

Achieving Prescription Drug Affordability

Presentation to the Minnesota PDAB Board

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August 12, 2025



INSTITUTE FOR CLINICAL
AND ECONOMIC REVIEW

Context

- Increases in prescription drug spending are straining purchaser and state budgets, impacting patient access, and producing uncertain benefits for health
- Pharmaceutical companies, PBMs, and many others are fighting to maintain the status quo
- State efforts are filling a vacuum left by limited federal action
- Enter: Prescription Drug Affordability Boards

Agenda

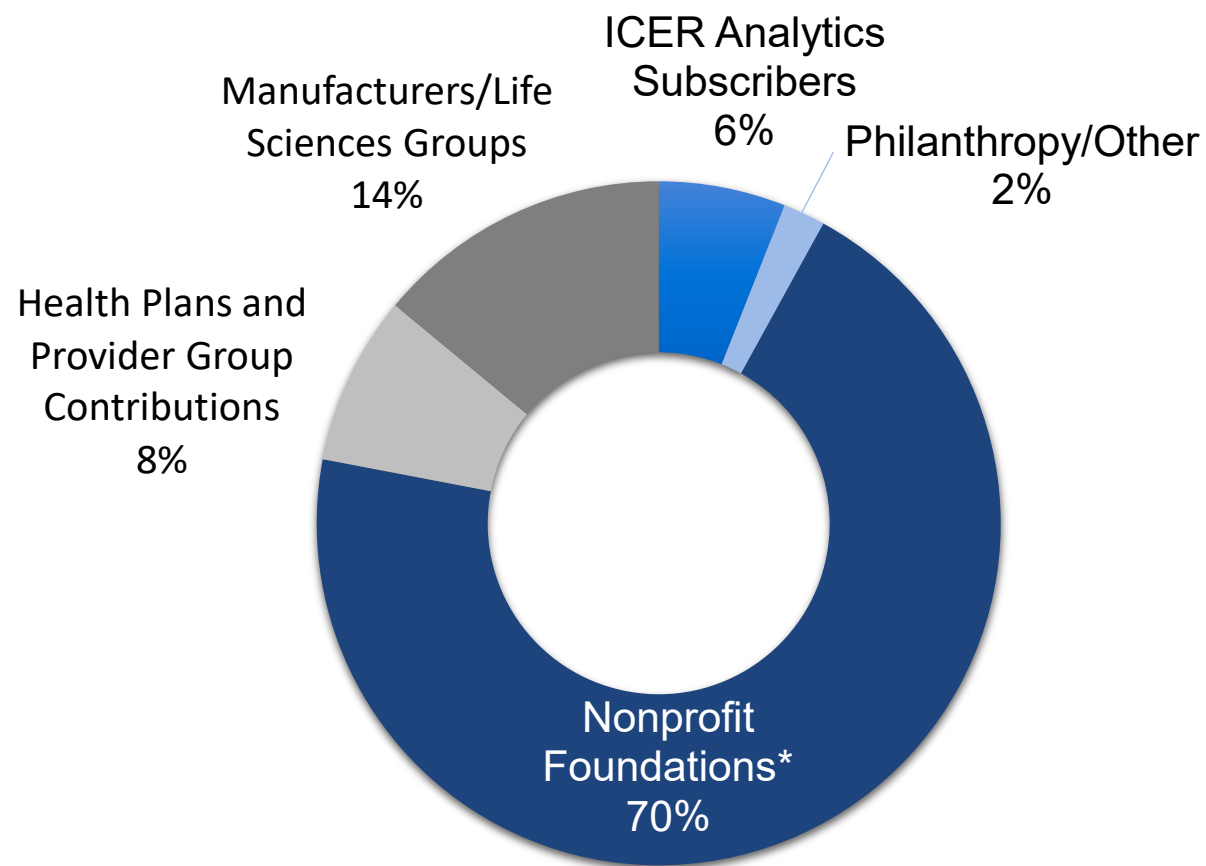
- Brief introduction to ICER and value-based pricing
- Case studies from other affordability efforts
- Review of conceptual approaches to defining “affordability”
- Possible paths forward for Minnesota

Institute for Clinical and Economic Review (ICER)

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- **Independent, non-partisan** health technology assessment group whose reviews are funded by non-profit foundations
- Develop **publicly-available value assessment reports** on medical tests, treatments, and delivery system innovations for nearly 20 years
- Convene regional independent **appraisal committees** for public hearings on each report
- For some analyses, use cost-effectiveness analysis to determine **health benefit price benchmarks**
- New this year: Annual **Launch Price and Access Report** to examine trends in net launch prices, access challenges faced by patients, and opportunity cost impacts for patients and the health system

Funding 2025



■ ICER Policy Summit and non-report activities only

Fair Pricing.

Fair Access.

Future Innovation.

Public Meetings

- Public deliberation of report contents and policy implications by independent appraisal committees
- Patients and patient organizations play a central role at public meetings
- Participation by clinical experts, manufacturers, patients and caregivers
- The voting panels are comprised of clinicians, patients, and health policy experts



Value Assessment Framework: What is “Value”?

Special Social/Ethical Priorities

Benefits Beyond “Health”

Total Cost Overall
Including Cost Offsets

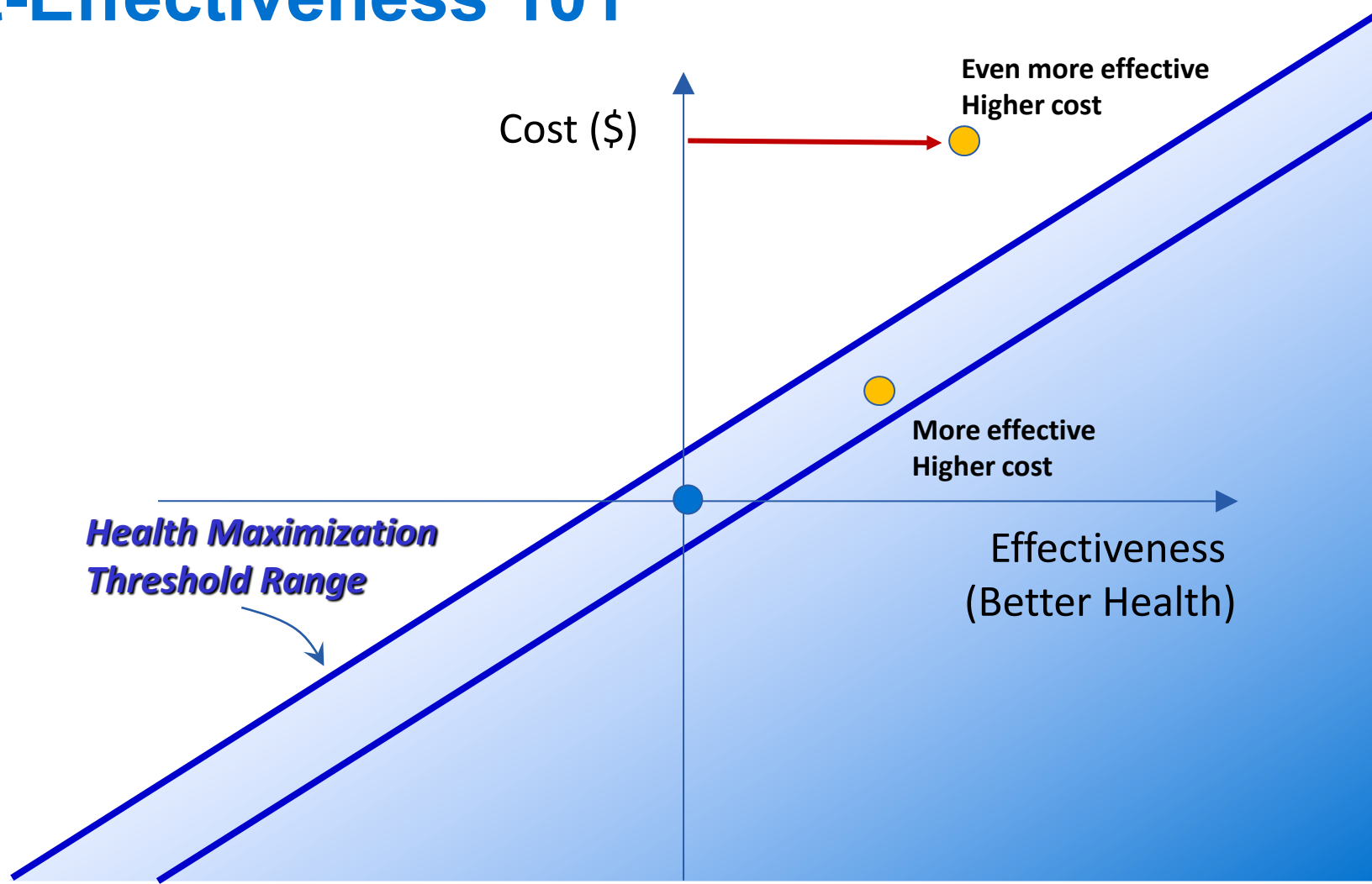
Health Benefits:
Return of Function, Fewer Side Effects

Health Benefits:
Longer Life

Patients Engaged in Every Review

- Patient groups notified before review is announced
- Patients and patient groups give input into review scope – population, interventions, comparators, outcomes
- Patient input guides development of special ethical priorities and benefits beyond health
- Patients review the preliminary economic model, draft report, draft voting questions
- Patients front and center at entire public meeting, offer public comment, and contribute to the policy roundtable

Cost-Effectiveness 101

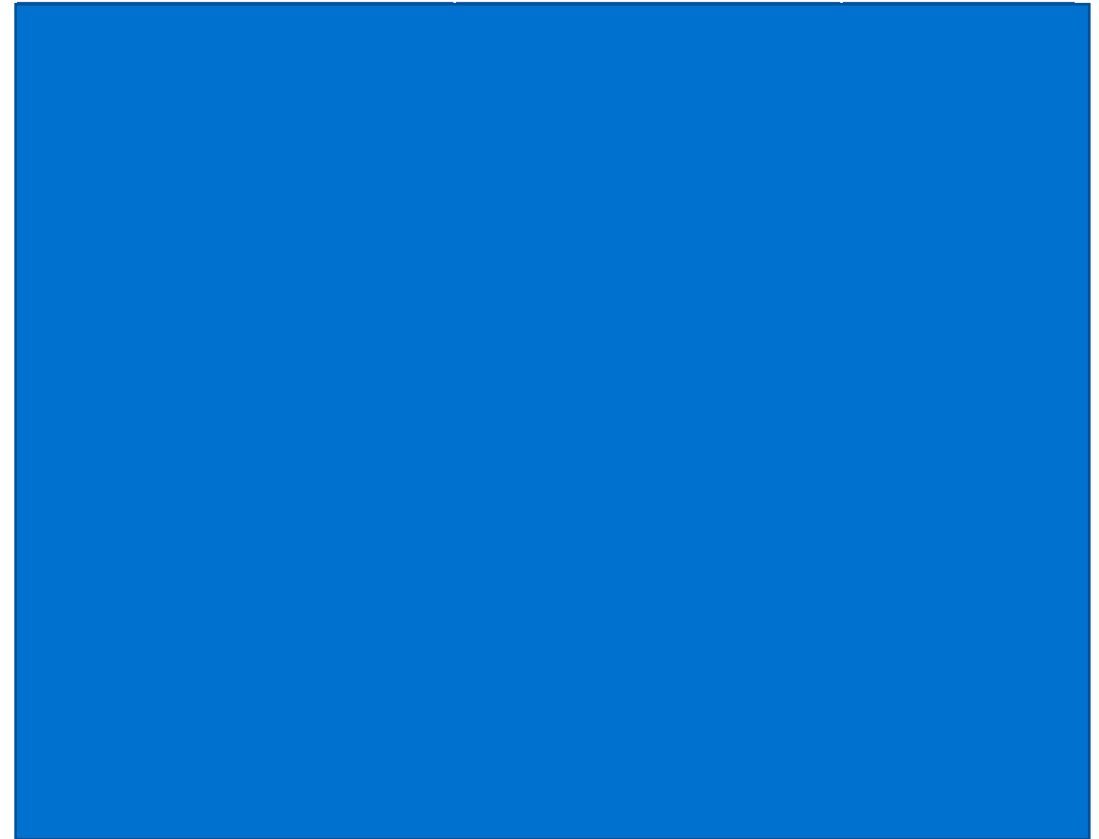


Potential Budget Impact

- Calculation of anticipated uptake over a 5-year period of a new medicine, against an annual benchmark of spending of \$880m (updated annually*)
- If uptake over a 5-year period would likely exceed our potential budget impact threshold, report will highlight the risk for short-term affordability and associated access challenges
- Report will also include the maximum percentage of eligible patients who would be able to receive the therapy, at multiple possible price points, without exceeding the threshold.
- Intent of the budget impact analysis is neither to provide a precise projection of likely market nor to provide estimates of commonly reported budget impact metrics (e.g., net cost per-member per-month).

Price Benchmarks (Non-Gene Therapy Examples)

Assessment	Drugs	Discount Needed
Pulmonary Arterial Hypertension	Winrevair	85-93%
Alzheimer's Disease	Leqembi	19-66%
Rheumatoid Arthritis	Rinvoq	25-26%
Asthma	Xolair, Nucala, Cinqair, Fasenra, Dupixent	62-80%
Treatment-Resistant Depression	Spravato	25-52%



Price Benchmarks (Gene Therapy Examples)

Assessment	Drugs	Discount Needed
Spinal Muscular Atrophy	Zolgensma	0%
CAR-T for Leukemia and Lymphoma	Yescarta and Kymriah	0%
Beta-Thalassemia	Zynteglo/LentiGlobin	1-24%
Metachromatic Leukodystrophy	Lenmeldy	7-46%
Sickle Cell Disease	Casgevy	7-39%
Sickle Cell Disease	Lyfgenia	34-56%

What's Been Tried So Far

Efforts in NY and MA

- NY State Medicaid subject to a limit on increases in prescription drug spend; if spending projected to exceed cap, then drugs identified that are contributing to piercing the cap
 - Negotiations for supplemental rebates; public referral to DURB possible if negotiation not successful
- MA State Medicaid negotiates supplemental rebates with drugmakers
 - If negotiation not successful, referral to Mass Health Policy Commission for determination of drug's value

Other public and private efforts

- VA:
 - Long-standing partnership where VA uses ICER research to negotiate lower prices and better access for veterans
 - Health Affairs: “VA And ICER At Three Years: Critics' Concerns Answered”*
- Private payers:
 - Recent payer survey found that the majority of US payers are using ICER reports to make formulary coverage and access decisions**
- CMS:
 - Special Report on Eliquis and Xarelto for the treatment of afib as a part of the public comment process on the first round of CMS drug pricing negotiations submitted in October 2023; second special assessment for COPD inhalers submitted earlier this year

Defining Affordability

Statutory language

“In the event the board finds that the spending on a prescription drug product reviewed under section [62J.91](#) ***creates an affordability challenge*** for the state health care system or for patients, the board shall establish an upper payment limit after considering....”

(emphasis added)

Defining whether an individual drug already is “affordable” at the state level – *draft ideas*

1. For a recently-launched drug: compare the average net price in the state to an independent value-based price benchmark
2. For a drug already in use: determine *spending* increase for an individual drug above some threshold, then rank by level of increased spending
 - Example: expenditures rising faster than some rate (e.g. >2x the increase in overall drug spending)
OR rising more than some absolute amount (e.g. \$50 million)
3. For a drug already in use: determine *per unit price increase* for individual drug above some threshold, then rank by impact of price increase on spending
 - Example: Individual drug price increase above some rate (e.g. 2x medical CPI over past 5 years); drugs that meet this initial threshold are then ranked by the budget impact of the “excess” price increase

Resources



ICER Analytics: Evidence Compendium

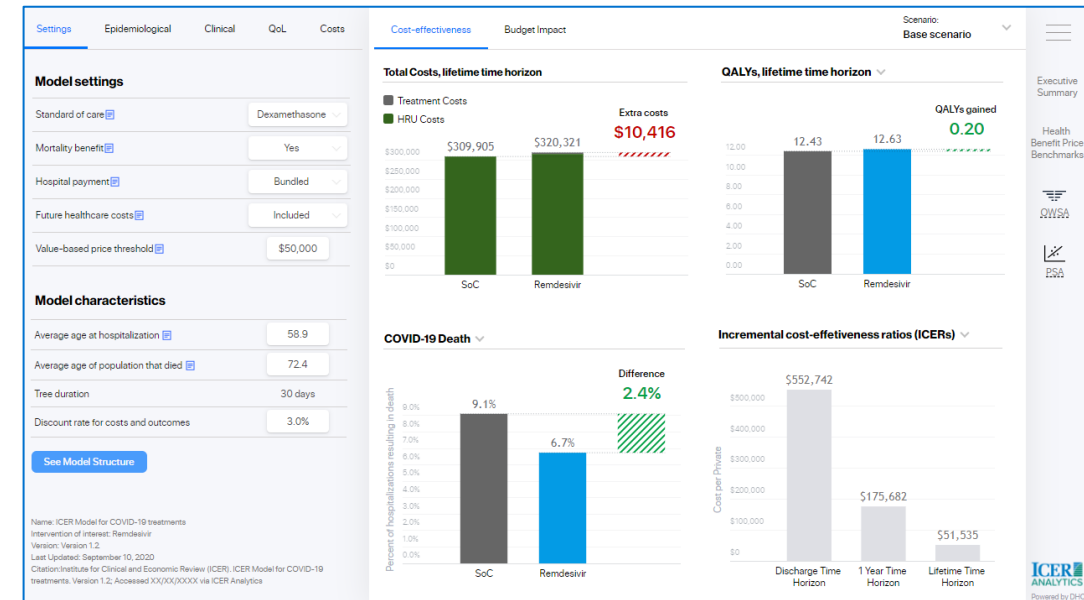
- Rapidly searchable, sortable summary of results from ICER evidence reports, including clinical effectiveness ratings, price benchmarks
- “Compare Your Price” to ICER price benchmarks
- Curated material and videos

ICER ANALYTICS EVIDENCE COMPENDIUM INTERACTIVE MODELER												
Evidence Compendium / Drug List												
Drug List Compare Your Own Pricing 8 ICER Pricing Report Snapshots Search by keyword												
DOWNLOAD												
Add to Compare	Trade Name	Generic Name	Condition: Specific	Date of Review	Population and Comparator	Condition: General	Method of Administration	Manufacturer	Access and Affordability Alert	Breakthrough/Orphan/Ultra-Rare	Appraisal Committee	Type of Review
<input type="checkbox"/>	Abecma	Idecabtagene vicleucel	Multiple Myeloma	May 2021	Patients with minimum triple-class refractory...	Oncologic	Intravenous	Bristol Myers-Squibb, Bluebird Bio	No	Breakthrough, Orphan	Midwest CEPAC	Final
<input type="checkbox"/>	Abrocitinib	Abrocitinib	Atopic Dermatitis	Aug 2021	Adults and children with moderate-to-severe atopic...	Dermatologic	Oral	Pfizer	No	Breakthrough	New England CEPAC	Final
<input checked="" type="checkbox"/>	Actemra	Tocilizumab	Arthritis, Rheumatoid	Apr 2017	Adults ages 18 and older with moderately-to...	Autoimmune	Intravenous	Genentech	No	N/A	New England CEPAC	Final
<input type="checkbox"/>	Actemra	Tocilizumab	Arthritis, Rheumatoid	Apr 2017	Adults ages 18 and older with moderately-to...	Autoimmune	Subcutaneous	Genentech	No	N/A	New England CEPAC	Final
<input type="checkbox"/>	Adakveo	Crizanlizumab	Sickle cell disease	Mar 2020	Patients two years of age and older with a sickle cell...	Hematologic	Intravenous	Novartis	No	N/A	New England CEPAC	Evidence
<input type="checkbox"/>	Adstiladrin	Nadofaragene firadenovec	BCG-unresponsive Non-Muscle Invasive Bladder	Dec 2020	Adults with BCG-unresponsive, high risk non-muscle...	Oncologic	Intravesical	Ferring	No	Breakthrough	Midwest CEPAC	Final
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ICER Analytics: Interactive Modeler

- Modifiable rendering of the actual ICER analytic models used to produce evidence reports
- Users can:
 - Analyze key aspects of individual economic models
 - Vary parameter inputs to the model based on specific patient sub-populations or unique cost structures
 - Publish alternative pricing benchmarks based on updated assumptions and new evidence



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