

# NAVIGATING ICER'S 2020 FRAMEWORK UPDATE: WHAT YOU NEED TO KNOW



## THE ICER VALUE ASSESSMENT FRAMEWORK CHANGES



### WHY CHANGES ARE IMPORTANT:

- Enable manufacturers to understand changes
- Could impact initial and subsequent valuation of long-term value for money
- Demonstrate ICER's willingness to listen to organizations engaged in assessments
- Leverage state-of-the-art academic methods of technology assessments



### HOW CHANGES WERE MADE:

- Extensive benchmarking with HTA organizations around the world
- 7 month feedback period with more than 100 organizations and individuals within the US health system



### TIMELINE OF CHANGES:

- Last changed in 2017
- Next changes scheduled for 2023



## KEY REVISIONS OF 2020 ICER FRAMEWORK

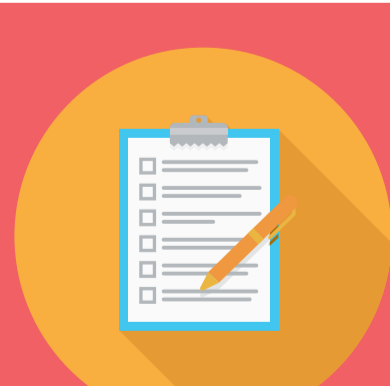
CHANGE	CHANGE DESCRIPTION	WHAT IT MEANS FOR LIFE SCIENCE ORGANIZATIONS
<p><b>Standardizing Cost Effectiveness Thresholds</b></p>	<p>Increased pricing benchmark to cost effectiveness thresholds from \$50K-175K to \$50K-\$200K per Quality-adjusted Life Year (QALY) and Equal Value of Life Years Gained (evLYG)</p>	<p><b>Positive impact for manufacturers</b></p> <ul style="list-style-type: none"> <li>• Increased upper bound of threshold</li> <li>• Wider range for determining cost effectiveness</li> <li>• Reduced likelihood that an intervention will be deemed to represent low value for money</li> </ul>
<p><b>Including shared savings scenario analysis (50/50 offset and cost offset cap model scenarios) when there are substantial potential cost offsets</b></p>	<p>For all high-impact single and short-term therapies (SSTs) and non-SSTs with cost offsets greater than \$1M over a lifetime, ICER will generate 2 scenarios:</p> <ul style="list-style-type: none"> <li>• 50/50 shared savings model: half of the cost offset will be allocated to manufacturer/new treatment and the other half will be allocated to the health system</li> <li>• Cost-offset cap model: the cost offsets will be capped at \$150K per year</li> </ul>	<p><b>Negative impact for manufacturers</b></p> <ul style="list-style-type: none"> <li>• Previously 100% of cost offset would be assigned to the manufacturer/new treatment</li> <li>• Reduces cost offset benefit for a new treatment</li> <li>• Increases cost effectiveness ratio</li> <li>• Increases the budget impact and reduces the proportion that could be treated before reaching the budget threshold</li> </ul>



<p><b>Greater use of RWE for model inputs</b></p>	<p>ICER is increasing its commitment to incorporating evidence, based on observational or RWD, into its cost-effectiveness analyses</p>	<p><b>Positive impact for manufacturers</b></p> <ul style="list-style-type: none"> <li>• Published or de novo analyses of insurance claims data or patient surveys can provide more accurate input values for health states, drug adherence/persistence, costs, and health utilities, among others</li> <li>• More accurate input values may strengthen the results and interpretation from the cost-effectiveness analyses</li> </ul>
<p><b>Implementing 12-month reporting check-ups</b></p>	<p>ICER may conduct a review one year after issuing final report to determine if initial findings remain current</p>	<p><b>Could be positive or negative impact for manufacturers</b></p> <ul style="list-style-type: none"> <li>• Will solicit input from manufacturers and policy roundtable members on whether new information or treatments have emerged</li> <li>• Depending on review, could change original findings</li> </ul>
<p><b>Implementing pilot for 24-month RWE update for drugs approved under accelerated pathways</b></p>	<p>ICER will generate new RWE 24 months after initial review to re-evaluate an intervention's clinical and economic impact</p>	<p><b>Could be positive or negative impact for manufacturers</b></p> <ul style="list-style-type: none"> <li>• Makes products subject to a 2nd review</li> <li>• Reaffirms ICER's commitment to use of RWE</li> <li>• New clinical effectiveness data could potentially change the product's valuation – positive, negative, or neutral</li> <li>• Raises concern that ICER's original results could be changed at some time in the future</li> </ul>

### HOW TO SUCCESSFULLY PREPARE FOR AN ICER ASSESSMENT

- Conduct comprehensive literature reviews
- Design and implement comparative effectiveness (CE) model
- Perform burden of illness (BOI) analysis
- Run Network Meta-Analyses (NMAs)
- Familiarize your team with ICER's topic review process



### TO LEARN MORE ABOUT PANALOGO'S MODELING & STRATEGY SERVICES, CONTACT US AT:

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#### SOURCES:

- ICER Finalizes 2020 Updates to Methods and Public Meeting Procedures for Value Assessment Framework, ICER press release, January 31, 2020
- ICER 2020-2023 Value Assessment Framework, 2020
- Defining Drug Value: How to Successfully Prepare for an ICER Review, Panalogo White Paper, 2019

#### About Panalogo

Panalogo, formerly BHE, provides software that streamlines healthcare data by removing complex programming from the equation. Our Instant Health Data (IHD) software empowers teams to generate and share trustworthy results faster, enabling more impactful decisions. To learn more visit us at [www.panalogo.com](http://www.panalogo.com).