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Influencers on ICER and the evolving impact of ICER on US formulary decision bodies

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OBJECTIVES

This research aimed to analyze ICER assessments in the US to determine the quantity of pharmaceutical therapies assessed at the various QALY thresholds, as well as suggested discounting to reach QALY thresholds.

METHODS

Publicly available ICER final evidence reports were used to analyze determination of cost-effectiveness at QALY thresholds of $100,000 and $150,000. Thresholds were analyzed across 111 treatments from 27 ICER assessments conducted between 2015 and 2020. Reports were also reviewed to analyze ICER-determined price discounts required from the US list price to achieve the cost per QALY threshold price at $100,000 and $150,000.

RESULTS

Most of the drugs ICER assessed exceeded the commonly accepted threshold of $100,000–150,000 per QALY gained. Three-quarters did not demonstrate cost-effectiveness at a $100,000 and/or $150,000 QALY threshold (76.6% [n=85] and 73.0% [n=81], respectively). Conversely, around a quarter of pharmaceuticals assessed were found to be cost-effective at a $100,000 and/or $150,000 QALY threshold (23.4% [n=26] and 27.0% [n=30], respectively). Of those cost-effective therapies, a very small percentage would remain cost-effective even with a price increase (3 at $100,000 and 8 at $150,000 QALY threshold). The analysis also found that most of the drugs reviewed would need to be discounted to meet the commonly accepted thresholds for cost-effectiveness. To meet the $100,000 threshold, drugs would need to be discounted anywhere from 4% to 94%, drug dependent, with an average discount of 48%, while achieving the $150,000 threshold would require a discount anywhere from 10% to 98%, with an average discount of 65%.

CONCLUSIONS

As predicted, ICER determined that most therapies assessed were not cost-effective at their US list price and would need substantial discounting to achieve cost-effectiveness at thresholds of $100,000 or $150,000. While most US payers have not historically assessed products based on cost-effectiveness thresholds, ICER and cost-effectiveness is becoming increasingly important in the US.

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