



# Outcomes, Price, and Value

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# Value-based pricing and related concepts

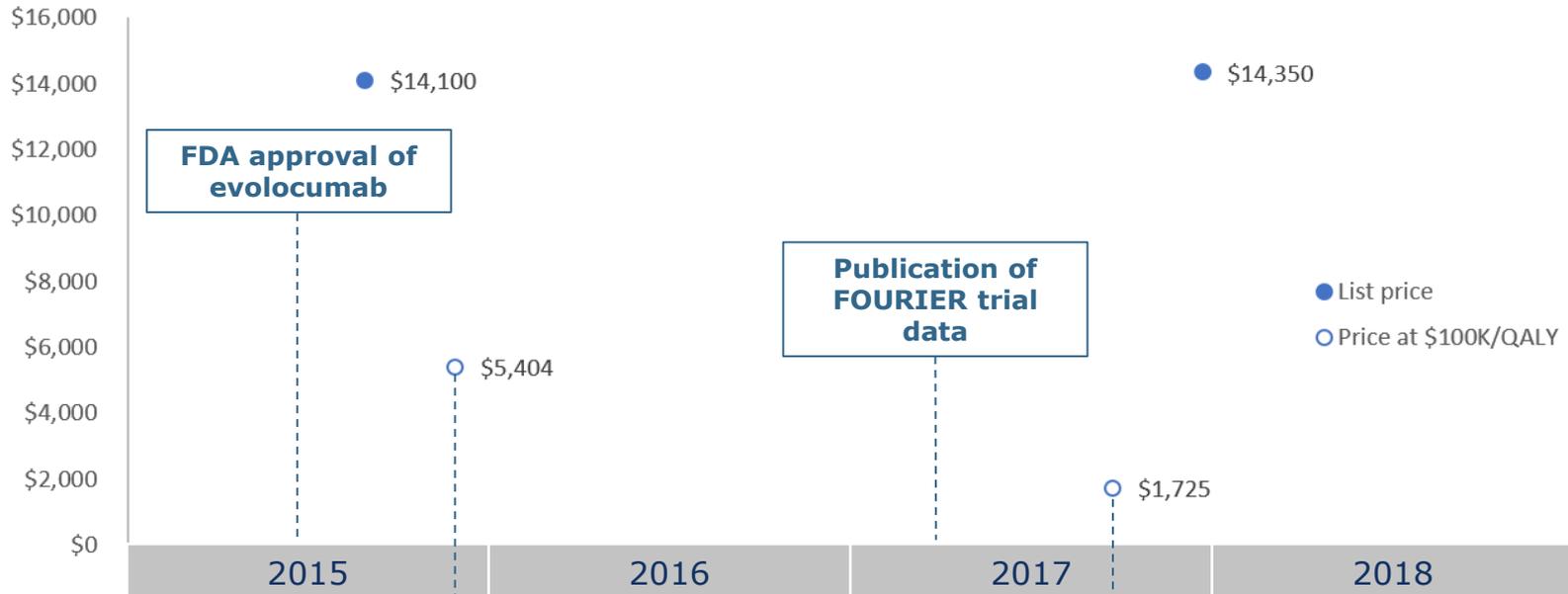
Table. Comparison of Value-Based Pricing and Adjacent Concepts

Concept	Definition	Rests on Existing Evidence of Benefit	Aligns Price With Benefit at Market Entry	Examples
Value-based pricing	Price of a drug set on the magnitude of its benefit	Yes	Yes	Pricing of dupilumab according to ICER value-based price
Indication-specific pricing	Drug price specific to each of its uses	Yes	Yes	Tisagenlecleucel sold at 2 different prices for 2 different cancer indications
Outcomes-based contracts	Manufacturer refunds or rebates payer when an agreed-upon outcome is unmet	No	No	Amgen agreement with Harvard Pilgrim to refund cost of evolocumab for treated patients who have a myocardial infarction while taking the drug
Mortgage pricing	Commits a payer to pay for expensive treatments over time	No	No	No known examples
Value-based insurance design	A health benefit design that reduces out-of-pocket expense for high-value medical care and treatments	Yes	No	Prime Therapeutics program to reduce copayment and increase amount dispensed for insulins; Pitney Bowes' initiative to reduce or eliminate cost sharing for statins and clopidogrel

Abbreviation: ICER, Institute for Clinical and Economic Review.

# An illustrative example

## Cost of 1 year of treatment with evolocumab



### ICER Report on PCSK9i treatment:

far exceed commonly-accepted thresholds, such as \$100,000/QALY.<sup>79</sup> Achieving cost-effectiveness at a threshold of \$100,000/QALY would require price reductions of 60% to 63% compared with current prices. And the results of our analysis of potential budget impact suggest that even deeper

### ICER Evidence Update

In summary, our updated cost-effectiveness analyses, informed by the now-available clinical information from FOURIER, demonstrate worse cost-effectiveness than suggested in our original report. Our original report had assumed a greater mortality benefit from reduced LDL-C than was found in FOURIER, and this difference made the added costs with evolocumab treatment appear even more out of scale with the clinical benefits in this population. Studies of longer duration are

**Thank you**

# References

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