

The Affordable Care Act and the Triple Solution for a Healthier America

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GlaxoSmithKline promotes improvement in the health of Americans through the Triple Solution for a Healthier America, which focuses on prevention, intervention, and innovation. The Affordable Care Act includes provisions that embody the Triple Solution and provides unprecedented funding to further develop comparative effectiveness research, health information technology, and quality standards.

The Affordable Care Act (ACA) is ushering in sweeping changes to the US health care system. Although the ACA's primary focus is reforming health insurance and decreasing the number of uninsured citizens in the United States, it includes several provisions affecting the innovative medicines GlaxoSmithKline develops and produces, the health care professionals who prescribe these products, the payers who help ensure access to them, and the patients who use them. GlaxoSmithKline supported the passage of comprehensive health reform legislation because it recognized that too many Americans currently lack access to high-quality, affordable health care coverage and services. While the new law presents the pharmaceutical industry with financial challenges in the form of expanded rebates and new fees, it also offers opportunities to move the US health system in a positive direction.

Among the many significant provisions included in the ACA, 3 seemingly independent topics—comparative effectiveness research (CER), health information technology (HIT), and quality standards—are foundational elements in the law, particularly if they are employed in concert to fuel dramatic patient-centered improvements in the health care system. The ACA also includes important provisions aimed at reducing the human toll and financial cost of diseases through a sharper focus on wellness and prevention.

The Triple Solution

Health care reform is in large part a response to the realization that health care spending in the United States is unsustainable. Often, policymakers aim cost-reduction efforts at seemingly expendable cuts in spending for health care services and treatments, including medicines. The problem with that “supply side” approach is that it does nothing to stem the long-term need for medical services

and treatments that naturally develop with an aging population, rising obesity rates, continued tobacco use, and other unhealthy behaviors that lead to chronic diseases. Health economists attribute almost 30% of the growth in health care costs during 1987-2001 to the rise in obesity alone [1]. By not addressing the need or demand for health care services, costs continue to rise unabated, and health outcomes do not improve. To effectively lower costs, incentives in the health care system need to encourage keeping people well rather than just treating people after they get sick.

For several years, GlaxoSmithKline has, through the Triple Solution for a Healthier America (<http://www.forahealthieramerica.com>), supported policy changes that address rising health care costs by improving health. Specifically, the Triple Solution supports prevention, by promoting health and wellness to prevent disease; intervention, by managing disease to avoid costly complications; and innovation, by developing new treatments for costly health conditions, such as Alzheimer disease and stroke. Several provisions in the ACA address prevention, intervention, and innovation and the linkages these 3 factors have to managing health care costs.

Prevention

Encouraging active lifestyles, healthy choices, smoking cessation, cancer screenings, vaccination, and other preventive measures will go a long way to lowering costs overall. A study by the Milken Institute estimated that modest health improvements and treatment advances by 2023 would lower the number of people with chronic conditions by 40 million and save the economy more than \$1 trillion per year [2]. Prevention-related activities can lower the burden and associated costs of illness. The ACA includes several measures that help shift the US health care system's focus toward wellness and prevention. For example, the ACA requires all health plans to waive out-of-pocket costs for recommended preventive care services. Studies show that people are sensitive to the price of health care and that lowering costs can

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encourage more people to seek preventive services such as cancer screenings or regular check-ups [3, 4]. The ACA also requires the development and implementation of a National Prevention Strategy and establishes a Prevention and Public Health Fund to support efforts to realize the goals of the strategy and enhance community-level efforts to encourage healthier lifestyles and promote wellness [5].

Intervention

Even with enhanced prevention efforts, people can become ill. When they do, ensuring that they receive and follow through on appropriate, timely treatment that optimizes their health and minimizes the potential for costlier complications can lower health care costs. The United States has the tools and knowledge to manage many diseases and greatly reduce many of their severe, costly consequences. Too often, however, the tools and knowledge are not used effectively and consistently. Medications, supported by lifestyle changes in the form of physical activity, healthier eating, and avoiding tobacco, are relied on often to address disease symptoms, delay or stop disease progression, and avoid complications.

The ACA establishes several quality-driven, patient-centered initiatives aimed at lowering costs by improving the management of costly diseases. For the Medicare program, in which more than 95% of costs are attributed to treating chronic diseases, better management of illness and promotion of health are critical to managing costs. The ACA includes several new efforts within public programs, particularly Medicare and Medicaid, and across the health care system that work to align the quality of care delivered and the health outcomes achieved with the amount paid for health care services. Specifically, the ACA provides for the development of patient-centered medical homes, which allow primary care professionals to serve as centralized coordinators of care. It establishes accountable care organizations, which allow health care professionals who meet or exceed set quality standards to share in the savings generated for Medicare. The ACA also establishes the Center for Medicare and Medicaid Innovation, which will allow for experiments in quality improvement and cost reduction within Medicare and Medicaid. The Center for Medicare and Medicaid Innovation includes a focus on medication therapy management for people with or at risk for multiple chronic conditions.

Private-sector successes, such as the Asheville Project, demonstrate the potential for these efforts to improve quality while lowering costs. In the Asheville Project, the city of Asheville and local private employers helped employees with chronic conditions, including diabetes and asthma, manage their health. Employees were paired with a pharmacist coach, and employees' costs for medicines and supplies were waived. As employee health improved, annual health care costs dropped. For instance, the annual average cost per patient for the treatment of diabetes decreased by more

than 34% (from \$7,082 to \$4,651) between baseline and year 5 of the project, despite increased spending per patient on prescription medicines [6].

Innovation

Innovation is paramount to GlaxoSmithKline's mission to enable people to do more, feel better, and live longer through the discovery and development of breakthrough medicines and vaccines. Changes in policy that affect GlaxoSmithKline's business affect its ability to innovate. Because sales of GlaxoSmithKline's medicines fund its research and development, new fees and changes in payment for the company's products affect funding for its research projects. Development of new medicines takes, on average, 12-15 years, and each new medicine that makes it to market requires a substantial investment of approximately \$1 billion. In 2009, GlaxoSmithKline invested \$6.9 billion—15.7% of its sales—in the research and development of new products. Its pipeline includes potential medicines that address some of the leading drivers of health care costs—Alzheimer disease, diabetes, depression, heart disease, and cancer—and hold the promise of better health.

Although innovation was not a primary focus of the ACA, it does include 2 policy changes that support medical innovation. Specifically, the ACA establishes a pathway for the development and approval of biosimilar products that allows for 12 years of data exclusivity for the innovator product. This balance encourages innovation in biologic medicines while addressing the need for increased competition to help lower costs. The ACA also establishes the Cures Acceleration Network within the National Institutes of Health. Once funded, the Cures Acceleration Network will award grants to universities, foundations, and other public and private researchers to pursue promising research in areas of high unmet needs that could be translated into new medical technologies. Answering unmet medical needs through medical innovation is essential to addressing health care costs and patient needs in the long-term.

There are many diseases for which few treatment options exist. For example, it not known how to prevent Alzheimer disease, and available treatments for this condition are limited. Advances in prevention and treatment would mean a better life for individuals at risk for Alzheimer disease and their families. In fact, a breakthrough treatment that delays the onset of Alzheimer disease by 5 years would mean 1.6 million fewer people affected and savings of \$50 billion—all within 5 years after the treatment becomes available [7].

Medical research and innovation are transformative and hold tremendous promise for addressing medical challenges for which better answers are desperately needed. GlaxoSmithKline and other research-based biopharmaceutical companies have thousands of research programs underway with the potential to improve health and lower costs. Realizing this promise requires policies that reflect a prudent balance between managing costs and encouraging public

and private investment to fuel medical innovation in North Carolina, across the United States, and around the world.

The Future of Health Care

Achieving the promise of the Triple Solution depends on the ability to align incentives in the health care system to reward the value of care rather than the volume of care. The ACA supports the development and use of 3 foundational elements that hold tremendous promise in achieving an outcomes-based, coordinated, and connected health care system: HIT, CER, and quality standards. Considered independently, HIT, CER, and quality standards initiatives could move the US health care system in a positive direction, but when considered together, the magnitude of the possible benefits increases substantially.

In concert, HIT, CER, and quality standards allow and encourage access to real-time information at the point of care to inform treatment decisions. HIT, specifically the use of electronic medical records with decision-support technology, is needed to enable these decisions. CER can provide data to tailor treatment to achieve the best outcomes for the individual patient. Quality standards are necessary to measure and evaluate the results of treatment, inform future decisions about treatment, and reward improvements in health care quality.

The ACA provides unprecedented funding to further develop HIT, CER, and quality standards over the next several years. Thoughtful implementation of these elements could help shift the US health care system to one that rewards for quality of care, but that positive direction is not guaranteed. These powerful tools could also be used to cut costs in ways that place less emphasis on health outcomes and value. For example, an HIT infrastructure that uses information gleaned from CER to require medication substitutions without regard to the needs of individual patients would be a setback for patients. On the other hand, an HIT infrastructure that uses the latest CER information and

clinical practice guidelines to help clinicians and patients make consistent, informed treatment decisions that reflect treatment advances and individual patient needs would be a step forward for patients and improve health care quality. The US health care system faces many cost and health challenges. Having a system equipped with the technology, information, and evaluative tools to prevent the onset of illness, intervene effectively to improve health and avoid disease progression, and innovate to address unmet medical needs will go a long way to address these challenges. **NCMJ**

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