Framing The Discussion: Why Assessing Value Is Important And Why It’s Important To Do Right

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1. How we got here...
2. Challenges ahead
3. Today’s goals and agenda
By The End Of The Day, We Should…

- Identify ways for the field to advance
- Explore how frameworks should (not) be used
Shift The Dialogue From Price To Value

Health Affairs Blog

“Rising Cost of Drugs: Where do we go from here”*

Pharmalot

“How High? The Backlash Over Rising Prescription Drug Prices Gains Steam”**

USA TODAY

“Skyrocketing drug prices leave cures out of reach for some patients”***

*Health Affairs Blog, August 31, 2015 by Ifrad Islam;
**Wall Street Journal, July 31, 2015 by Ed Silverman;
***USA Today, June 15, 2015, by Liz Szabo
Risk Sharing Heats Up

PHARMALOT

More health plans want to pay for drugs based on patient outcomes

https://www.statnews.com/pharmalot/2016/06/21/drug-prices-health-plans/
Value Oriented Payments, Including Bundled Payments, Will Soon Dominate The Landscape

2014 National Scorecard*

“40% of all commercial in-network payments are value-oriented—either tied to performance or designed to cut waste.”

“The use of value-oriented payment is growing rapidly; now we need to determine whether it makes health care better and more affordable.”

*Source: http://www.catalyzepaymentreform.org/how-we-catalyze/national-scorecard
Value Frameworks Are Proliferating (But Will They...)

- Reduce waste ($700b*?)?
- Make health care better?

*estimated by the Institute of Medicine
1. How we got here...
2. Challenges ahead
① Beware What You Ask For

Life-extending cancer drugs to be axed by NHS

NHS England de-lists costly Kadcyla drug, among 16 others, in wake of ‘overspent’ Cancer Drugs Fund

German Price Watchdog Says ‘No’ to 3 Cancer Drugs

Posted 23 January 2015
By Michael Mezher

The Institute of Quality and Efficiency in Healthcare (IQWiG) gave negative assessments for three recently approved cancer drugs this month.

We can't afford new cancer wonder drugs, warns NICE: Watchdog rules revolutionary treatment that can shrink tumours in months will not be available

- http://www.raps.org/Regulatory-Focus/News/2015/01/23/21156/German-Price-Watchdog-Says-
Health

Skin cancer: Drug gives '40% melanoma survival'

Four-in-10 patients with a deadly skin cancer were still alive after three years when given a drug to boost their immune system, a study suggests.
2️⃣ Be Careful What You Call Value Assessment
1. Benefits/Cost (at patient level) \times Number of Patients = Budget Impact

\$50k/patient \times 1\text{ million} = \$50\text{ billion}

\neq

3. Affordability

- Willingness to pay
- Reduce waste
- ...

#npcvalueconf | 12
Today’s Frameworks Have Much To Teach, But Improvements Needed

Version 1.0 Launched!

Guiding Practices

New & Improved Version 2.0 Available Now!
Current Value Frameworks Are Likely Not “Ready For Primetime”

Some Challenges in Current Value Frameworks

- Use new, **UNTESTED** methodologies
- Based on **LIMITED** evidence
- Do not include **ALL BENEFITS** that are important to patients
- Lack a health system-wide **PERSPECTIVE**
- Provide output that is **UNCLEAR** or **CONFUSING** for users
“It’s supposed to be hard. If it were easy, everyone would do it.”

--Tom Hanks, A League of Their Own
Be Careful In Deciding How A Framework Can Be Used

Value-Based Pricing Strategies* (Phase 2)

- Reference pricing
- Indication-specific pricing
- Outcomes-based risk sharing

*depends upon a recognized value framework

Because...

One size does NOT fit all.

Medicare Program; Part B Drug Payment Model
A Proposed Rule by the Centers for Medicare & Medicaid Services on 03/11/2016
1. How we got here...
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Value, Value Everywhere...

Joseph Antos, Scott Gottlieb

Monday, September 12, 2016 | 9:00 am - 11:15 am

Is the cure worth the cost? The debate over the price of specialty drugs

Many new medical innovations are both highly effective and expensive. Join AEI for a panel discussion on who should finance these important advancements and how.

ISPOR
Initiative on US Value Assessment Frameworks
Stakeholder Conference
Friday, September 23, 2016
Washington, DC, USA
ispor.org/ValueAssessmentFrameworks
Agenda

1. Framing the Discussion: Why Assessing Value Is Important & Why It’s Important to Do It Right

2. Moving Value Frameworks from Fledgling to Functional
   • Presentation of Research
   • Panel Discussion

3. Lunch
4. Why Four Frameworks (Should) Arrive at Different Conclusions: A Case Study of Multiple Myeloma Reviews
   • Presentation of Research
   • Panel Discussions:
     o Framework Developers
     o Stakeholder Perspectives

5. Summary/Adjourn
Moving Frameworks From Fledgling To Functional

Project 1 – Do Frameworks Reflect Guiding Practices?
What Checklists Can Tell Us...(and What They Can’t)
Project 2 – Why Four Frameworks (should) Arrive At Different Conclusions: Multiple Myeloma

Translate

Why The Differences?
By The End Of The Day, We Should...

- Identify ways for the field to advance
- Explore how frameworks should (not be used)
The Field Can Productively Advance By Considering...

1. What and how evidence is used
2. Patient perspective and involvement
3. How user preferences are incorporated
4. How reproducibility of findings can be enabled
5. Cost effectiveness both from a health care and a societal standpoint
6. Whether and how budget impact assessment is done
I cannot help you, for I am just a cookie.