Are US payers getting to grips with cost-effectiveness analysis?

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Background

- In many countries, it is customary to use a cost-effectiveness analysis (CEA) to make decisions about the adoption of new drugs and other health technologies.
- In countries like the United States (US), with many payers operating in a wide range of settings, the use of a CEA is more complicated. Results of a single study are unlikely to apply in all settings, and interpretation and use of studies in the decision-making process may require specialist local expertise.

Objective

- Assess the current use of CEAs by US decision makers, and explore the challenges they currently face in using CEAs and how these challenges could be resolved.

Methods

- A survey of healthcare decision makers was conducted from 8/11/20 through 9/4/20.
- The survey was conducted within FormularyDecisions, a platform that facilitates the exchange of information between biopharmaceutical companies and 2,500+ registered, active US payers and decision makers.
- A semi-structured questionnaire was developed based on the findings of a narrative review of previous international surveys of decision makers on the use of health technology assessments (HTAs), including studies from the US.[1-3]
- Within the survey, the distinction between a CEA and budget impact analysis was made clear.
- Only completed surveys were included in the analysis.

Results

There were 104 respondents:

58% worked in managed care or pharmacy benefit management organizations

28% were from academic health centers, health systems, or community hospitals.

The remaining **14%** included integrated health systems/ integrated delivery networks, physician organizations/medical groups, or specialty pharmacies.

Geographic coverage was **38%** national and **62%** regional

Results (cont.)

- The use of a CEA was predominantly reported as occasional (51%), with "always" and "very frequently" totaling 38%.
- Over 60% of respondents report that CEAs are useful in coverage decisions for informing cost-share, prior authorization, and price negotiations.
- Respondents always or very frequently consulted externally conducted Institute for Clinical and Economic Review reports (49%) and manufacturer dossiers (43%). Reports from organizations outside the US, such as the National Institute for Health and Care Excellence and the Canadian Agency for Drugs and Technologies in Health, were less frequently used.
- The main challenges in using CEAs that were rated as either "extremely important" or "very important" were the following: CEAs are not available in a timely fashion (47%), they are only available after coverage decision (52%), or local data are not available to adjust external CEAs for local use (45%).
- The main initiatives to facilitate the use of CEAs that were reported as either "extremely useful" or "very useful" were the following: make CEAs available in a more timely fashion (72%), make interactive economic models available (52%), and have more training in adapting external CEAs for local use (51%).

Figure 1. Payer use of CEAs in the decision-making process

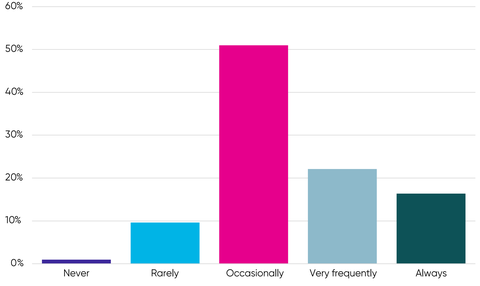


Figure 2. Use of CEAs in coverage decisions

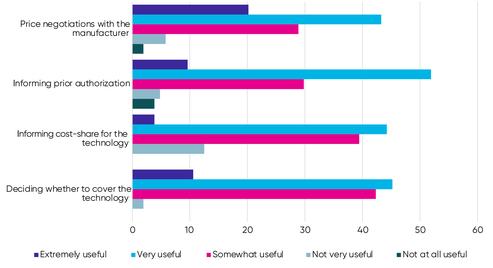


Figure 3. Use of externally conducted CEAs

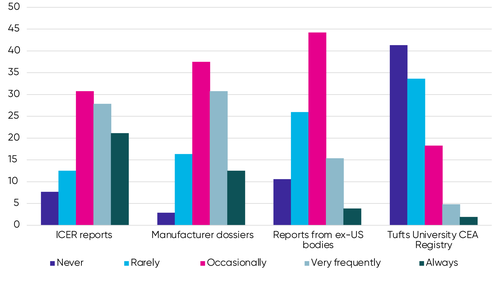


Figure 4. Challenges in using CEAs

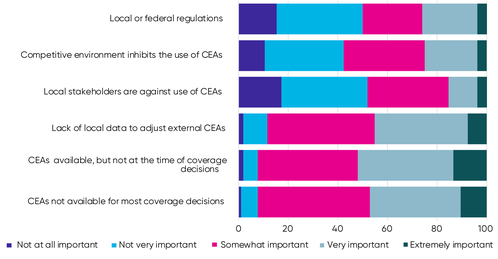
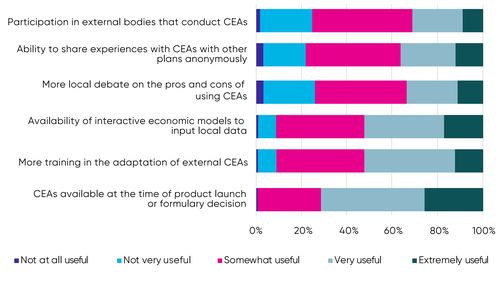


Figure 5. Initiatives to facilitate the use of CEAs



Conclusions

- Compared with prior surveys, this study suggests that the use of CEAs in formulary decision making is increasing, especially through the use of externally conducted reports, such as those from the Institute for Clinical and Economic Review.
- Although several challenges still exist, these can potentially be addressed by initiatives to make external CEAs available in a timely fashion and provide training to facilitate their use.

References

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