Payer Perceptions and Utilization of ICER Value Assessment Framework

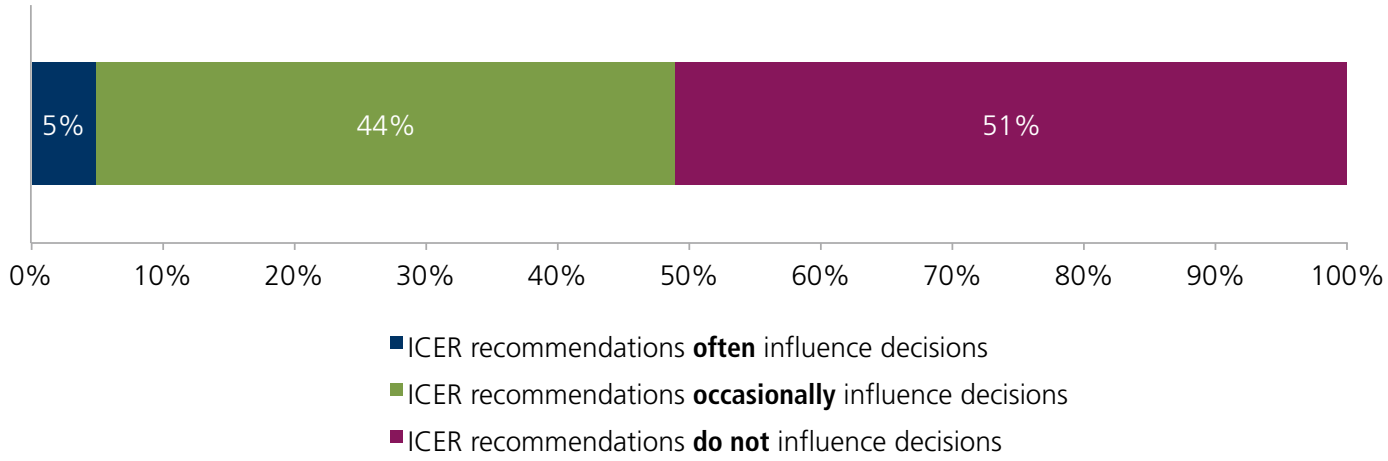
In 2013, the Institute for Clinical and Economic Review (ICER) was established as an independent, nonprofit organization that evaluates the value and affordability of drugs and other therapies. ICER's value assessment framework is one of the earliest endeavors to establish a formal and comprehensive health technology assessment process in the United States (US).

ICER takes a broad societal approach to systematically evaluate comparative clinical effectiveness evidence using meta-analytic techniques and economic analyses to estimate value and affordability. While ICER has gained both praise and criticism for its methodology and pragmatic application in decision making, limited evidence has been gathered to evaluate stakeholder perceptions and utilization of the ICER framework. Our survey findings from November 2016 illustrate the impact that the ICER framework has had on payer decision making.

About Half of Payers Report ICER Influence on Decision Making

Almost half of payers reported that ICER evaluations have had at least some influence on decision making in their organization. Forty-four percent noted that the recommendations "occasionally influence" coverage decisions, and 5% reported that the recommendations "often influence" coverage decisions.

Figure 1. Current Influence of ICER Recommendations on Coverage Decisions (N=55)



Key: ICER – Institute for Clinical and Economic Review.

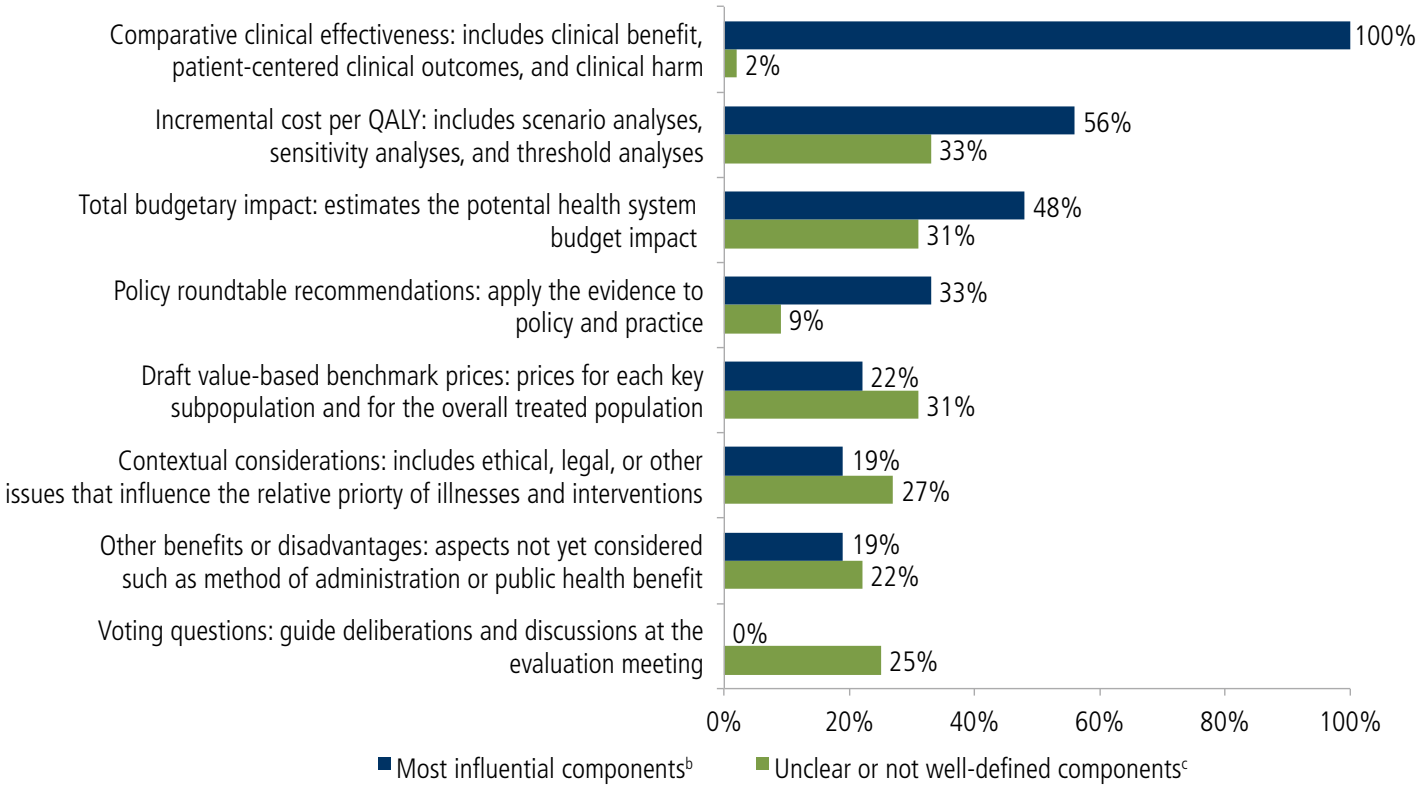
Comparative Effectiveness Was Seen as Most Influential, While Cost Components Were Seen as Least Clear

Payers who indicated that the ICER recommendations had influenced coverage decisions in their organizations (n=27) were asked to identify which components had been most influential in decision making.

- All payers agreed that **comparative clinical effectiveness was the most influential component** of the framework. Other components noted as influential by respondents included incremental cost per quality-adjusted life-year (QALY), total budgetary impact, and policy roundtable recommendations.
- In contrast, none of the respondents reported being influenced by ICER's panel-voting process, and less than 25% of respondents indicated using the value-based pricing benchmarks in their decision making.

Payers were asked to identify components of the ICER evaluations that they felt were unclear or not well defined. Of note, some of the components rated as most influential were also ranked as some of the least clear, such as the incremental cost per QALY and the total budgetary impact.

Figure 2. Influence and Transparency of ICER Value Components in Final Evidence Reports[a]



[a] Percentages may not add up to 100% because questions were multiple choice, and respondents could select up to 3 choices per question.

[b] Most influential components were evaluated by payers who indicated that ICER recommendations had influenced coverage decisions in their organizations (n=27).

[c] Unclear or not well-defined components were evaluated by the entire study population (N=55).

Payers See Strengths and Limitations in ICER Recommendations

A substantial percentage of respondents stated that the use of real-world evidence (60%), transparency of methodology (53%), and choice of clinical outcomes (44%) were major strengths of the framework. The most frequently cited limitations of the framework were timeliness of final report release (45%), the process for stakeholder engagement (38%), and the use of fixed thresholds for cost/QALY and budget impact (35%).

The respondents who stated that ICER recommendations do not influence decisions in their organizations (n=28) were asked to describe reasons limiting their utilization, and they cited similar reasons as those limitations mentioned by the entire sample.

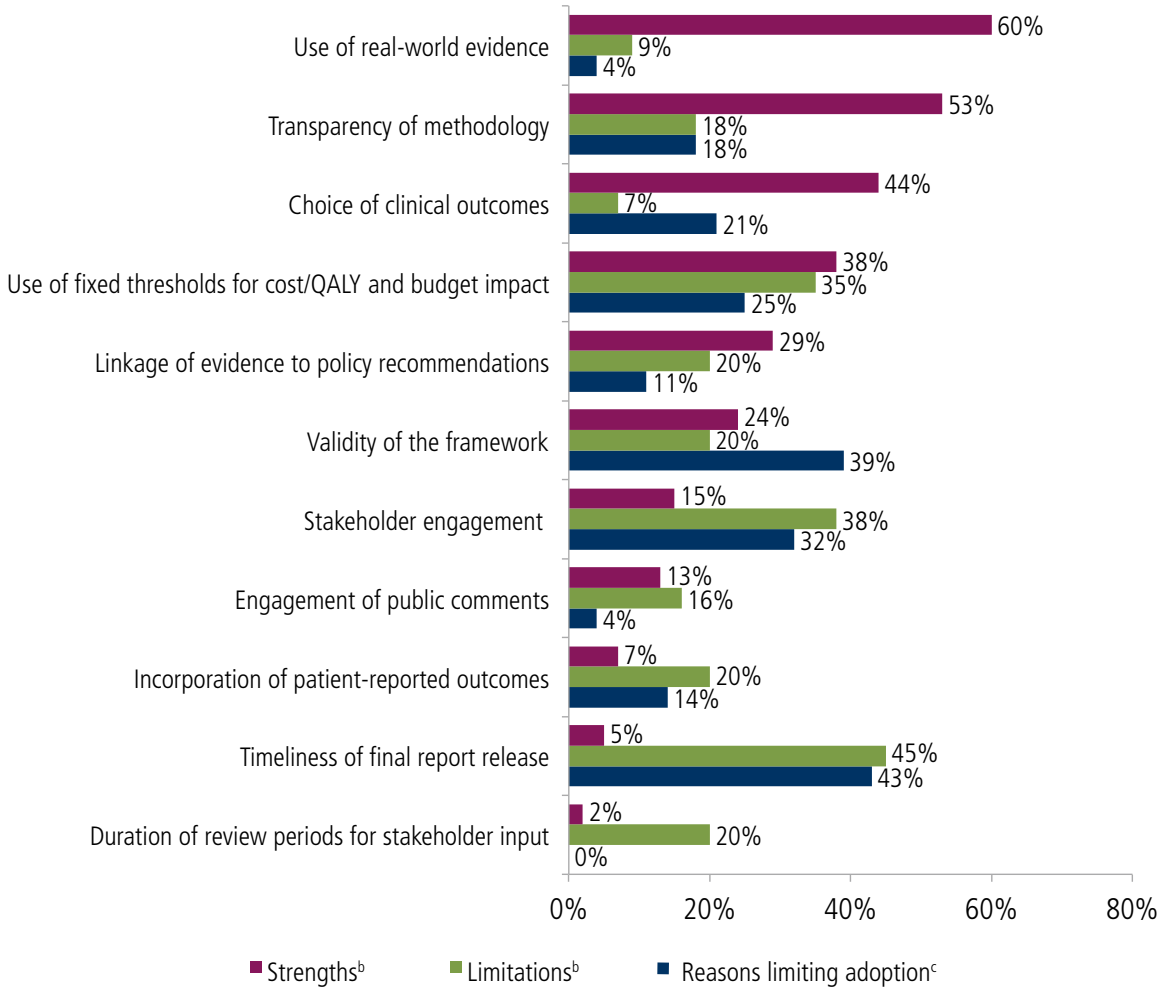
Strengths

- Use of real-world evidence
- Transparency of methodology
- Choice of clinical outcomes

Limitations

- Timeliness of report releases
- Process for stakeholder engagement
- Use of fixed thresholds for cost/ QALY and budget impact

Figure 3. Strengths, Limitations, and Reasons Limiting Adoption of the ICER Value Framework[a]



[a] Percentages may not add up to 100% because questions were multiple choice, and respondents could select up to 3 choices per question.

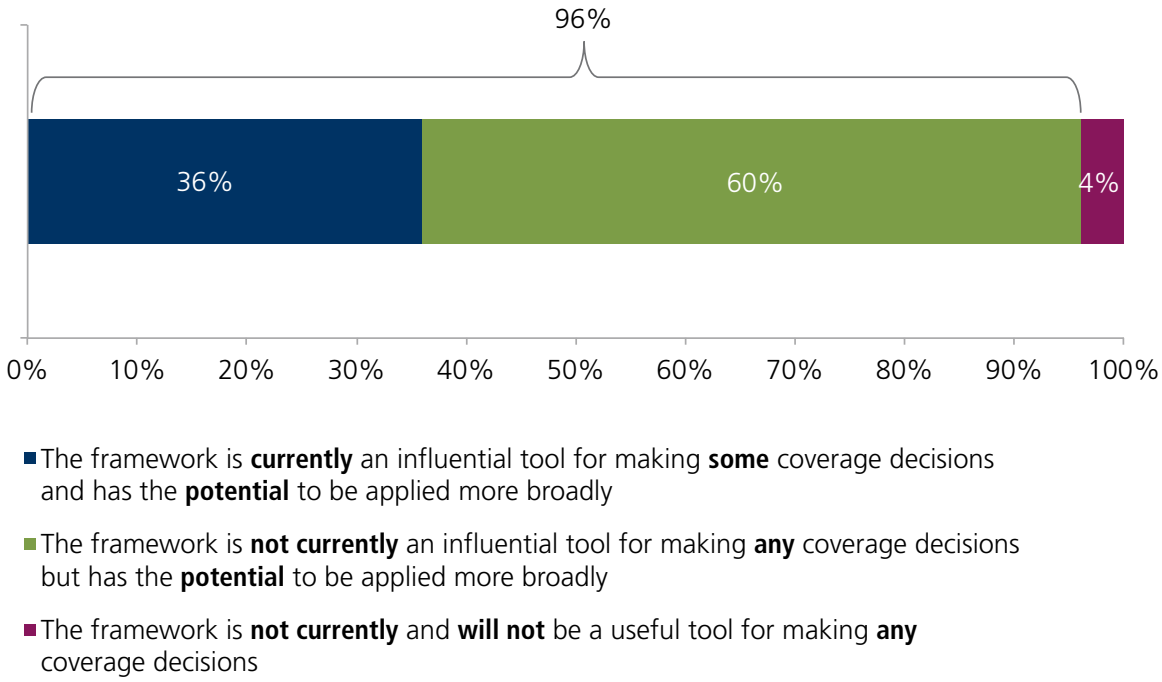
[b] Strengths and limitations were evaluated by the entire study population (N=55).

[c] Reasons limiting adoption were evaluated by payers who indicated that ICER recommendations had not influenced coverage decisions in their organizations (n=28).

ICER Is Seen as Having Potential to Be More Influential Moving Forward

Despite how payers reported current use and application of the ICER framework and evidence reports in decision making, the vast majority (96%) agreed that the ICER framework has the potential to be more influential in future decision making.

Figure 4. Current and Future Influence of the ICER Value Framework (N=55)



As the ICER assessment framework continues to evolve, it is important for key stakeholders, including payers, policy decision makers, and pharmaceutical manufacturers, to remain current on ICER's methodology in order to understand 1) how these elements and criteria align with their own internal criteria and requirements for valuing therapies and 2) how future evaluations by ICER may affect the perceived value of new and emerging therapies. An updated 2.0 version of the framework is expected to be released at the end of May 2017.

Summary of Methods

A web-based survey was conducted in November 2016. A total of 55 payer respondents, representing 47 organizations, qualified for and completed the survey. Most represented managed care organizations (66%), with the remainder coming from pharmacy benefit managers (18%), integrated healthcare delivery systems (14%), and a national correctional pharmacy provider (2%). A majority of respondents were employed by an organization that provided managed care to covered lives (85%), while the remainder were employees of health systems/ hospitals (11%), or academic institutions (4%). All respondents reported being active members of a Pharmacy and Therapeutics (P&T) committee.

Payers were excluded from the study if they self-reported "low" or "limited" familiarity with the ICER framework (rated as ≤2 on the 7-point Likert scale), were not an active member of a P&T committee, were independent consultants, or were currently employed with a consulting organization. Participants were provided a modest honorarium for their participation.