

Payer Willingness to Pay for Novel Value Attributes

The Impact of Higher WTP Thresholds on ICER's
Cost-Effectiveness Determinations

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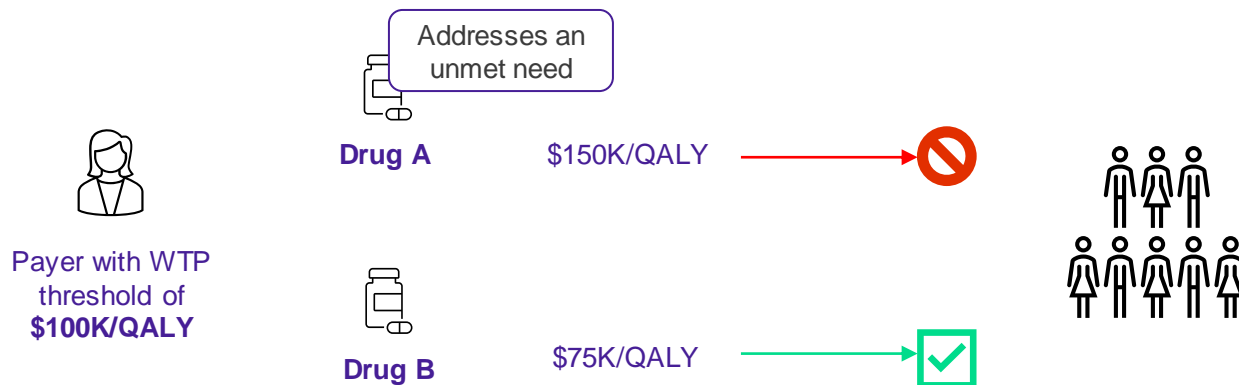
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Background | Implications of WTP thresholds

Willingness to pay (WTP) is a concept sometimes used to estimate “what a consumer of health care might be prepared to pay for the health benefit”¹

Payers sometimes use WTP thresholds for coverage and reimbursement decisions



Key: QALY – quality-adjusted life-year; WTP – willingness to pay.

1. Bertram 2016.

Background | Payer consideration of ICER reports

In the US, WTP thresholds are not often used or strictly applied, but organizations like ICER use cost-effectiveness thresholds when conducting health technology assessment

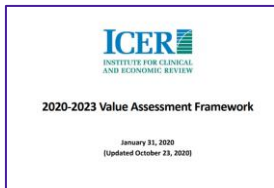
74% of payers identify ICER reports as impactful to their decision-making process¹

62% of payers utilize ICER reports in their coverage decisions¹

The cost-effectiveness thresholds that ICER assesses health technologies against could affect coverage decisions and patient access

Background | ICER's consideration of value

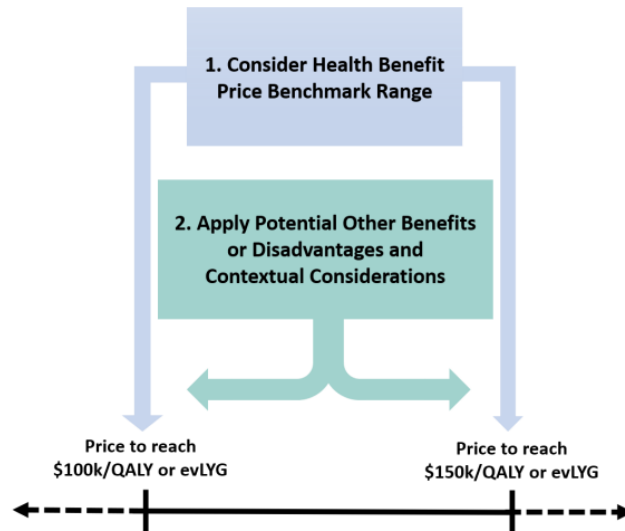
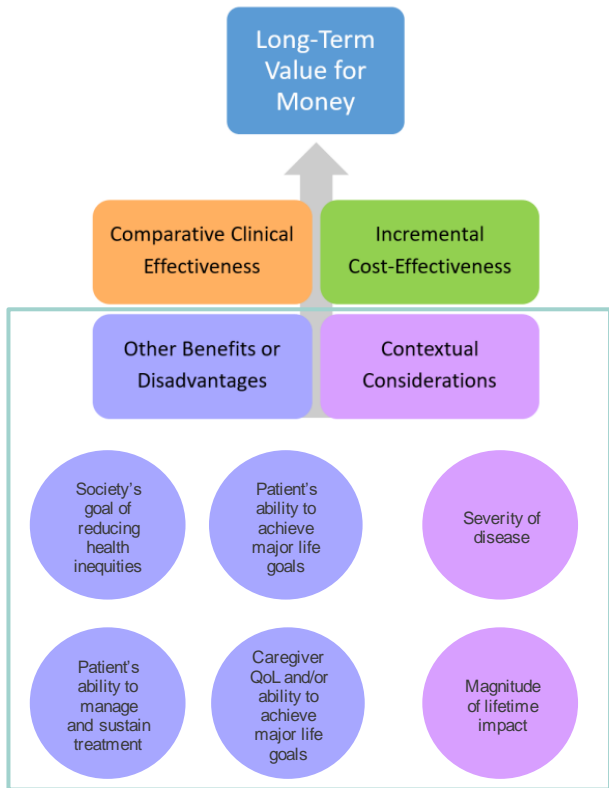
2020-2023 VAF



Adapted VAF for single and short-term therapies



Adapted VAF for treatments for ultra-rare diseases



Key: evLYG – equal value of life-years gained; ICER – Institute for Clinical and Economic Review; QALY – quality-adjusted life-year; QoL – quality of life; VAF – value assessment framework.

Objective and Methods | Payer WTP

Objective 1

To investigate whether payers have higher WTP thresholds for interventions with novel value attributes in the following domains:

Groundbreaking durable or curative treatment

Treatment for high-severity disease

Treatment with positive impact on health inequities

Methods

- Double-blinded, web-based survey of US payers (N=48) in Cencora's Managed Care Network was fielded in July 2023

Organization

56%

Health plans

25%

PBMs

19%

IDNs

Primary role of advisors

58%

Pharmacy directors

35%

Medical directors

6%

Other

Objective and Methods | Implications for ICER reports

Objective 2

- For interventions with novel value attributes reviewed by ICER, understand how many additional treatments would have been deemed cost-effective at higher cost-effectiveness thresholds

Methods

- ICER Final Evidence Reports that assessed pharmaceuticals published from March 2021 to November 2023 and including an AC meeting were reviewed
- Surrogate measures were used to determine whether an intervention had a novel value attribute

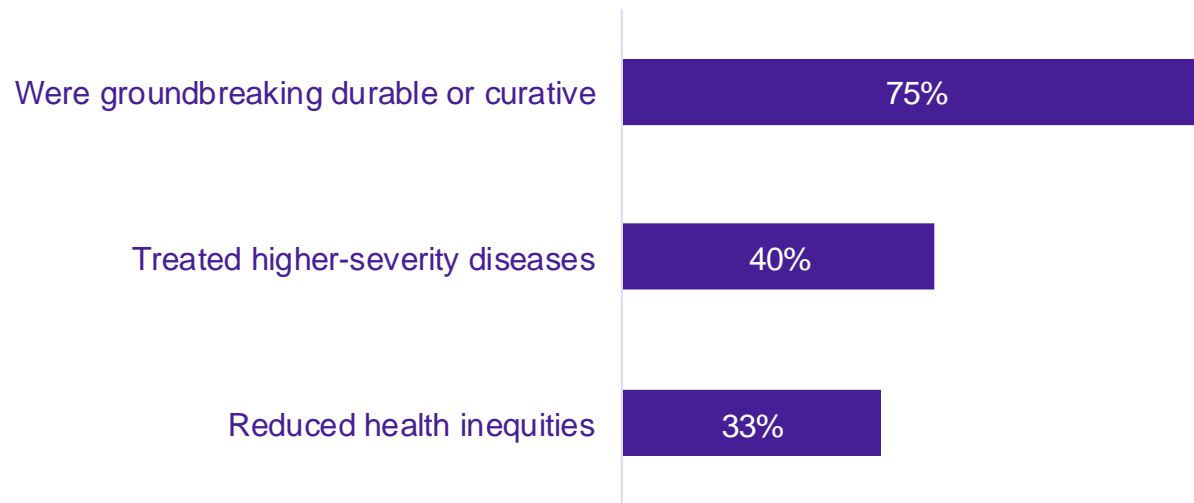
Novel value attribute	Surrogate measure
Groundbreaking durable or curative treatment	ICER used an adapted VAF, the single and short-term therapies framework, to assess the intervention
Treatment for higher-severity disease	≥50% AC voted disease had high acuity of need
Treatment with positive impact on health inequities	≥50% AC voted intervention would have a positive impact on health inequities

- For interventions with novel value attributes, cost-effectiveness ratios were collected and considered alongside a range of cost-effectiveness thresholds

Results | Payer WTP for novel value attributes

Objective 1: Survey

The proportion of payers (N=48) who **strongly agreed** or **agreed** that they would pay more per unit of health gained for interventions that...



Key: WTP – willingness to pay.

Results | Interventions with novel value attributes

Objective 2: Assessment of ICER reports



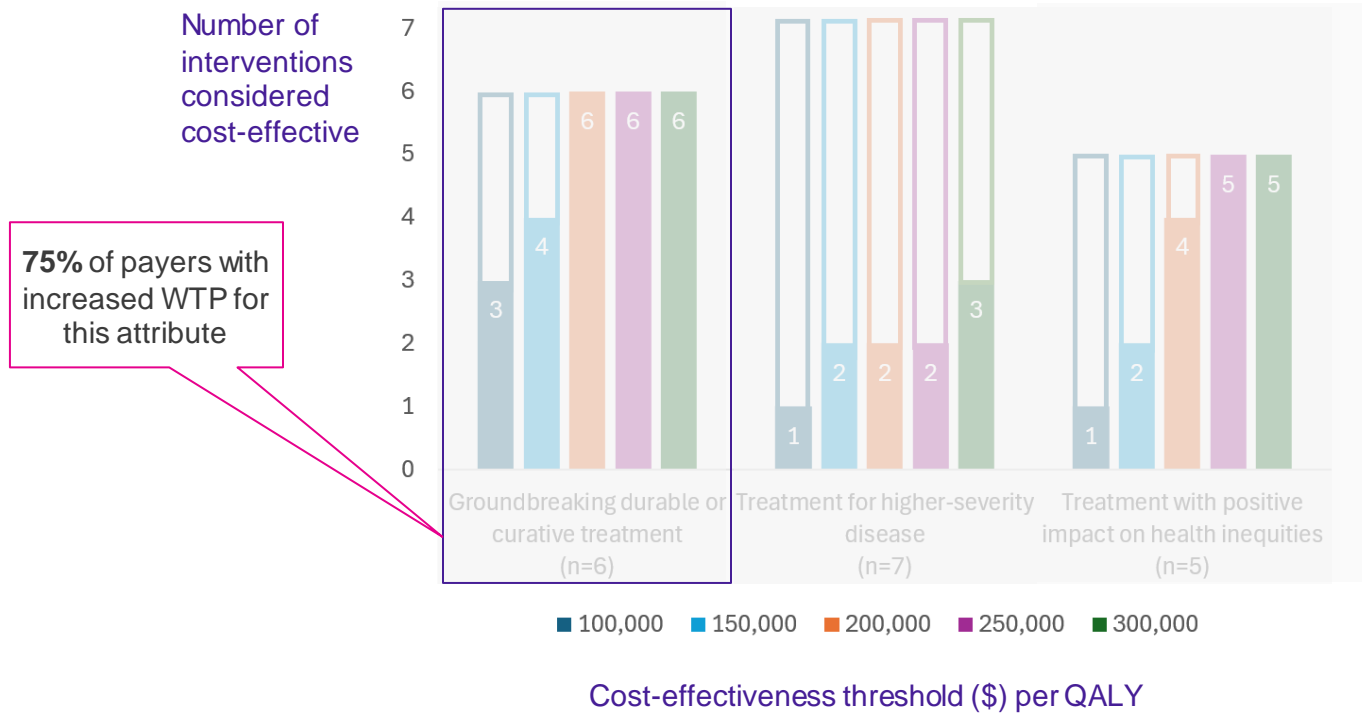
22 Final Evidence Reports reviewed, including **54 interventions**

Groundbreaking durable or curative treatments	Treatments for higher-severity diseases	Treatments with positive impacts on health inequities
n=6	n=7	n=5
Beti-cel for beta thalassemia	AMX0035 for ALS	Voclosporin for lupus nephritis
Hemgenix for hemophilia A and B	Oral edaravone for ALS	Belimumab for lupus nephritis
Roctavian for hemophilia A and B	Belantamab mafodotin for multiple myeloma	Semaglutide for obesity management
Exa-cel for sickle cell disease	Ide-cel for multiple myeloma	Exa-cel for sickle cell disease
Lovo-cel for sickle cell disease	Cilta-cel for multiple myeloma	Lovo-cel for sickle cell disease
Arsa-cel for metachromatic leukodystrophy	Arsa-cel for metachromatic leukodystrophy	
	Aducanumab for Alzheimer’s disease	

Key: ALS – amyotrophic lateral sclerosis; ICER – Institute for Clinical and Economic Review.

Results | Impact of higher cost-effectiveness thresholds

Objective 2: Assessment of ICER reports



Key: ICER – Institute for Clinical and Economic Review; QALY – quality-adjusted life-year; WTP – willingness to pay.

Conclusions

- Some payers are willing to pay more for interventions with novel value attributes, especially for groundbreaking durable or curative therapies
- At marginally higher cost-effectiveness thresholds, **more interventions with novel value attributes would be considered cost-effective by ICER**
- If ICER considered more interventions cost-effective, there could be implications to formulary decision-making, including broader coverage, broader access, and different signals to innovators about the relative value of novel value attributes

Thank you