Publications for payors: what evidence do they really need?

Ian Pickles, Strategy Consultant, Complete Clarity
OBJECTIVES FOR THE SESSION

• To be able to build payer evidence requirements into publication plans that incorporate the clinical, humanistic and economic data that help payers in their decision making

• To understand the decision making process for funding of medicines, and to gain an understanding of the different national and regional payer archetypes and their individual evidence needs

• To recognize and understand the different evidence requirements of various payors, and to discuss what influence published data has on funding decisions
AGENDA FOR THIS SESSION

• Introduction - Ian Pickles, Principal Consultant - Value Strategy, Complete Clarity

• German payor environment - Meriem Bouslouk, PhD, Desk Officer, Pharmaceuticals Department, Federal Joint Committee (G-BA)

• UK payor environment - Michael Drummond, BSc, MCom, DPhil, Professor of Health Economics and former Director of the Centre for Health Economics at the University of York

• The industry perspective - Paul Hodgkins, PhD, MSc, Senior Director, Global Health Economics and Outcomes Research Department at Shire Pharmaceuticals

• Questions
ONCE UPON A TIME …SAFETY AND EFFICACY USED TO BE ENOUGH

• …provided that pharmaceutical products were safe and effective, doctors could prescribe them, patients could get their prescriptions filled, and payers would reimburse the costs
NOW A NUMBER OF CHALLENGES FACING THE INDUSTRY

### Evolving competitive landscape
- Saturated market in many therapy areas
- New market entrants must compete with established standards of care
- Higher prices will only be paid for true perceived innovation
- Policy for increased generic and/or biosimilar substitution

### Growing financial and budgetary pressures
- Escalating costs of healthcare worldwide, with drugs being a ‘soft’ target
- Increasing budgetary constraints facing payers
- Expanding use of value based considerations in treatment choice
- Increased prevalence of outcomes based access schemes

### Expansion of evidence based medicine
- Greater emphasis on evidence based practices
- Increased ability to track health outcomes and collect ‘real world’ data
- Impact of comparative effectiveness research on clinical development programmes
- Increased use of HTA for reimbursement decisions
SO WHO DO WE MEAN BY “PAYORS”?

Advocacy Group: I’ll support it

Budget holder: I’ll allow payment for it

Opinion leader: I’ll champion it

Pharmacist: I’ll Dispense it

Endorsement Body: We’ll endorse it

Prescriber: I’ll prescribe it

Patient: I’ll take it
DEFINITION: PAYOR

Any stakeholder who makes the decision on funding of a patient’s treatment. Payors may be governmental, public or private institutions, individuals or organizations of individuals.
PAYORS NEED TO BALANCE HEALTHCARE DEMANDS WITH BUDGETARY CONSTRAINTS

- Governments set healthcare budgets, and within these allocate budgets for spending on drugs.

- Pharmaceutical expenditure is the primary concern to “payors” – although cost-offsets in other areas are also of interest.

- Pharmaceutical spending has been rising in most markets.

On the demand side, there are priorities to improve public health and targets to manage specific diseases – eg cancer, diabetes.

Additionally, there is pressure to provide access to innovative therapies and to avoid inequality in healthcare access.
To achieve market authorisation/ regulatory approval, pharma companies need to demonstrate that a product is **safe**, **effective** and meets **quality** standards.

To ensure market access success, pharma companies also need to demonstrate the **value** of the product during national pricing and reimbursement negotiations and regional/ local discussions.

*MAA – Market Authorisation Application
WHAT PAYORS NEED TO KNOW

• Is the product needed? (unmet clinical need)
• Does it work? (clinical efficacy)
• How well does it work? (clinical effectiveness)
• Can we control its use? (patient population)
• Is it worth it? (cost-effectiveness)
• Can we afford it? (budget impact)
• Do we absolutely need to fund it? (sociopolitical expediency)
## Market archetype

<table>
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<tr>
<th>Market archetype</th>
<th>Descriptor</th>
<th>Countries</th>
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| Cost-effectiveness focussed | • HTA decision making, based on CE  
• Rational methodology for comparing value for improved outcomes | UK, Canada, Australia, Sweden, Finland, Iceland, Austria       |
| Clinically focussed  | • Led by value and innovation  
• Comparing the clinical evidence for similar products to assess the most valued | France, Spain, Germany, Italy                                |
| Budget focussed      | • Efficiently allocating the limited budget/resources                          | Switzerland, Turkey, Greece, Czech Republic, Portugal, Belgium, Ireland, Denmark, Israel, Poland, Bulgaria |
| Patient focussed     | • Willingness to pay for perceived value of service/outcome                | India, Brazil, China                                         |
TRENDS IN PRICING AND REIMBURSEMENT

Validation of RCT data through confirmatory studies

Patient segmentation to identify those patients that will gain most from treatment

Reduced dependence on RCTs and more focus on effectiveness

General increase in the requirement for data

More mechanisms for price control

Head to head studies and economic evaluations as a mandatory requirement

Increase in costs borne by the patient

Harmonization in the approach to EBM and HTA
Payors are challenged by rising costs, calls for increased transparency, increased patient influence, and policy changes that point to more government involvement in the future.

To address these issues, payor organizations are establishing their own therapeutic guidelines, managing access more tightly, and scrutinizing drug pricing.

As a result, pharma companies need to provide the information being sought by payors - specifically information such as comparative effectiveness, cost effectiveness, and real world data.

"Comparative effectiveness is a hot issue, and we are very much in favour of that. Manufacturers need to prove value and superiority over other options. They need to provide data beyond the regulatory approval standards - it does no good to compare a drug to a placebo"
• Do you consider the payor audience when developing your publication strategy?
  1. Yes
  2. No
  3. Don’t know
YOUR VIEWS!

Do you consider the payor audience when developing your publication strategy?

1. Yes
2. No
3. Don’t know

www.showtech.co.uk
YOUR VIEWS!

• What evidence do you think that payors rely on most?
  1. Randomised clinical trials
  2. Observational studies
  3. Case studies
  4. Meta-analyses of clinical trial data
What evidence do you think that payors rely on most?

1. Randomised clinical trials
2. Observational studies
3. Case studies
4. Meta-analyses of clinical trial data

45%

7%

0%

48%
• Which of these factors will be the greatest influence on the payor audience?

1. Value for money
2. Cost-effectiveness
3. Clinical effectiveness
4. Cost to health service
Which of these factors will be the greatest influence on the payor audience?

1. Value for money
2. Cost-effectiveness
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4. Cost to health service

15%
55%
8%
22%

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When should Pharma start talking to payers about a new product?

1. Phase 1
2. Phase 2
3. Start of Phase 3
4. Following Phase 3 results
Your Views!

When should Pharma start talking to payers about a new product?

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What do payors want?
The UK environment

Michael Drummond, Professor of Health Economics, University of York; Co-editor in Chief: Value in Health
WHO ARE THE PAYORS?

• **Central Decision-Makers**
  - Department of Health
  - National Institute for Health and Clinical Excellence (NICE)
  - Scottish Medicines Consortium (SMC)
  - All Wales Medicines Strategy Group (AWMSG)

• **Local Decision-Makers**
  - Hospital formulary committees
  - NHS commissioners
  - Clinical KOLs
CHARACTERISTICS OF GOOD EVIDENCE FOR PAYORS

• **Internal validity**
  – the study should be methodologically sound and free from bias

• **External validity**
  – the results of the study should apply in the decision-maker’s setting
‘Scope’ developed and circulated for consultation
Submission made by manufacturer, according to NICE’s methods guidance
Submission critically assessed by an independent ‘Evidence Review Group’
All the materials discussed by the Technology Appraisal Committee and guidance on use of the technology developed
Guidance circulated, with possibility of appeal by the manufacturer
Guidance issued to the NHS, for implementation within 3 months
KEY ELEMENTS OF NICE’S METHODS GUIDANCE

- Selection of relevant patient population(s), including sub-groups
- Consideration of all relevant therapeutic alternatives, including treatment strategies
- Systematic review and synthesis of all the available clinical evidence (often going beyond head-to-head clinical trials)
- Costs relevant to the UK setting (advice on what to include/exclude)
- Assessment of all outcomes relevant to the patient and estimation of quality-adjusted life-years (QALYs) gained
- Adequate characterisation of uncertainty around the estimates
• In general, obliged to follow NICE guidance, although may be able to argue for local exceptions

• Do not have the access to the same level of technical advice as NICE, so more reliant on journal peer-review for quality control

• Local clinical input and buy-in regarded as very important
• Reimbursement and market access should be regarded as being just as important as licensing

• The requirements of payors are critically different from those of regulators (such as the FDA and EMA)

• Peer-reviewed publications can play a critical role both before reimbursement submission and after market access for the product
POSSIBLE PUBLICATIONS PRIOR TO REIMBURSEMENT SUBMISSION

• Studies demonstrating the unmet clinical need, or the clinical or economic deficiencies of existing therapies (eg warfarin in prevention of atrial fibrillation)

• Studies validating a new quality of life instrument

• Studies showing the similarities/differences between different assessments of outcome (eg sensitivity of bespoke versus generic QALY instruments)

• Studies of existing treatment practices
POSSIBLE PUBLICATIONS AFTER MARKET ACCESS

• Studies showing the use and performance of the new drug in regular clinical practice (eg dosing, adherence)

• Studies verifying key parameters that were uncertain in the models used in the earlier submission (eg nursing home admissions for people with alzheimers disease)

• Studies exploring the suitability or superiority of the new drug in additional sub-groups of the patient population
OTHER ISSUES TO PONDER

- Do company clinical development focus too much on the needs of regulators, ignoring the needs of payors? If so, what can be done about this?
- What are the likely implications of the joint discussions on evidence requirements, taking place between regulators and payers?
- What are the likely implications of any future recommendations of the European Union Eunethta project, or the ‘comparative effectiveness’ initiative in the US?
Publications for payors: what evidence do they really need? The industry perspective

Paul Hodgkins, Senior Director of the Global Health Economics and Outcomes Research Department, Shire Pharmaceuticals
OVERVIEW

- General thoughts
- Health economics, outcomes, and epi data
- Clinical evidence
- Analysis of clinical data
- Supportive evidence in clinical trials
- Post approval – what next?
GENERAL THOUGHTS ON PUBLICATIONS

- What evidence base do you want for assessment of the new drug
- Ensure the right people are present in publication team
- Publication plan
  - siloed or integrated
  - Consider timings and sequences
- If publications steering committee formed, have a seat for a health economist!
- Timing is key
HEALTH ECONOMICS, OUTCOMES & EPI DATA – CONSIDER WHAT GOES INTO A HTA SUBMISSION

• Epidemiology of the disease/disorder
  – Country specific estimates

• Pharmacoeconomics
  – Utilities & mapping
  – Cost of illness

• Treatment patterns, burden of disease & unmet needs
• Evidence for treatment guidelines

• Systematic literature reviews
  – Data for incorporation
  – Publication

• Does the choice of journal matter?

• Useful for policy discussions too?
ENSURE THE RIGHT EVIDENCE IS BEING GENERATED

• Engage with development teams
  – Patients
  – Endpoints
  – Comparators
Engage with statisticians during SAP development
- A priori or post hoc analyses
- Type of analysis

Direct and indirect clinical evidence
- Methods (eg CER)
- Outcomes

Subgroups and stratified medicine
SUPPORTIVE PUBLICATIONS FOR CLINICAL DATA

• Appropriateness of key clinical endpoints
  – Direct or surrogate

• Validity of key clinical endpoint
  – Psychometrics. Is the scale measuring what you think it is?

• Interpretation of key clinical endpoint
  – Minimal important difference/responder definition/patient preference
  – Normative data
POST APPROVAL – WHAT NEXT?

• Cost effectiveness

• Real world outcomes
  – Effectiveness & efficiency
  – Resource and/or drug utilization

• Indirect comparisons

• Post hoc analyses

• Pharmacovigilance/safety surveillance
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Panel discussion