RegenMed

ARTICLE

BENDING THE COST CURVE: IDENTIFYING "REAL-WORLD" VS. "IDEALIZED" EFFICACY

www.rgnmed.com | circles@rgnmed.com

A persistent challenge for healthcare payers is the discrepancy between clinical trial results and real-world performance. Clinical trials are often conducted in "idealized" settings with highly selected patient populations, which can inflate the perceived efficacy of a treatment. When these treatments are transitioned into general medical practice, they frequently fail to deliver the same level of benefit, leading to significant wasted expenditure on procedures and therapies that do not work as intended in broader, more complex populations.

THE ECONOMIC IMPACT OF THE EFFICACY GAP

With medical costs projected to trend at 8%-9% through 2026, payers are under increasing pressure to manage their Medical Loss Ratio (MLR) by eliminating ineffective spending. Currently, billions of dollars are wasted on treatments that persist in the system simply because there is no structural mechanism to identify their lack of real-world value.

Examples of this systemic waste include:

- **Non-Beneficial Procedures:** The continued use of bone cement for osteoporosis-related spine fractures despite evidence showing no clinical benefit.
- **Inappropriate Screenings:** Cervical cancer screenings for women under 30, which research indicates provide no net benefit but continue to consume payer resources.
- **Specialty Drug Performance:** High-cost therapies, such as GLP-1 drugs for obesity and diabetes, which require rigorous real-world tracking to ensure they meet specific clinical markers like HbA1C levels to justify their cost.

THE CIRCLE DATASET INTERVENTION: REAL-WORLD EVIDENCE SYNTHESIS

A primary feature of **Circle Datasets** is the ability to generate **deterministic longitudinal evidence** that identifies the actual effectiveness of a therapy in a real-world setting. Unlike legacy data snapshots, Circle Datasets track a patient's journey from baseline through long-term outcomes, allowing payers to evaluate treatment durability.

By utilizing these datasets, payers can "bend the cost curve" through several specific mechanisms:

- **Outcome-Based Agreements:** Payers can negotiate rebates or risk-sharing contracts with manufacturers that are triggered if a drug or device fails to meet the specific clinical markers documented in the Circle Dataset.
- **Targeted De-adoption:** Payers can identify and stop reimbursement for procedures that the data shows have no benefit in their specific member populations, effectively removing "low-value care" from the system.
- **Predictive Patient Funnels:** Using structured data to identify the subpopulations most likely to benefit from a specific treatment, ensuring that high-cost interventions are directed only toward those for whom they are effective.

This transition from "idealized" trial data to deterministic real-world evidence allows payers to manage clinical risk with a degree of precision previously unavailable in the legacy data economy.

Download RegenMed white paper "Bridging The 17 Years Evidence to Practice Gap" to go deeper.

GET INVOLVED OR LEARN MORE — CONTACT US TODAY!

If you are interested in contributing to this important initiative or learning more about how you can be involved, please contact us*:

RegenMed | www.rgnmed.com

circles@rgnmed.com

SCAN ME

*If the links do not work for you, please download the PDF.