

Looking at Value Assessments with My Issues Hat

To Be Clear: There is no price at which a medicine will be considered fair by everyone. In my experience—even free medicine is challenged...

Organizations today use what are called Value Assessments or Value Frameworks to determine a price that matches a drug's value. These models use factors such as clinical benefit and unmet medical need among others to determine if the price of the medicine is in line with the value provided.

I often look at these kinds of things from an issues perspective, so I applied that thinking to look at them in terms of:

1. the broad *scope* of their criteria;
2. the *people* and *background* that drive assessments;
3. how/when/where they are *influencing others*.

But with everything, it's important to first understand the basics, so I'll start with key assessments—based on **WHO they are trying to influence.**

WHO INFLUENCING: *payers & policymakers*

Drug Abacus in the Drug Pricing

Lab (DPL) – Founded and driven by Peter Bach, MD at [Memorial Sloan Kettering Cancer Center](#), the DPL focuses on the development of rational approaches to drug pricing and health insurance coverage that encourage innovation while ensuring patient access and affordability.

It focuses its efforts on four major areas:

- *Research on the current state of U.S. drug pricing and its effects*
- *Development of solutions to align drug prices with value*
- *Pilot programs to test solutions in real world settings*
- *Evidence-based and unbiased resources for policy makers*

The DPL provides commentary to various outlets on oncology drug pricing and highlights its tool (the Drug Abacus) to help identify value.

Institute for Clinical and Economic

Review (ICER) is one of the more prominent value assessment organizations. It conducts evidence-based reviews of drugs (and other medical interventions). These reviews often take months and incorporate feedback from a variety of stakeholders—now including patient representatives. However, there are patient groups and organizations that have expressed concern over how ICER evaluates costs. ICER was founded by Steven D. Pearson, MD, MSc, who has an extensive advisory background in health technology.

Innovation and Value Initiative (IVI)

is a collaboration among thought leaders in academia, patient advocacy organizations, payers, life sciences companies, providers, delivery systems and others. Its MISSION is to advance the science and improve the practice of value assessment in healthcare. Its goal is to build a platform that facilitates robust and

rigorous patient-centered value assessment of health technologies tailored to the needs and interests of individual decision makers. At the core of its work is an Open-Source Value Project that uses a transparent, collaborative, and iterative process to develop flexible, open-source value models in specific diseases.

WHO INFLUENCING: physicians & patients

[American College of Cardiology](#) and [American Heart Association \(ACC-AHA\)](#) – A joint writing committee of both organizations and comprised of experienced clinicians and specialists in cardiology, health economics and performance measures was established to address the increasing concerns over optimizing healthcare spending. The two organizations have grading systems to evaluate data from randomized clinical trials, nonrandomized studies, expert panel consensus, and case studies. The intent is to enhance the guidelines

with value assessments based on reliable data.

[American Society of Clinical Oncology \(ASCO\)](#)

The guideline established by the ASCO was designed to enable a physician and patient to assess the value of a particular cancer treatment regimen given the patient's individual preferences and circumstances. The value framework incorporates clinical benefit, toxicity, and symptom palliation into a score termed the net health benefit (NHB).

[National Comprehensive Cancer Network \(NCCN\)](#)

– The NCCN provides a value assessment that healthcare providers can use with patients to discuss therapies. The assessment categories are called “evidence blocks,” and cover:

- *Efficacy of Regimen/Agent*
- *Safety of Regimen/Agent*
- *Quality of Evidence*
- *Consistency of Evidence*
- *Affordability of Regimen/Agent*

Who is using these assessment models?

One [study from May 2016](#) said that 59% of approximately 100 US health plan respondents actually had used the ICER assessment and $\frac{3}{4}$ of them used it to make P&T recommendations.

[The VA Pharmacy Benefits Management Services](#) uses ICER drug assessment reports in drug coverage and price negotiations with pharma. Also, a survey of more than 200 US based oncologists and published in the Journal of Clinical Oncology found that most oncologists were aware of the value assessments and had used them in the past. Of the four assessments that impacted oncologists, they found the **NCCN Evidence Blocks** was ranked highest, followed by **ASCO**, **ICER** and the **Drug Abacus**.

The bottom line is that more and more key audiences are at least aware of the value assessments and some are beginning to use them.

Stay tuned...

While the use of value assessments is still up in the air, the fact that more and more key audiences are well aware of them suggests that they will be adopted.

Key Take-Aways:

VALUE ASSESSMENTS:

- a) Key assessments are largely dependent upon who they are trying to influence. Two important groups to consider: payers and policymakers; doctors and patients
- b) More and more key audiences are aware of them and are beginning to use them.
- c) **Criticism of criteria and inclusion of patients' perspectives is beginning to emerge about these assessments.**