HTA67

Assessing relationships between the Canadian Agency for Drugs and Technologies in Health (CADTH) revised ICERs and price reductions, and the recognized unmet need and clinical benefit

Chakrapani Balijepalli,[1] Joyce Li,[1] Simon Ferrazzi,[2] Emily Mathers,[3] Lakshmi Gullapalli,[1] Amnah Awan[3]

[1]Pharmalytics Group, Vancouver, B.C., Canada; [2]PharmaAccess, Waterdown, ON., Canada; [3]AbbVie Corporation, Saint-Laurent, QC., Canada

OBJECTIVES

- To review the Canadian Agency for Drugs and Technologies in Health (CADTH) recommendations for non-oncology drugs submitted from January 2021 to December 2022; and
- To understand the relationship between CADTH's revised ICERs and consequent price reduction analysis, and the unmet need and clinical benefit, as recognized by the HTA review committee.

CONCLUSIONS

CADTH's revisions to sponsor submitted economic models resulted in Incremental Cost-Effectiveness Ratios (ICER) that were more than two times higher than the sponsor's base case, leading to significant price reduction recommendations for new drugs.

The majority of submissions with a clear clinical benefit and/or addressing an unmet need, as acknowledged by CADTH were subject to price reduction recommendations of ≥70%.

The practice by CADTH of revising the Sponsor's base case ICER upward, with a Willingness To Pay (WTP) ceiling of $50k/QALY is driving the price reduction expectations prior to pan Canadian Pharmaceutical Alliance (pCPA) negotiations.

ACKNOWLEDGEMENT

The authors thank Elaine Shang for her contributions to the review of the Poster.

DISCLOSURES

AbbVie Canada funded this study and participated in the design, analysis, data collection, study conduct, interpretation of data, and the review and approval of the publication. All authors had access to relevant data and participated in the drafting, review, and approval of this publication. No honoraria or payments were made for authorship.

Chakrapani Balijepalli and Lakshmi Gullapalli are shareholders of Pharmalytics Group which has been contracted by AbbVie Canada to complete this work and both declare no conflicts of interest outside of this work. Joyce Li is a former employee of Pharmalytics Group and declares no conflicts of interest. Emily Mathers and Amnah Awan are employees of AbbVie Canada. Simon Ferrazzi is a consultant to AbbVie Canada and declares no conflict of interest.

Presented at ISPOR 2024 International Conference, 5 – 8 May 2024

abbvie

INTRODUCTION

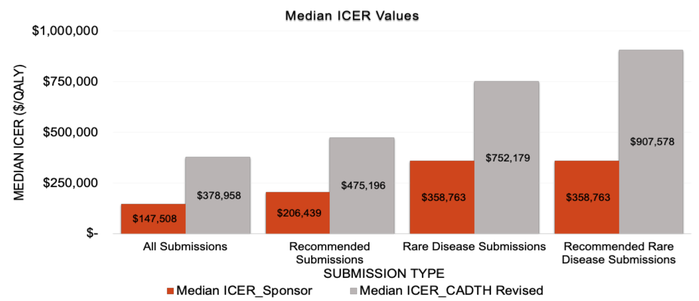
- CADTH does not have an official published incremental cost-effectiveness ratio (ICER) willingness to pay (WTP) threshold for reimbursement recommendations.
- However, recent CADTH recommendations are referring to a WTP threshold of $50,000 per Quality-Adjusted Life-Year (QALY).
- Since late 2020, CADTH is using this threshold to recommend price reductions for non-oncology drugs requesting a reimbursement review.
- The applicability of WTP thresholds for price reduction recommendations is a topic of debate.

METHODS

- We reviewed reimbursement recommendation reports for non-oncology drugs assessed by CADTH from January 2021 to December 2022.
- In the assessments with a CADTH recommended price reduction range, the lower bound of the range was chosen to stratify the assessment into a specific category.
- Submissions with no ICER values were excluded from the ICER analyses.

RESULTS

Figure 1. Sponsor and CADTH Reported Base-Case ICERs for all and rare disease submissions



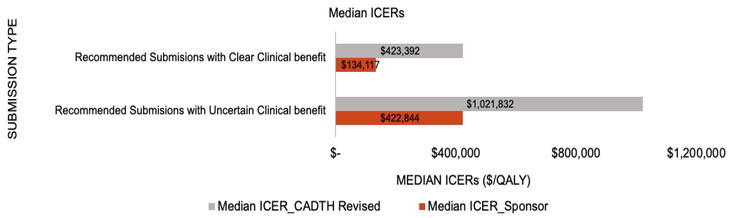
Overall submissions

- Between 2021-2022, CADTH assessed 72 unique submissions for non-oncology products, of which 60 (83%) were recommended for reimbursement with or without conditions (i.e., positive recommendations).
- For the submissions with a positive recommendation, the median ICER according to CADTH's revised base case was more than twice that of the sponsor provided base case ICER estimate.($475,196/QALY vs $206,439/QALY). *Figure 1*

Rare disease submissions

- Of the 72 unique submissions, 30 (42%) were for rare disease indications, of which 26 (87%) received a positive recommendation. In this group of 26, median ICER according to CADTH's revised base case vs. sponsor provided base case estimate was $907,578/QALY vs $358,763/QALY. *Figure 1*

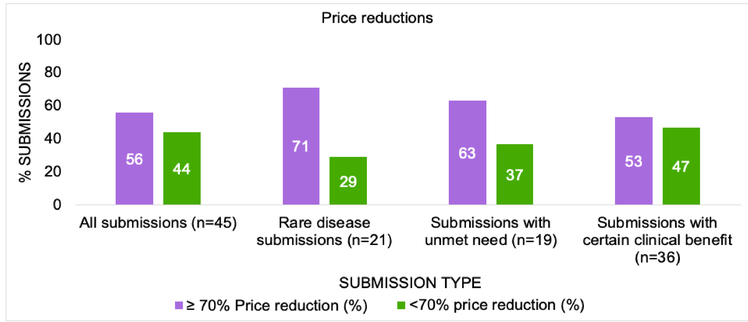
Figure 2. Sponsor and CADTH Reported Base-Case ICERs according to Clinical benefit



Submissions with clear clinical benefit

- In 46 of the 72 submissions, CADTH noted a clear clinical benefit (i.e., no mention of uncertainty in efficacy in the clinical review report); all 46 received a positive reimbursement recommendation. The median ICER according to CADTH's revised base case was more than 3x that of sponsor's base case ICER estimate ($423,392/QALY vs $134,117/QALY). *Figure 2*

Figure 3. Price reductions for submissions with positive recommendation that reported price reduction data



Overall submissions

- Over 50% of all positive submissions received a price reduction of ≥70%. *Figure 3*

Rare disease submissions

- Most of the rare disease submissions (71%) had a price reduction recommendation of ≥70% off the list price.

Submissions with an unmet need according to CADTH

- In 63% of submissions a price reduction of ≥70% off the list price was recommended.

Submissions with clear clinical benefit according to CADTH

- Slightly over 50% submissions (53%) had a price reduction recommendation of ≥70% off the list price.

DISCUSSION

- CADTH reanalysis of manufacturer pharmacoeconmic (PE) models is leading to at least a doubling of the sponsor ICER
- The significantly higher CADTH ICERs (due to differences in model assumptions) are then used by CADTH in deriving their price reduction recommendations.
- Most drugs with a clear clinical benefit and addressing an unmet need, according to CADTH, are being subject to price reduction recommendations of ≥70%.
- The practice of revising ICERs' and using a $50k/QALY threshold sets a public reimbursement anchor point that may be referenced in net price negotiations with pCPA.
- Alternative reporting methods using multiple WTP thresholds alongside unmet need and clear clinical benefit should be considered. Consultative dialogue with sponsors prior to and during the submission process should be explored to raise the quality and transparency of CADTH ICER re-analyses.