

A Q&amp;A WITH MICHAEL E. CHERNEW, PHD, AND A. MARK FENDRICK, MD

## After 25 Years, AJMC® Looks to the Future

*Interview by Allison Inserro*

To mark the 25th anniversary of The American Journal of Managed Care® (AJMC®), each issue in 2020 includes a special feature: an interview with a thought leader in the world of health care and medicine. The December issue features a conversation with the journal's co-editors-in-chief, Michael E. Chernew, PhD, and A. Mark Fendrick, MD.

**AJMC®:** As you both know, this is the last interview in 2020 that the journal will run as part of a monthly series. We didn't expect 2020 to turn out the way it did, and 2021 will start off with a new president taking office in January. What would be your priorities for President-elect Joe Biden in Medicare, Medicaid, and managed health care overall?

**CHERNEW:** The first thing, whether they want to or not, there's going to have to be some attention to the Part A trust fund. It's scheduled to be depleted in 2024, and some strategies are going to have to be undertaken to figure out how to maintain the solvency of the trust fund. The second thing that I think is going to be particularly important for the new administration is to chart a path for promoting alternative payment models. There's been a lot of movement in the area of alternative payment models; some things have worked and some things have not worked. I'd like to see a strategy for beyond [this administration] to be developed as we begin to transform the health care system. The third thing that I think you will see from this administration is that it would be a priority to strengthen where the Affordable Care Act (ACA) is in its implementation. There are a number of actions taken largely by executive order in the current administration that I think the new administration will revisit, and I think it's important to lay out a path for the ACA for the next 4 years and beyond.

**FENDRICK:** First off, it's really great for Mike and I to be the finishing touches of the 25th anniversary celebration for AJMC®. I think there are a lot of us who actually want to see the year 2020 come to an end for a variety of reasons. But as we turn to a new year and a new administration, I think my points would be to continue to grow on our bipartisan work, emphasizing that there is more than enough money in the US health care system. We need levers, like Mike just mentioned, like alternative payment models, that

will hopefully shift some of the money more to the services that make Americans healthier and away from those that don't. More specifically, as we first published in AJMC® in 2001, not quite 25 years ago, but getting close to 20 years, the idea of value-based insurance design (VBID), which aligns out-of-pocket costs with the value of services as opposed to setting consumer cost sharing at the price of the service, was included in the Biden platform. It has been used in both Republican and Democratic administrations. So it's our hope, particularly with a split government with no major health care policy changes on the horizon, that there will be continued attention to aligning health care costs with the essential nature of clinical services, that not only will barriers be removed for coronavirus disease 2019 (COVID-19) vaccines and COVID-19 treatments, but hopefully this would extend to other high-value services that are particularly used in the area of chronic diseases, and that we could pay for the added generosity of that coverage with the identification and reduction of low-value care, as put forth by Mike and I in a template called VBID X, a benefit design that lowers cost sharing on certain high-value services and is paid dollar for dollar by increasing cost sharing on either specific services or line items of services like high-cost imaging and nonpreferred branded drugs.

**AJMC®:** Dr Fendrick, when you talked about VBID and VBID X, does that require any sort of political will to get consumers and patients to accept it?

**FENDRICK:** That's a really good question. I think one of the reasons Mike and I would say we've had the amount of success we've had with [VBID] is its intuitiveness and its bipartisan and multistakeholder support. I mean, on the surface, who's not going to support more of the good stuff and less of the bad stuff? So what we feel is that with the COVID-19 pandemic, lots of pain, lots of hardship, but as

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colleagues of mine from Tufts and I published in the September issue of *AJMC*<sup>®</sup>,<sup>1</sup> there might be a silver lining in the fact that the dramatic reduction in both high- and low-value care that Mike and his colleagues from Harvard have continuously updated us on allowed us this ability to really inform all stakeholders that we could realign payment, benefit design, and other levers to increase efficiency, in that, while I've not been overly sympathetic to the provider community over my career, I've written in multiple venues that it's time to start paying clinicians and delivery systems more for some of these high-tech services that provide great value and hold them accountable for the services that might be very expensive and profitable but that don't make Americans any healthier. We have seen some movement, like all things VBID, modest to this effect. But I'm hopeful that given the dramatic decreases that we saw in high-value care and sadly are likely to see again with a second COVID-19 surge, we'll prioritize not just access but actually be clinically driven in how we spend our dollars moving forward.

**CHERNEW:** My addition to that is that we spend a lot of time thinking about financing and prices and what services are delivered, all of which is important. I think the other area that I'm increasingly pondering is what I would call broadly the production of care and the extent to which we can produce the care that we're getting more efficiently and thereby spend less, so there's a lot of discussion on telemedicine. Certainly there are likely to be changes in the regulations around the use of telemedicine. I don't think it will take over the way in which some have predicted. I think there are other broad potential changes in the delivery of care—things like digital clinics, which aren't quite the same as telemedicine, or other sites of care that may be used more efficiently. We're going to have to think through how we can build a delivery system that can deliver high-quality care that's responsive to consumers' needs for less per-unit cost, and one of the advantages of different payment reform models, of course, is that they incent that type of innovation. I think you'll see more [artificial intelligence] targeting of people so we can focus the services to get used on the people that will benefit most; I think you'll see a broader set of alternative providers, there might be scope of practice changes that might enable care to be given better. There are certain clinical areas I worry about a lot. I'm very worried about mental health, for example. We have real problems in the workforce from mental health and a lot of mental health problems, even prepandemic. So I think we have a lot to do with thinking about an efficient mechanism for delivering care at a price that people can afford, and we're not quite there yet, but I do think you'll see work in those areas, and I think that will only proceed if we can create incentives for organizations to find those efficiencies.

**AJMC<sup>®</sup>:** Do you think we'll still be having this discussion in 25 years?

**CHERNEW:** I probably won't be on the other end of Zoom, but I think that almost every country in the world, no matter what their health care system is like, has a version of this discussion. I think it's part of the human condition that we age and we face illness and death, and so I think we will continue to spend time as a country as individuals trying to figure out how we can get the longest life possible and the healthiest life possible. Some of that will be through medical care; a lot of it will be through social determinants of health and a broader set of services that extend beyond those traditionally thought of as health care. They will be brought into the discussion; they are being brought into the discussion. And I think, as long as we are interested in our health and in some related medical services to improve our health, we will continue to be having discussions about how those services are financed and who pays for them. So in that sense, I think all of that is true. When *AJMC*<sup>®</sup> was founded, managed care was a new thing, and so there was sort of traditional care and managed care. Now everything is managed care, and it's just a question of how within that big field of managed care we do the best job of financing and delivery.

**FENDRICK:** I think it's very interesting. I wasn't on the editorial board at the journal's inception but came on very early on. And I want to reiterate this point that *AJMC*<sup>®</sup>, we hope people know it as much as the acronym as "*The American Journal of Managed Care*<sup>®</sup>," because our managed care that we're talking about is small-m small-c managed care, because I completely agree with Mike that we're not talking about the managed care of 25 years ago. I think it's not only interesting and worthwhile to scroll back at some of the highlighted *AJMC*<sup>®</sup> papers that we could find on the 25th anniversary page, but I also want to give a shout-out to the amazing *AJMC*<sup>®</sup> editorial staff in putting together the 12 Q&As for this year. It's been really a pleasure to work with Mike and the *AJMC*<sup>®</sup> team as they celebrate 25 years. I hope that I'm passing the baton, so to speak, to others to carry on the research activities and the policy activities, and trying our best to provide relevant, timely information to decision makers who are on this, as Mike says, timeless journey to figure out how to keep individuals and populations healthy and not bankrupt their countries or their private industries. ■

## REFERENCE

1. Kim DD, Ollendorf DA, Neumann PJ, Fendrick AM. Crisis into opportunity: can COVID-19 help set a path to improved health care efficiency? *Am J Manag Care*. 2020;26(9):369-370. doi:10.37765/ajmc.2020.88412

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