Do we really need to choose between access and affordability?

Options for high-value prescription drug coverage

Sarah K. Emond, MPP
September 24, 2021
No.
Institute for Clinical and Economic Review (ICER)

- **Independent, non-partisan** health technology assessment group whose reviews are funded by non-profit foundations

- Develop **publicly-available value assessment reports** on medical tests, treatments, and delivery system innovations for nearly 15 years

- Convene regional independent **appraisal committees** for public hearings on each report

- For some analyses, use cost-effectiveness analysis to determine **health benefit price benchmarks**

- Produce annual list of Unsupported Price Increases using **comparative clinical effectiveness** expertise

- Coming soon: annual “**Fair Access**” report examining whether insurers are providing fair access to fairly-priced drugs
Funding 2021

- Nonprofit Foundations: 70%
- Manufacturer Contributions: 11%
- Health Plans and Provider Group Contributions: 8%
- Government: 9%
- Other*: 2%

*Individual / matching contributions and speech stipends

ICER Policy Summit and non-report activities only
Foundations of our Mission

• Transparent, public, multi-stakeholder approach to all our work
  • Life sciences manufacturers, patient and consumer advocacy organizations, health plans, state and federal policymakers, clinicians, health systems

• Distinctive combination of academic rigor and practical application

• Guidance to improve the health system so it better serves patients
Fair Pricing.
Fair Access.
Future Innovation.
Why Does the US Need Independent Research?

• FDA approval means “safe and effective”
  • Little comparative data; no consideration of cost or value

• Health systems routinely make tradeoff decisions
  • Asymmetric information, limited time, short-term incentives

• Pharma’s influence is strong

• Patients deserve a voice
Assessing “Value”

- Fair Price, Fair Access, Future Innovation
- Long-Term Value for Money
- Short-Term Affordability
Cost-Effectiveness 101

Health Maximization
Threshold Range

Cost ($)

Even more effective
Higher cost

More effective
Higher cost

Effectiveness
(Better Health)
# ICER’s Value-based Price Benchmarks (Examples)

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Drugs</th>
<th>Discount Needed*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spinal Muscular Atrophy</td>
<td>Spinraza</td>
<td>83-90%</td>
</tr>
<tr>
<td></td>
<td>Zolgensma</td>
<td>0%</td>
</tr>
<tr>
<td>Type 2 Diabetes</td>
<td>Rybelsus</td>
<td>32-36%</td>
</tr>
<tr>
<td>Opioid Use Disorder</td>
<td>Probuphine and Vivitrol</td>
<td>53-69%</td>
</tr>
<tr>
<td>Rheumatoid Arthritis</td>
<td>Rinvoq</td>
<td>25-26%</td>
</tr>
<tr>
<td>Asthma</td>
<td>Xolair, Nucala, Cinqair, Fasenra, Dupixent</td>
<td>62-80%</td>
</tr>
<tr>
<td>Alzheimer’s Disease</td>
<td>Aduhelm</td>
<td>87-95%</td>
</tr>
<tr>
<td>Cardiovascular Disease</td>
<td>Vascepa</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Xarelto</td>
<td>0%</td>
</tr>
<tr>
<td>Migraine</td>
<td>Nurtec, Ubrelvy</td>
<td>0%</td>
</tr>
<tr>
<td>CAR-T for Leukemia and Lymphoma</td>
<td>Yescarta and Kymriah</td>
<td>0%</td>
</tr>
<tr>
<td>Hemophilia A</td>
<td>Hemlibra</td>
<td>0%</td>
</tr>
<tr>
<td>Cystic Fibrosis</td>
<td>Kalydeco, Trikafta, Symdeko, Orkambi</td>
<td>74-79%</td>
</tr>
</tbody>
</table>

*For new drugs, discount from list price or anticipated net price needed to meet common thresholds of cost-effectiveness. For drugs already in use, discount is from post-rebate price.*
Public Meetings

• Public deliberation of report contents and policy implications by independent appraisal committees

• Patients and patient organizations play a central role at public meetings

• Participation by clinical experts, manufacturers, patients and caregivers

• The voting panels are comprised of clinicians, patients, and health policy experts
Use of ICER assessments

• For drug makers and payers: helps negotiation over prices in conjunction with fair access
  • Dupixent, Praluent, Zolgensma

• For payers and employer groups: helps guide coverage decisions and pricing negotiations
  • VA
  • Private Payers, 65% using benchmark prices
  • Nearly half of the nation’s Medicaid departments

• For policymakers: independent evaluation of value and suggested value-based prices figure in multiple state and federal proposals
  • Medicaid Drug Utilization Review Boards (NY, MA)
  • Prescription Drug Affordability Boards
  • Unsupported Price Increase Legislation
Cornerstones of Fair Patient Access to Prescription Drugs: White Paper and Research Report

• Informed by expert input from patient groups, clinician specialty societies, payers, and life science companies
• White paper recommends appropriate policies that determine patient access to fairly-priced prescription drugs
• Multi-stakeholder Working Group guiding assessment of major payer policies:
  • November 2021, 1st annual report on how policies align w/ fair access criteria
• Categories include: cost-sharing, eligibility criteria, step therapy, prescriber restrictions
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