

# ISPOR Institutional Council Roundtable Boston, 2017



Lou Garrison, PhD  
President 2016-2017  
ISPOR

# Strategic Priorities for 2016 - 2017

- Supporting our global network to expand capacity in outcomes research
- Continuing to improve the science of outcomes research through our Task Forces and journals
- Collaboration with allied organizations



# Improve the Science of HEOR

- Leverage ISPOR's multi-stakeholder perspective
  - Leaders and learners
  - Excellence in publishing, meetings... value
- Build on ISPOR's role as a convener and catalyst
  - Shaping future content strategies and consensus building
- Enhance our business models to ensure we have the right platforms to support growth
- Continue to elevate the participation of payers and other decision makers throughout ISPOR



# Initiative on US Value Assessment Frameworks

## Draft Special Task Force Report, May 4, 2017

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# ISPOR Special Task Force on Value Assessment Frameworks



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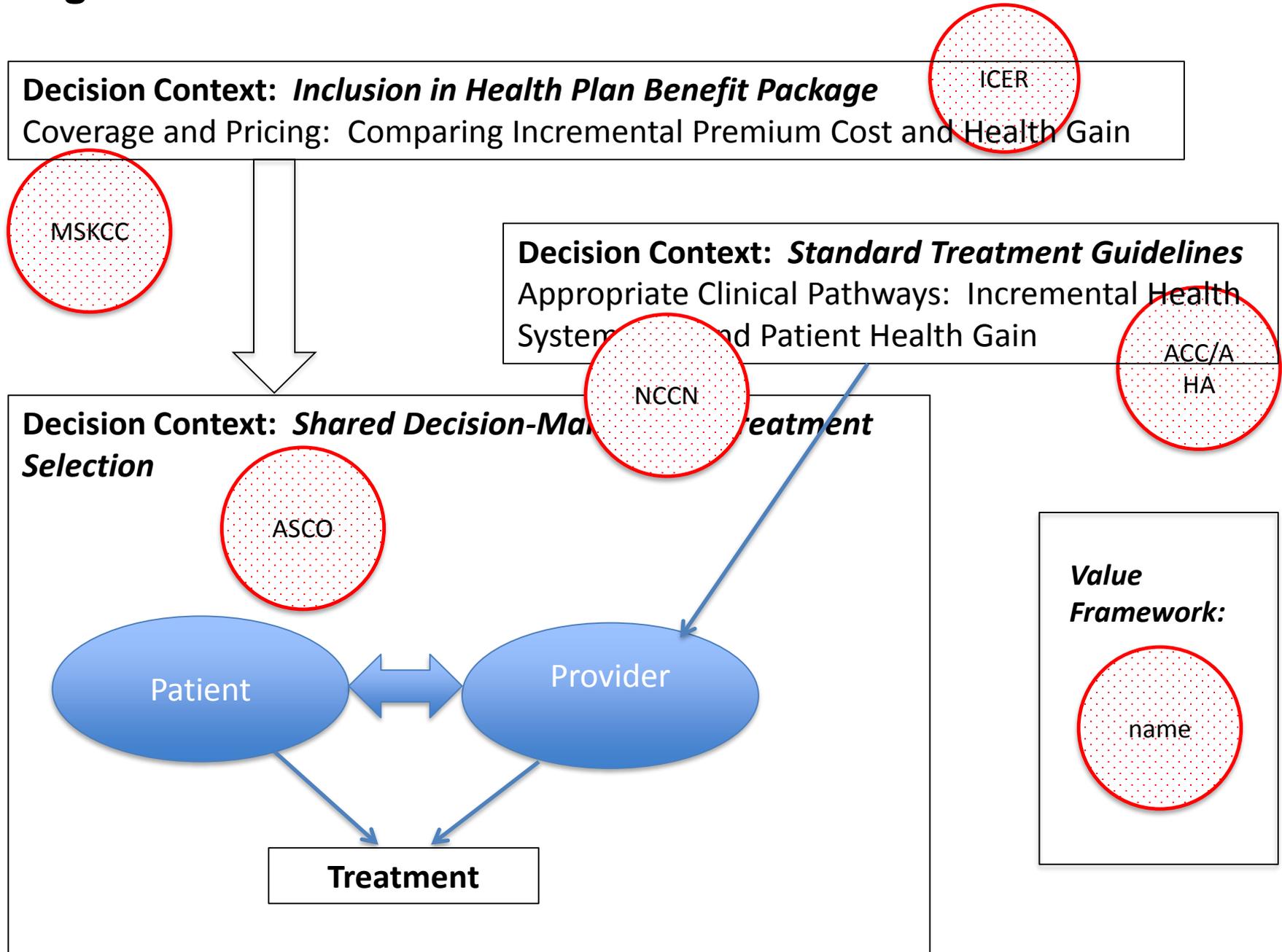
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# Fig. 2 Decision Contexts and Recent Value Frameworks



# Working Premise

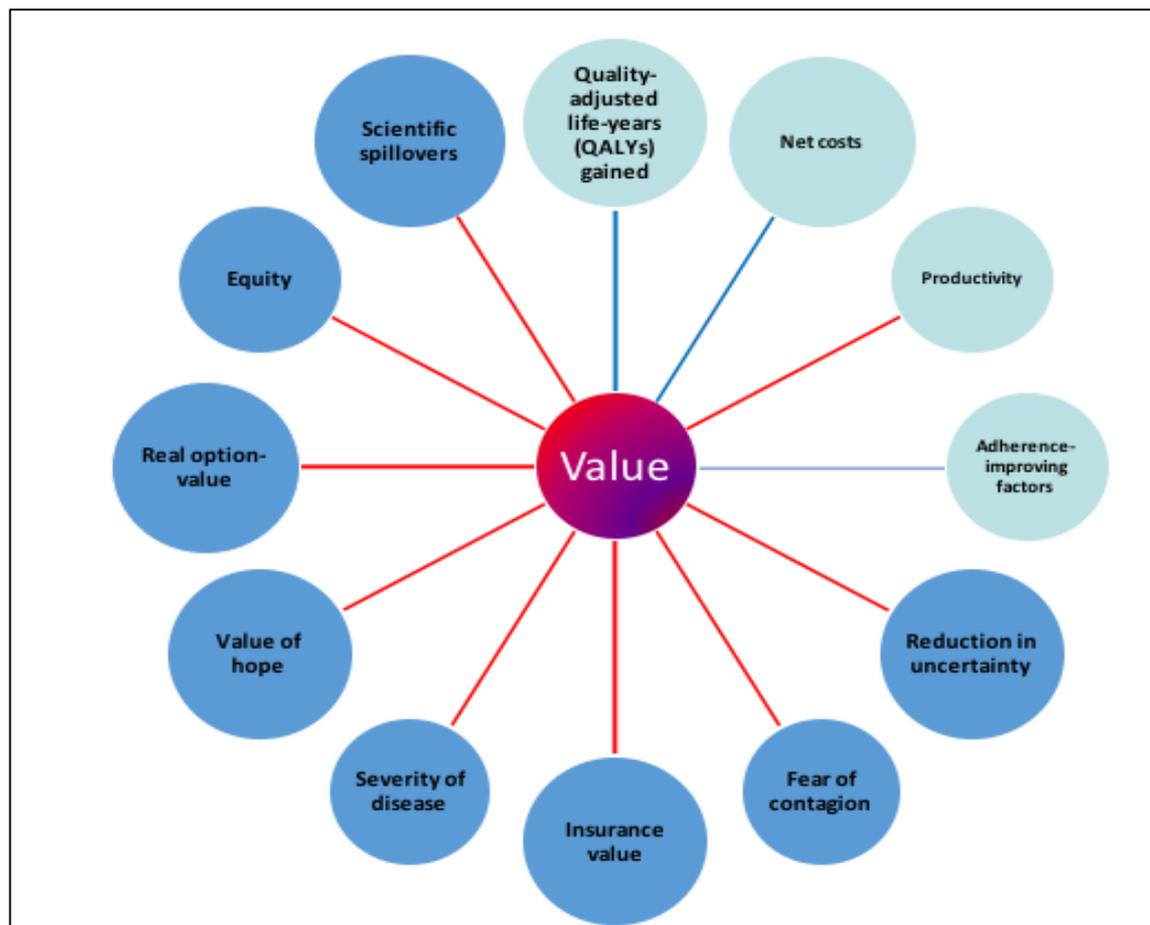
“ . . . it is critical to investigate these value frameworks **because of the signals they send to innovators**. Value-based approaches can encourage firms to produce more of what is being optimized in the frameworks” [emphasis added]

# Three Key Questions for Value Frameworks

Value frameworks should address three key questions:

1. What are the elements of value?
2. How are they measured, evidenced, and valued?
3. How are they aggregated and judged to reach a decision on value?

# Potential Elements of Value



Source: *DRAFT Report of ISPOR STF on VAF, May 4, 2017*

# DRAFT (May 4) Recommendations of ISPOR Special Task Force on Value Frameworks (1)



- **Recommendation 1.1: Build upon cost-effectiveness analysis**

Value assessment frameworks that focus on health system allocation decisions should consider health gains, as measured by QALYs, and costs. They should also address, when relevant, any limitations of the cost-per-QALY metric in measuring and weighting health gain in a particular disease.

- **Recommendation 2.1: Clarify importance of perspective and decision context**

In developing and using value assessment frameworks, analysts need to be clear about the perspective they are taking, the specific decision context, and the specific meaning of value in that context.

*Source: DRAFT Report of ISPOR STF on VAF, May 4, 2017*

# DRAFT (May 4) Recommendations of ISPOR Special Task Force on Value Frameworks (2)



- **Recommendation 3.1: Apply conventional cost-effectiveness analysis in public and private coverage and reimbursement decision making**

Following the Second Panel, we strongly endorse the use of the cost-per-QALY metric to support health care decision making particularly in relation to the payer coverage and reimbursement decisions of both public and private insurers in the US.

- **Recommendation 3.2: Embrace potential QALY refinements**

In the spirit of the Second Panel's impact inventory, we **support future development of a more comprehensive CEA that embraces novel elements of value—including insurance value, real option value, scientific spillovers, etc.—** that could ultimately provide for more efficient resource allocation within the health sector and for health versus non-health spending. We recognize, however, that the development and use of these potentially important QALY refinements is at an early stage—not yet ready for widespread application but warranting further scientific research and development

# DRAFT (May 4) Recommendations of ISPOR Special Task Force on Value Frameworks (3)



## Recommendation 4.1: **Use and test structured deliberative processes**

1. **Deliberative processes for value assessment should incorporate an explicit framework such as MCDA.** More comparative research is needed on alternative deliberative processes.
2. Researchers and policy makers should expand the use MCDA models in real-life decision settings and learn from these experiences. **We recommend greater testing and use of MCDA models**, pushing the frontiers of their use and continuously comparing their results with those of standard or expanded CEA-based decision making and other alternative decision approaches.
3. More research is needed on key aspects of MCDA modeling and use, particularly on **more reliable methods to elicit value weights**. Alternative approaches for estimating value weights in MCDA should be tested and compared both for methodological soundness and practical implementation factors (e.g., ease of use, reliability, etc.).

Source: *DRAFT Report of ISPOR STF on VAF, May 4, 2017*

# DRAFT (May 4) Recommendations of ISPOR Special Task Force on Value Frameworks (4)



- **Recommendation 5.1: Adopt decision rules based on cost-per-QALY thresholds**

Payers should consider decision rules guided by what is good value for money given their budget constraints. Consistent use of a cost-per-QALY threshold can help to achieve maximum health gain for the budget. **In the US, different public and private insurance programs could use different thresholds**, reflecting the differing generosity of their budgets and implying different levels of access to technologies.

- **Recommendation 5.2: Manage budget constraints and affordability**

Issues related to the affordability of healthcare technology are most efficiently addressed by considering (a) the adjustment costs of reducing spending on, or replacing, existing technologies, (b) the impact of delaying or staging implementation of new technologies, and (c) the cost-effectiveness ratios of new and existing technologies. Over time, the availability of new technologies may increase the amount populations want to spend on health care.

# DRAFT (May 4) Recommendations of ISPOR Special Task Force on Value Frameworks (5)



- **Recommendation 6.1: Improve specificity of value assessment frameworks**  
**No single value assessment framework can easily accommodate both population and patient decision-making perspectives.** Thus, it is important for any framework to clearly articulate the value construct it represents and the decision context in which it is to be used, and to be well validated and reliable within that construct and context.
  1. **For population-level decisions, frameworks should follow principles of efficient resource allocation to maximize population QALYs, with potential allowances for elements that reduce uncertainty and risk, equity considerations (for example disease severity), and patient heterogeneity of response.**
  2. **Well-designed patient-level frameworks can help to guide individual treatment decisions so that patients, their providers, and payers** can consider and weight factors most relevant to patient preferences and constraints.
  3. **Different elements of value will be relevant for different decisions.** In a pluralistic health care system that combines subsidized competing market-oriented programs and public programs, there should be some consistency of the elements of value measured and used, recognizing that the willingness to pay for QALYs and other elements of value will vary. This should reinforce incentives to achieve efficiency and equity.