The current impact of ICER assessments on payer decision making

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Background

- The influence of Institute for Clinical and Economic Review (ICER) assessments and policy reports on payer coverage decisions has increased over the last several years¹
- ICER's Unsupported Price Increase (UPI) report examines whether new clinical evidence adequately supports recent price increases of drugs that affect national drug spending²

Objective

- To evaluate the current impact of ICER assessments, including ICER's UPI reports, on payer decision making
- To analyze how payers are using ICER assessments, including ICER's UPI reports, when making coverage or formulary decisions

Methods

- A double-blinded, web-based survey was fielded through Xcenda's proprietary market research advisory group of payer experts, the Managed Care Network (MCN), from September to October 2021
- Xcenda's MCN advisory group includes over 160 active advisors representing health plans, integrated delivery networks (IDNs), pharmacy benefit managers (PBMs), and other payer types
- Advisors include medical and pharmacy directors, healthcare executives, and other formulary decision makers from national and regional payers across the United States (US) and represent over 275 million covered lives
- All surveys evaluated payer perspectives on ICER assessments
- Surveys included items to rate the strengths and limitations of various components of ICER reports and the extent to which those components influenced coverage decisions in their organizations
- Participation in this survey was voluntary, and a modest honorarium was paid by Xcenda to participants who completed the survey

Demographics

- 50 advisors from health plans (58%), IDNs (26%), and PBMs (16%) participated in the survey
- Advisors' primary roles were pharmacy director (66%), medical director (28%), clinical pharmacist (4%), and contracting director (2%)
- 58% of advisors served in regional plans vs 42% in national plans
- Advisors represented commercial (68%), Medicare (17%), Medicaid (11%), and other (3%) enrollment types

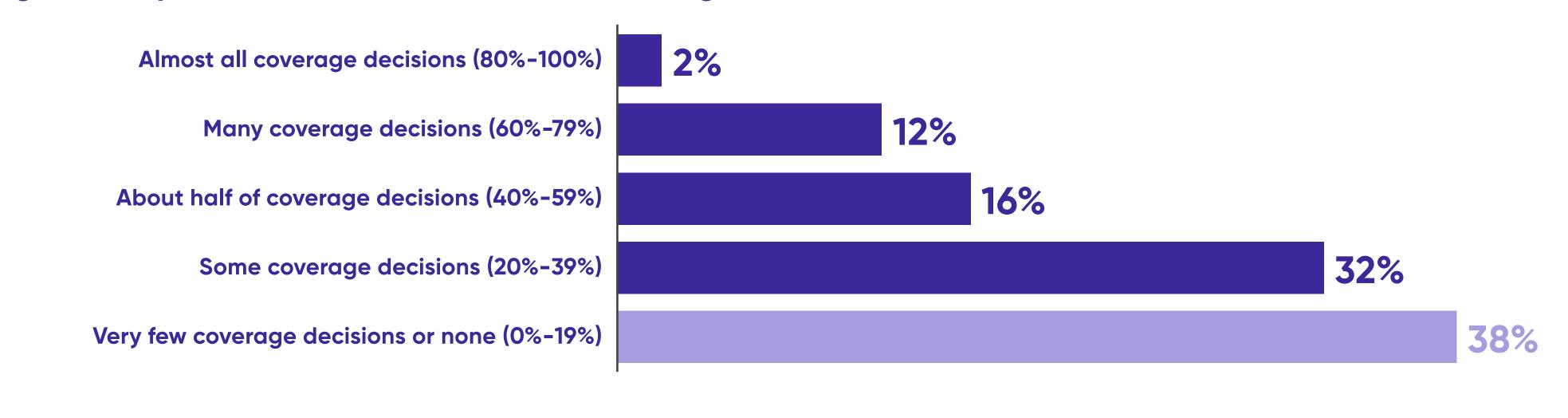
Results

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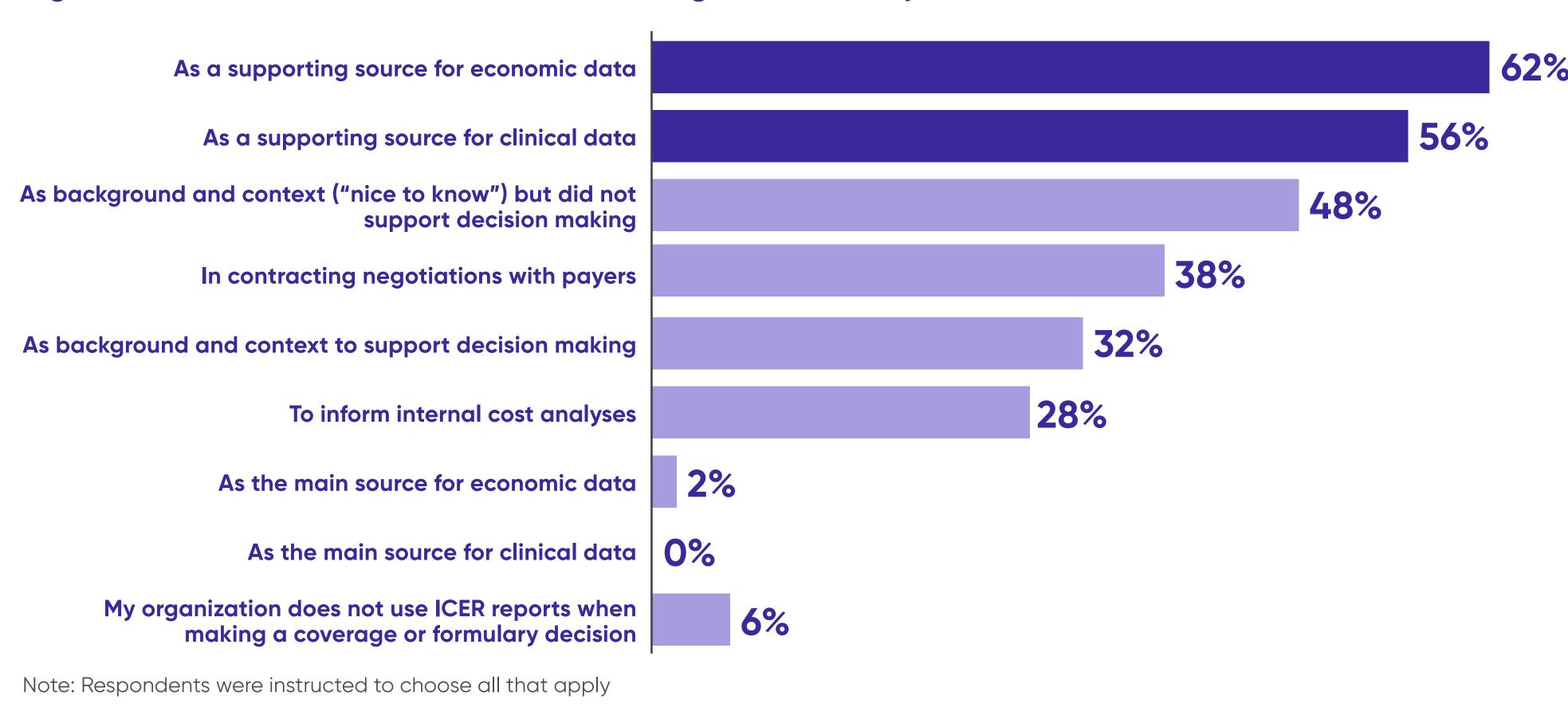
- Nearly three-quarters (74%) of payers noted that ICER reports are at least somewhat impactful in their decision-making processes
- 62% of respondents indicated that ICER assessments influenced at least some coverage decisions in their organization in the past year (Figure 1)

Figure 1. Impact of ICER assessments on coverage decisions



• ICER assessments are most frequently used as a supporting source, but rarely the main source, for economic and clinical data (Figure 2)

Figure 2. ICER assessments utilized in coverage or formulary decisions

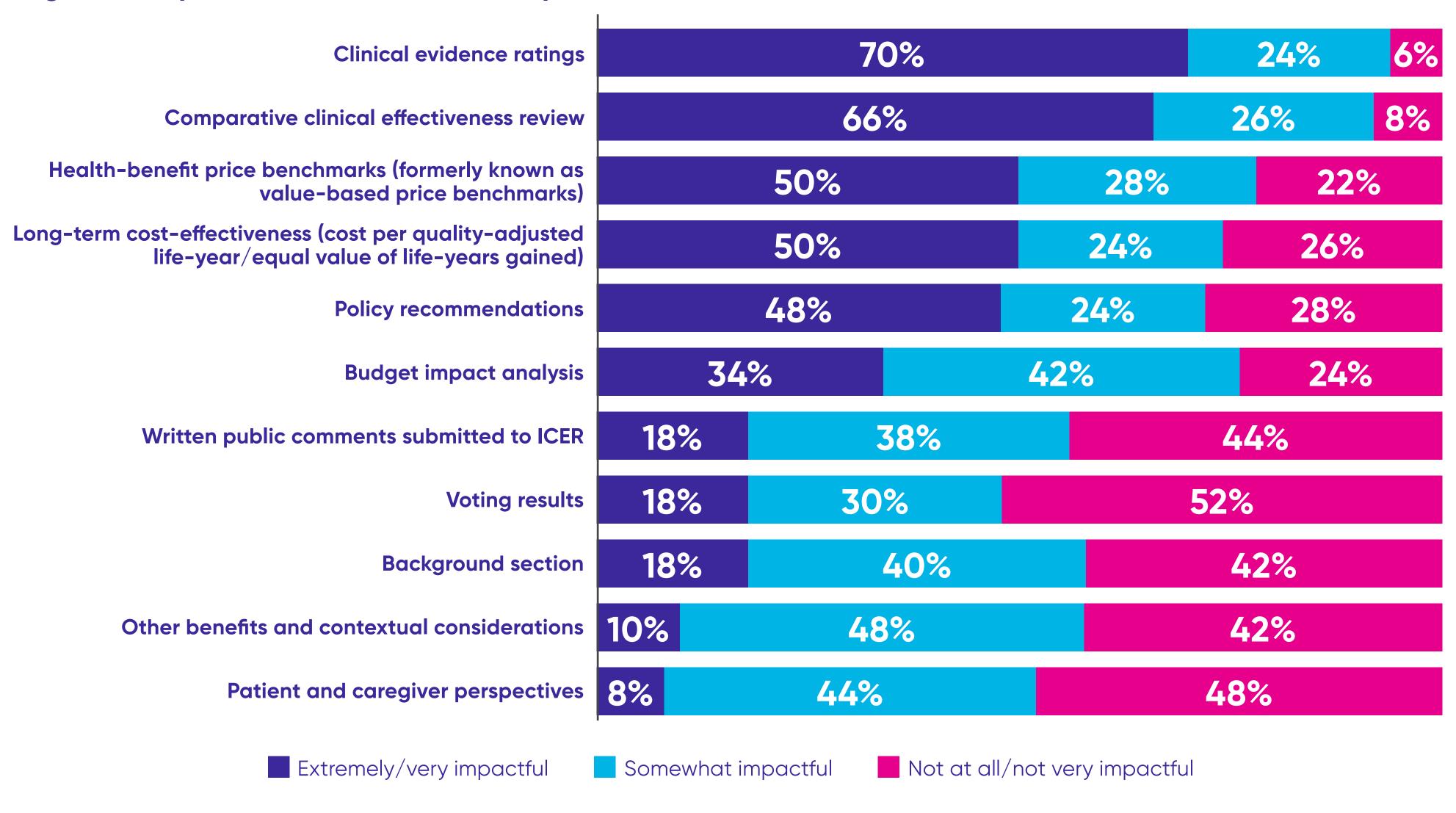


- 62% of respondents agree or strongly agree that ICER assessments typically align with their organization's internal assessment
- Just over half of respondents indicated that their organizations were likely to change formulary coverage if the ICER assessment results did not align with their organization's internal assessment
- 56% of respondents reported that their organizations are at least somewhat likely to expand formulary coverage for a product ICER found to be cost-effective after their organization had previously deemed it **not** cost-effective
- 58% of respondents reported that their organizations are at least somewhat likely to restrict formulary coverage for a product ICER found **not** to be cost-effective after their organization had previously deemed it cost-effective

Results (cont.)

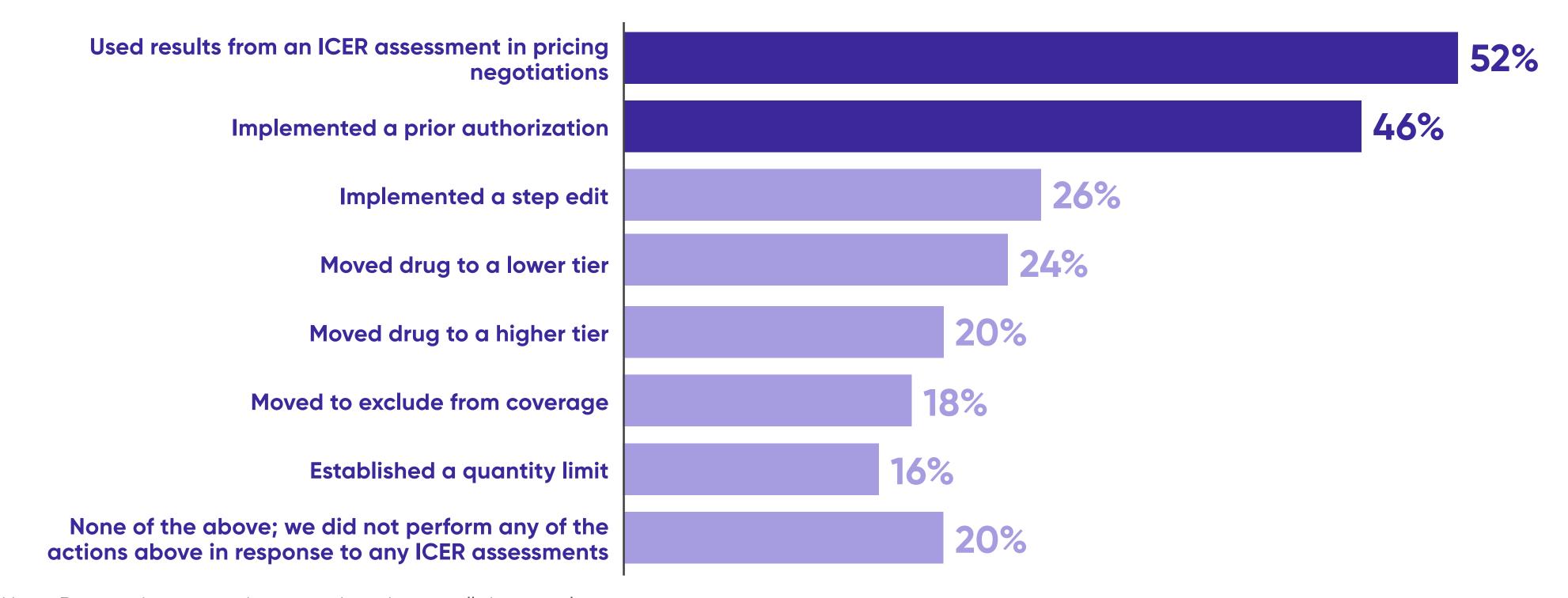
- Evidence of clinical benefit and comparative clinical effectiveness were rated the most impactful sections of ICER assessments during decision-making processes (Figure 3)
- About three-quarters of respondents also indicated that the health-benefit price benchmarks, long-term cost-effectiveness, policy recommendations, and budget impact sections were at least somewhat impactful (Figure 3)

Figure 3. Impact of sections of ICER reports



• About half of the respondents surveyed indicated using findings from an ICER assessment in pricing negotiations, and about half implemented a prior authorization as a result of an ICER assessment (Figure 4)

Figure 4. Outcomes completed as a result of findings from ICER assessment

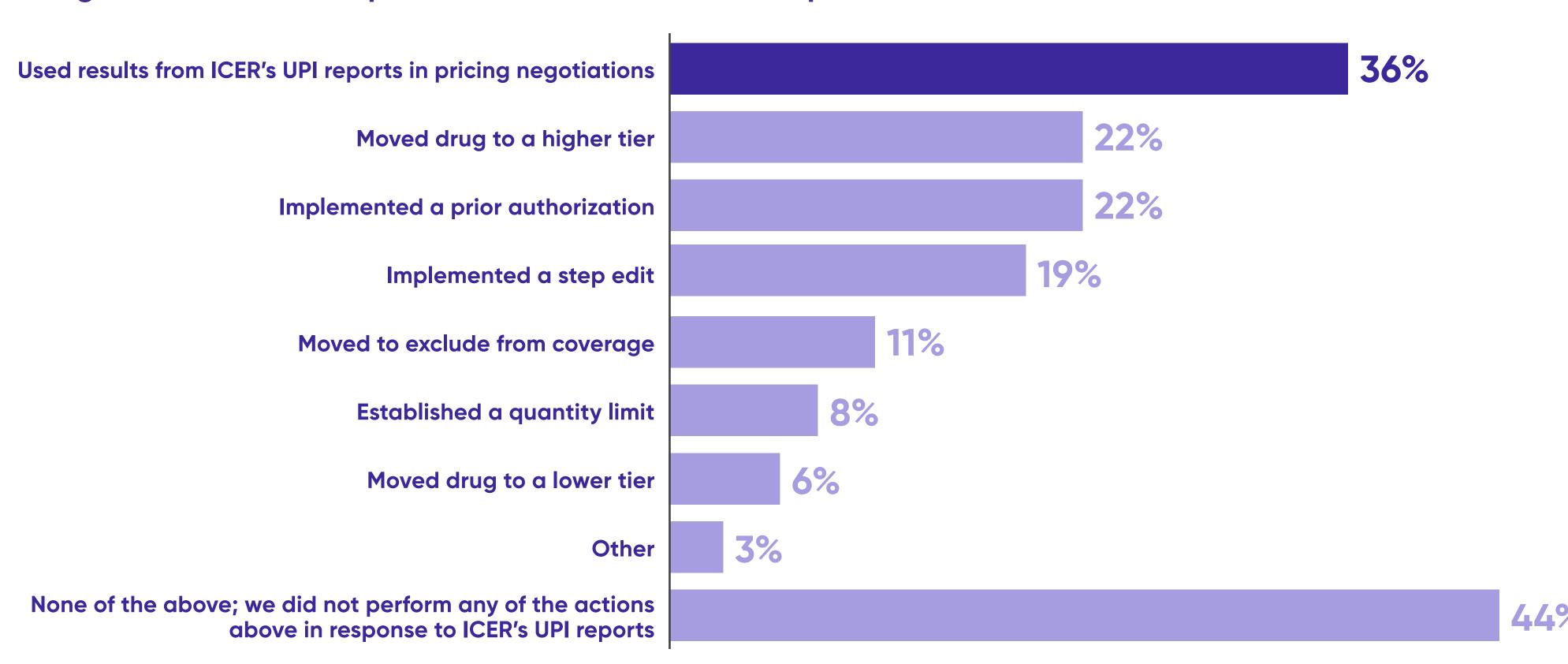


Note: Respondents were instructed to choose all that apply

Results (cont.)

- 40% of respondents noted that UPI reports were at least somewhat impactful in reinforcing or changing a decision
- 36% of respondents indicated that they used results from ICER's UPI reports in pricing negotiations (Figure 5)
- 44% of respondents did not take action based on UPI results (Figure 5)

Figure 5. Actions completed as result of ICER UPI reports



Study limitations

- Responses in this survey reflect the perspectives of a select group of formulary decision makers in the US and were derived from a relatively small sample size; other stakeholder types (eg, healthcare providers, patients, manufacturers) are not represented in this study
- Respondents also had greater representation from health plans compared to IDNs and PBMs,
 which could affect the generalizability of results across payer types

Conclusions

- ICER assessments are impactful in payer decision-making processes and are most commonly used as supporting sources of economic and clinical data for coverage or formulary decisions
- In terms of formulary management, results from ICER assessments are most often used in pricing negotiations and to implement prior authorizations
- Payers consider ICER's UPI assessments as somewhat influential in the decision-making process, and most commonly use them in pricing negotiations
- Future research should investigate in greater detail whether particular groups of payers are more likely to use ICER assessments in decision making and whether ICER assessments of certain therapeutic areas or drug classes have greater influence on payers than others
- As ICER's UPI reports are relatively new, future research should focus on understanding when and how payers will evaluate these reports to inform their decision making

References

- 1. Choi M, Hydery T, Tan R, Tennant L. Trends in the uptake and impact of the Institute for Clinical and Economic Review value assessment framework in payer coverage decisions from 2016 to 2020. Presented at: AMCP Annual Meeting; April 12–16, 2021; virtual meeting.
- 2. Institute for Clinical and Economic Review. Unsupported Price Increase assessment. Accessed March 7, 2022. https://icer.org/wp-content/uploads/2020/11/ICER_UPI_2020_Report_011221.pdf

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