

ISPOR Issue Panel

The controversial role of cost-effectiveness analyses (CEA) and incremental cost-effectiveness ratio (ICER) thresholds in value-based assessments (VBA) of health technologies: Future challenges

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Panelists: **Michael Schlander, PhD, MD, MBA**, Professor of Health Economics and Health Care & Innovation Management, Universities of Heidelberg and Ludwigshafen, Germany; **Ron Akehurst, MSc, MFPHM**, Emeritus Professor of Health Economics, University of Sheffield, England; **John Proach, MBA, CCS**, Senior Vice President, Market Access Solutions, NJ, US.

ISSUE:

In some jurisdictions, prominently the UK, CEA is the prevailing methodology used to establish the “value for money” offered by medical technologies, guiding reimbursement decisions. However, in CEA, contextual factors such as the burden of the disease, medical need, innovativeness of the therapy, and broader societal benefits remain largely unaccounted. In Germany, such factors may be considered by the G-BA in establishing the benefit rating assigned. In the UK, the value-based assessment (VBA) methodology has been challenged. Should additional factors, other than clinical efficacy and cost, be considered? The panel will address the current role and future challenges of VBA and ICER thresholds in the context of paying for “value” from the societal perspectives (John Proach) and country-level health-policy perspectives, UK (Ron Akehurst) as well as Germany and Switzerland (Michael Schlander)

OVERVIEW:

In the UK, CEA assesses incremental cost per quality-adjusted life year gained and fixed ICER thresholds of £20,000-£30,000/QALY are used in reimbursement decisions. In Germany, IQWiG/G-BA bases reimbursement decisions on assessment of additional therapeutic benefit over a comparator for price negotiations. The ECHOUTCOME survey of 1,300 respondents suggested that NICE’s decision based on QALY alone may not comprehensively appraise the societal value of medical technologies. Similarly, attendees of 2014 EU ISPOR supported the use of economic evaluation with increased and varying thresholds by therapeutic areas and clinical unmet needs. Additionally, outcomes from a recent EU-5 HTA expert VBA workshop concluded that new technology evaluation should include the degree of unmet need, level of therapeutic innovation and wider societal benefits. Notwithstanding the ongoing pursuit and challenges of measuring “value”, as relevant dimensions of overall value, it is important to discuss the shortfalls of economic evaluations and alternative methodologies considered for health technology assessments. This panel will consider these issues with specific case-studies from the UK, Germany, and Switzerland.

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