secretary for Planning and Evaluation

9:45 am – 10:45 am **Session 1: Antibiotic utilization and impact of current reimbursement policy**
Moderator: *Mark McClellan, Duke-Margolis Center for Health Policy*
Opening remarks: *Karla Miller, HCA Healthcare*

Session objectives:

- Better understand how Medicare DRG +/- NTAP and common commercial payer reimbursement policies affect new antibiotic purchasing and use decisions
- Explore other factors, such as cost, stewardship programs, etc, and how they affect new antibiotic purchasing and use decisions
- Understand utilization trends and reasons for use of generics versus newer antibiotics

10:45 am – 11:00 am **Break**

11:00 am – 12:00 pm **Session 2: Explore and evaluate the potential impact of new payment reform proposals on purchasing and use decisions for new inpatient antibiotics**
Moderator: *Mark McClellan, Duke-Margolis Center for Health Policy*
Opening remarks: *Kevin Outterson, CARB-X*

Session objectives:

- Review shorter-term payment reforms aimed at increasing incentives for development, including Medicare Part A and B reforms
- Understand whether changes to antibiotic reimbursement might impact antibiotic utilization, including an increased add-on payment or removal from the DRG
- Understand how payment reform impacts might be measured
- Identify other opportunities for improvement within the current system

12:00 am – 12:45 pm **Lunch**

12:45 pm – 1:45 pm **Session 3: Moving from patient- to population-based payment approaches**
Moderator: *Gregory Daniel, Duke-Margolis Center for Health Policy*
Opening remarks: *Ray Frost, Melinta*

Session objectives:

- Explore opportunities for outcomes-based payment for antibiotics
- Consider examples of population-based payment (where payment is not based on volume-use) or population-based outcomes (where effectiveness is evaluated through outcomes within a population), and identify opportunities and limitations
- Understand challenges associated with implementation of non-volume-based purchasing

1:45 pm – 2:45 pm **Session 4: Outcome measures for quality, cost, and value**
Moderator: *Gregory Daniel, Duke-Margolis Center for Health Policy*
Opening remarks: *Adrian Towse, Office of Health Economics*

Session objectives:

- Explore practical ways to measure externalities associated with high-priority antibiotic use
- Consider valuation of antibiotics that are infrequently used
- Identify priority values of stakeholders

2:45 pm – 3:00 pm **Closing remarks**
Gregory Daniel, Duke-Margolis Center for Health Policy

3:00pm **Adjourn**