

Value attribution for combination therapy: a technical critique

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Disclosure

This presentation is informed by a project carried out by IQVIA and myself (supported by Sanofi) to explore the validity and relevance of value attribution frameworks for combination therapies

The challenge

A combination therapy may not be cost-effective even if the add-on therapy has a price of €0:

- Backbone therapy has a value-based price (equal to the willingness to pay for its health gain), so there is no room left for the add-on therapy to justify its costs as compared to its health gain
- Combination therapy may prolong time to progression, implying that components are administered for a longer period of time and costs increase

Objective



There is a need for a framework that allows to set prices for components based on the value that they contribute to a combination therapy

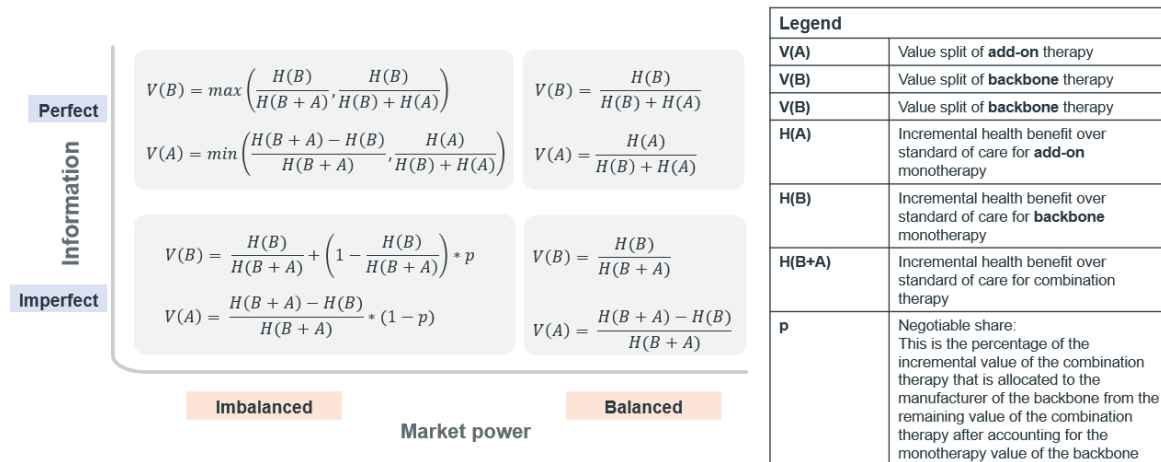
The framework should be valid, practical and adaptable to markets with different reimbursement systems

The Briggs framework

Attributes value to components based on (im)perfect information about independent impact of each component on health outcome of combination therapy and on relative market power of manufacturers

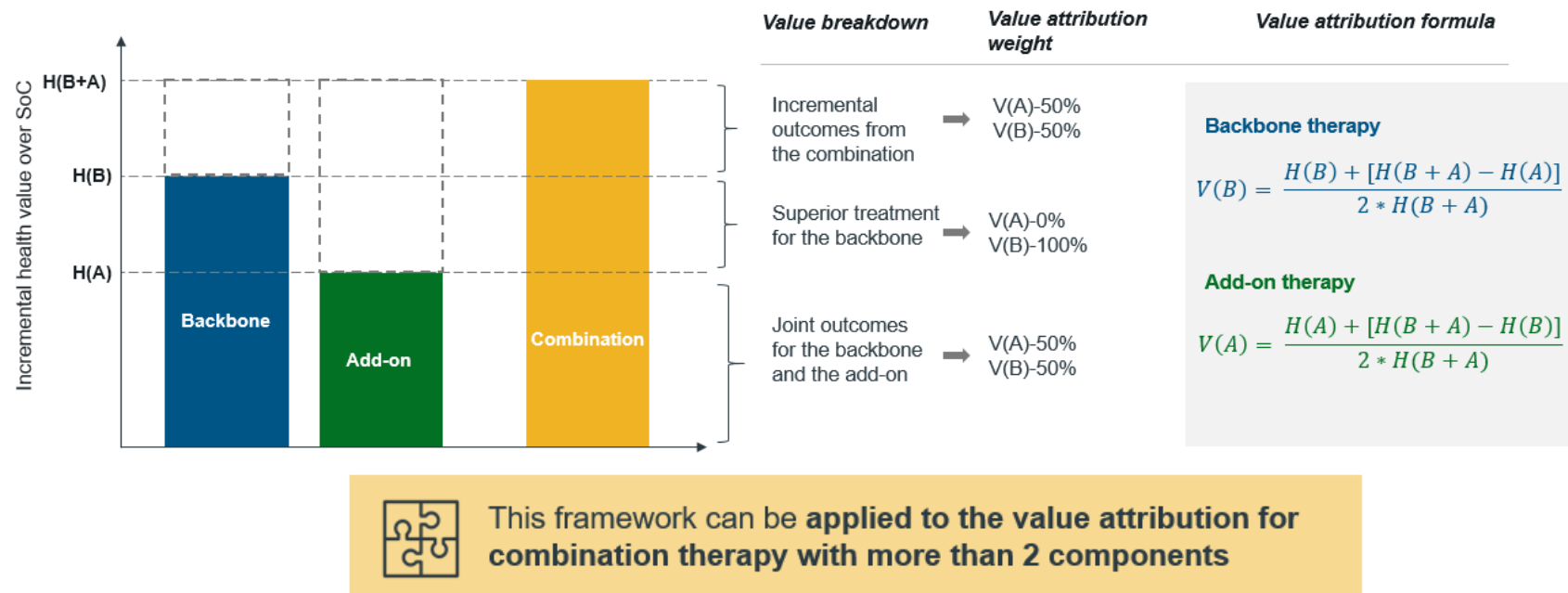
Imperfect vs Perfect information	
Imperfect information	The independent benefit of one or more of the component therapies is unknown for the indication under consideration.
Perfect information	The independent benefit of all the component therapies is known for the indication under consideration.

Imbalanced vs Balanced market power	
Imbalanced market power	The manufacturer of one component therapy has more control over pricing decisions compared to the manufacturer of another component therapy.
Balanced market power	None of the component therapy manufacturers has more control over pricing decisions than another.



The Towse framework

Attributes value by taking arithmetic average of the monotherapy effect and add-on effect for each component



Advantages & limitations of frameworks



Allow to quantify value (and price) of components

Centered around common value indicator (WTP/QALY)

Apply to cost-effectiveness and effectiveness-driven reimbursement markets



Arbitrary selection of criteria to attribute value to components

Complicated decision making tools requiring uncertain data

Questions about health outcome of monotherapy:

- Monotherapy does not always make sense
- Value attribution is sensitive to monotherapy outcome
- Outcome may depend on mono/combination therapy

Do not apply to budget-driven reimbursement markets

An intermediate less complex framework

Identify relevant criteria:

- market features (e.g. market power of companies)
- product characteristics (e.g. effectiveness, cost-effectiveness, budget impact)
- other elements (e.g. availability of evidence, quality of evidence)

Use a simplified framework consisting of two result categories:

- components contribute equal value to the combination (value attribution of 50% - 50% for a combination consisting of 2 components)
- components contribute unequal value (arbitrary value attribution of 25% - 75%)

Determine how a component product should score on each criterion with a view to allocate it to a result category:

- for instance, if appropriate evidence is not available for a component, then it will automatically fall in the second result category (implying a 25% value attribution)

Some final reflections

Absence of value attribution framework hinders market access of combination therapies

This question is more than a budget issue (cfr. German policy to impose 20% price reduction on combination therapies)

Any value attribution framework is indicative rather than conclusive

Resolving the value attribution conundrum is a joint responsibility of pharmaceutical industry and health care payers/HTA agencies

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