

Pioneer's Perspective



Sep 25-26 | Boston, MA



MagellanRx
MANAGEMENTSM

Steve Cutts

Vice President, Pharmacy & Clinical Strategy

Steve is the Vice President of clinical strategy and programs. He oversees the clinical account-facing staff, drug evaluation and policy development and clinical program development. Here he shares his thoughts on the current and future development of the Digital Therapeutics industry:

Where do you think true value lies in Digital Therapeutic and Digital Medicine Products?

Digital therapeutics is a new frontier in healthcare and has the potential to transform care delivery. Of note, I think Digital Therapeutics offers real value in the areas of scalability, patient engagement, and personalized care. Scalability from the perspective that traditional delivery of care services, especially ones of the cognitive nature that involve behavioral change reinforcement, are resource-intensive.

Digitizing these approaches has obvious resource benefits to enable evidence-based care delivery to a broader population at a reduced cost, in addition to serving as a tool to augment existing care models.

Patient engagement and personalized care from the perspective that a huge contingent of the population today has a digital footprint and is a regular user of a tool such as a smartphone—digital therapeutics enables patients to engage with care delivery and consume content on their own terms, riding the wave of consumerism to better enable patients to become greater stakeholders in their own care, as well as enabling care providers to better tailor individual care plans and treatment regimens based on each patient's specialized needs.

What Digital Health companies are you working with currently?

In addition to leveraging our own internally-developed suite of tools, such as Digital Cognitive Behavioral Therapy (DCBT), Magellan has a number of

partnerships established with innovative digital health companies. Of note, Magellan works with Click Therapeutics on a digital tool for smoking cessation, AiCure for medication adherence solutions, and Pear Therapeutics on substance abuse treatment.

As an organization committed to embracing technology and innovative solutions to lead humanity to healthy, vibrant lives, we are also continuously evaluating additional value-based partnerships and innovative approaches we can pilot in conjunction with other digital therapeutics companies.

From a payer perspective - what are you looking for from Digital health companies that are seeking payer reimbursement?

In order for payers to consider reimbursement of these therapies, there first needs to be a clear path to payment, which can be complicated—will these be paid for on the pharmacy benefit via an NDC number, the medical benefit, or a separate “digital” benefit, which has yet to be defined?

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Equally important is the overall “value” story of each digital therapy—what are the real costs and outcomes associated with the therapy, and how do those compare with more traditional modalities? Will these digital products replace or augment traditional medications and standards of care, and how reliant are they on other wraparound services, such as MTM or care management, in order to deliver the promised outcomes? And given the proliferation of various digital health products within aimed at treating specific conditions, how do they compare to one another?

Overall, to me, the key question to answer here is what the overall, end-to-end

value/outcomes story is for each particular product—without that, it is difficult for payers to truly assess reimbursement dynamics.

In what ways do you think Digital Therapeutics/Digital Medicine can transform the future reimbursement landscape?

One of the more obvious ways I see this is as digital therapeutics/medicine continuing to drive the trend towards value-based care and reimbursement models that focus on overall outcomes and costs of treating a condition as a whole vs. FFS models or specific reimbursements for individual medications or treatments.

When do you predict there will be a large scale adoption of Digital Therapeutics from payers, and what is holding this industry back?

It's difficult to predict exactly when we'll see large scale payer adoption of digital therapeutics, but it's coming.

We're seeing it in pockets and strategic examples today, but in a much more limited capacity. Once a major payer blazes the trail with a wide-scale strategy is likely when we'll start to see others follow suit, and then the floodgates will open. Without a crystal ball, I'd guess that we'll likely see this happen fully within the next 3-5 years or so, with obvious progress and major developments along the way.

What are you most looking forward to at the DTxDM East Summit?

Hearing directly from innovative companies that are on the forefront of this exciting Digital Therapeutics revolution.

Steve will be sharing his perspectives at the DTxDM East Summit 2018 on Sept 25th-26th in Boston. Steve will be joining a panel discussion on the “Payer Perspective” towards Digital Therapeutics at 9:10 on Day 2. He will be joined by Debra Reisenhel (Palo Alto Health Sciences), Everett Crosland (Pear Therapeutics), Eileen Rodgers (Highmark Health) and Tim Pearce (Stella / BCBS).