### Consultation questions

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<th>1. Does proportional QALY shortfall appropriately reflect burden of illness?</th>
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<td>Pfizer agrees that severity of disease or burden of illness (BoI) is an important consideration that is not adequately captured under the current HTA framework.</td>
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In particular, we welcome that the addition of this modifier recognises that the value of a QALY to society may vary depending on the severity or the burden associated with a specific disease.

In principle, Pfizer agrees that the proportional shortfall of a QALY is a reasonable proxy for BoI. However, Pfizer has some concerns relating to the application of a BoI modifier, and seeks clarifications as outlined below:

- We believe that BoI should only be applied positively to recognise high burden of disease. More specifically, diseases that are associated with low BoI should not be assessed against a lower QALY threshold (i.e. expected to have an ICER of less than £20K - £30K to be recommended). **Pfizer seeks confirmation that the BoI modifier will be applied positively in an appraisal setting.**

- Pfizer believes that it is likely that the BoI associated with a given treatment will vary substantially according to, for example, the sub-population or line of treatment. As such, a generic BoI per ICD code will be insufficient to capture the true BoI associated with a treatment. **Pfizer seeks confirmation that the BoI corresponding more closely to the specific patient population being assessed will be considered in preference to a generic QALY shortfall per ICD10 code generated by NICE or other contracted organisations. Manufacturers should be permitted to submit evidence in this regard, potentially based on the economic model, and this evidence should be considered by the Appraisal Committee.**

- Pfizer disagrees with the proposal that BoI should fully replace the end-of-life (EoL) criteria. Currently, treatments that fulfil end of life criteria are assessed against a QALY threshold as high as £50K. Given the already low rate of recommendations for EoL cancer medicines, despite the additional flexibility that these criteria offer for life extending EoL treatments, Pfizer is concerned that full replacement of the EoL modifier with BoI may have unintended and detrimental consequences on NICE recommendations of oncology treatments. **Pfizer requests that the consideration of EoL criteria is retained in addition to the incorporation of the new BoI modifier and to ensure that EoL treatments are not penalised in**
the new system.

BoI is expected to capture unmet clinical need as the lack of alternative treatments is likely to lead to large health loss (total QALYs lost with best practice). However, due to the known QALY limitations, it is expected that the QALY proportional shortfall will be unable to capture certain elements of burden of disease. Pfizer believes that this burden of disease should be captured through other factors (for example, impact on non-health related quality of life, the innovative nature of the technology etc).

Pfizer notes that the use of absolute and proportional shortfall will only raise the applicable approval threshold above £20,000-£30,000 per QALY if they are greater than the values of such shortfalls for displaced treatments. It is not clearly stated in the current consultation which values will be adopted by NICE. Until this is clarified it is not possible to confirm whether the approaches proposed for the use of absolute and proportional shortfall are acceptable.

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<th>2 Does absolute QALY shortfall provide a reasonable proxy for wider societal impact of a condition?</th>
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Pfizer agrees with the principle of incorporating the wider societal impact as an additional consideration in the current HTA methodology. We believe that diseases are imposing a substantial impact on society in terms of additional costs and burden and therefore it is fundamental to assess and reward the value of the associated wider societal benefits from medicines that treat these conditions.

However, Pfizer has some concerns relating to the use of QALY shortfall as proxy for WSI and its application as a QALY modifier, which are outlined below:

- Pfizer is concerned that the absolute shortfall in QALYs is too restrictive as a proxy for WSI as it does not capture the wider burden and resources consumed due to ill health.

- Pfizer requests that manufacturers should be permitted to include, in HTA submissions, additional evidence on wider societal costs and benefits and that this is taken into account in decision making by Appraisal Committees. This additional evidence submitted could be captured in the cost per QALY calculation when appropriate or considered alongside the default WSI approach.

- Similarly to the BoI and other modifiers, the WSI modifier should only be applied positively to recognise the additional benefits of medicines treating conditions with high societal impact. More specifically, it would be inappropriate for diseases that are associated with low WSI to be assessed against a lower QALY threshold (i.e. expected to have an ICER of less than £20K - £30K to be recommended). **Pfizer seeks confirmation that the WSI modifier will be applied positively in an appraisal setting.**

Finally, the consideration of wider societal benefits, including non-health wider societal cost savings, reduction of productivity costs, reduction of impact on carers etc should be included within the reference case of NICE HTA methodology for medicines.

Pfizer notes that the use of absolute and proportional shortfall will only raise the applicable approval threshold above £20,000-£30,000 per QALY if they are greater than the values of such shortfalls for displaced treatments. It is not clearly stated in the current consultation which values will be adopted by NICE. Until this is clarified it is not possible to confirm whether the
| 3 Does a maximum weight of 2.5 in circumstances when all modifiers apply function as a reasonable maximum? | Pfizer does not support the use of a fixed maximum weight of 2.5 which cannot be exceeded in appropriate circumstances at the discretion of Appraisal Committees.  

The maximum weight of 2.5 is arbitrary and there is no theoretical or empirical evidence supporting it. In addition, it is inconsistent with examples of treatments that were recommended with ICERS over £50K or above £30K without the EoL criteria.  

It is evident that NICE is recommending fewer and fewer new cancer medicines even with the availability of the existing EoL criteria which allows the use of a maximum £50K threshold. Therefore, it is almost certain that the application of a maximum weight of 2.5 will limit the ability to adequately assess and reward the new additional value elements. Ultimately this will not improve access to new and innovative treatments, requiring the ongoing need for alternative funding streams such as the Cancer Drugs Fund.  

NICE Appraisal Committees need to have the flexibility to make appropriate and pragmatic recommendations on a case by case basis capturing all the value modifiers. The flexibility to permit them to go beyond a fixed limit where they consider it appropriate is fundamental in this new process. Also, a rigid fixed upper limit, which cannot be exceeded, should not now be required given the expected impact of the current PPRS agreement.  

Finally, it is important to define how the “innovative nature of the technology” factor can be used to greater effect within the new VBA framework to achieve the result that more new medicines can be approved by NICE for use on the NHS. |
|---|---|
| 4 Should we allocate specific ‘weights’ to each of the ‘modifiers’ so that they add up to a maximum of 2.5? If so, do you have a view on what weight should be added in each case | Pfizer disagrees with the allocation of specific ‘weights’ to each of the ‘modifiers’ and the implementation of a maximum QALY weight of 2.5.  

All six modifiers including the new BoI and WSI are different and important value concepts and should be considered individually rather cumulatively and therefore they should not ‘compete’ for the same maximum weighting.  

Pfizer believes that Appraisal Committees should adopt a flexible and pragmatic approach and any maximum weighting should be achievable for any modifier. In addition, when calculating the overall threshold uplift, no upper limit should be applied in such a way that it cannot be exceeded at the discretion of Appraisal Committees where appropriate.  

Furthermore, NICE are proposing to replace the current EoL modifier with BoI. Given that previously EoL alone was sufficient to justify a £50K per QALY threshold, it is inappropriate to require BoI in combination with other modifiers to add up to £50K. Furthermore, until it can be shown that BoI is an appropriate ‘replacement’ for EoL, Pfizer requests that the EoL modifier is retained in addition to new BoI modifier to ensure that the new process does not disadvantage EoL treatments compared to previously. This would also ensure a visible contrast to previous decisions and a historical context for future decisions. |
| 5 Will the approach outlined in this document achieve the proposed objectives of improving consistency, predictability | Pfizer is concerned that the approach outlined in this consultation will not lead to improved consistency, predictability and transparency in the judgements made by independent Appraisal Committees.  

Ultimately the approach should allow for an increase in positive NICE recommendations to promote innovation and access to new... |
and transparency in the judgements made by our independent Appraisal Committees when they consider the clinical and cost effectiveness of health technologies?

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<th>treatments for patients.</th>
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<td>In particular for new technologies with an ICER above £20,000 but no greater than £50,000, there is an inherent lack of clarity on how each of the modifiers should be considered by the Appraisal Committee in reaching a recommendation on clinical and cost effectiveness.</td>
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<td>With the addition of two new, significant modifiers of BoI and WSI and incorporation of End of Life Criteria within BoI, there is little if any information on how independent Appraisal Committees shall ensure improved consistency, predictability and transparency in their judgements on clinical and cost effectiveness.</td>
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<td>Given the important impact of a recommendation on patient care and access to new technologies, it is imperative that a clear framework is provided to Appraisal Committees to appropriately guide and allow for consistency with a high degree of predictability in the way recommendations are made. Importantly, any such framework should permit a degree of pragmatism, ensuring clinical and patient opinion are sufficiently and transparently considered with any specific inconsistencies being clearly addressed. It should be clearly conveyed how each specific modifier has been considered and addressed in reaching a recommendation.</td>
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<td>An absence of clarity in this regard raises important questions as to the credibility and robustness of the process outlined in the consultation. Further scrutiny is warranted into how consistency, transparency and predictability can be sufficiently achieved to ensure the guidance is fit for purpose and leads to recommendations that engender trust in the way NICE works.</td>
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<td>Finally, given our request for further clarity on these matters and their critical importance to the significant proposed modifications to the way recommendations are made, we call for further consultation to review any proposed changes in response to this consultation. This is to ensure that the objective of improved consistency, predictability and transparency in the judgements made by independent Appraisal Committees can be sufficiently achieved to engender trust in the process.</td>
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6 Are there any risks which might arise as a result of adopting the value-based assessment approach as outlined above? If so, how might we try to reduce them?

| Pfizer believes that the key risk with the adoption of the value based assessment approach is that it will not improve the current poor access to medicines in the UK. This will have negative consequences for patients, the NHS and the life sciences industry in the UK. Fundamentally, the approach has been developed without the explicit objective to improve access to medicines. |
|---|---|
| **NICE should be requesting from Government, a stronger mandate that allows them to say ‘yes’ more often.** |
| Pfizer believes there to be a significant risk that the proposed VBA approach will not address NICE’s approach to uncertainty, which we believe will therefore continue to restrict the Committee’s ability to recognise the true value of medicines. |
| Regulatory bodies, such as the MHRA and EMA, are increasingly able to recognise the potential benefits of accepting more uncertainty in the evidence-base in order to secure earlier access to important and innovative medicines. Meanwhile, NICE Appraisal Committees often take a highly conservative approach to handling uncertainty much of which is often unavoidable. The introduction of new modifiers is likely to add further uncertainty within an appraisal. It remains unclear under the proposed VBA how the value of medicines, subject to uncertainty, can be considered pragmatically and fully. Pfizer suggests that if there is no change to handling uncertainty under VBA, NICE risk missing out on opportunities to improve the health of UK patients, particularly |
Pfizer requests clarity on how uncertainty and the use of the relevant modifier will be handled under VBA to ensure that new medicines are not inappropriately under-valued due to unavoidable uncertainty.

Given the importance placed by patients on access to medicines, it is important that NICE set out how it intends to evaluate the success of the VBA approach. Pfizer is calling for a yearly review of the impact of the VBA methodology on the outcomes of NICE appraisals led by an independent third party with involvement from patients, clinicians and manufacturers. Furthermore, we would expect the outcomes of this review to be made publicly available and to be implemented within six months.

Pfizer requests details on how the introduction of VBA will be monitored; how the success or not of VBA will be measured; the mechanisms that will be put in place to ensure that any negative consequences of VBA are identified and rectified promptly and how Industry, the NHS and patients will be involved in these steps.

Ultimately, the risk of VBA failing to address the fundamental concerns around access to innovative medicines in England will be borne by patients, who may continue to be denied access to innovative medicines.

7 Are there any other comments you wish to make?

Please enter these comments in the table below

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| General | | Pfizer are grateful for the opportunity to respond to this consultation on the addendum to the Methods of Technology Appraisal for the proposed NICE adoption of value based assessment (VBA).

Pfizer supports the intent of the Department of Health’s terms of reference to capture the wider aspects of value of medicines. We believe that incorporation of these wider aspects of value that were not previously captured by NICE, should fundamentally result in improved rates of NICE approval so that more patients can access and benefit from new treatments.

Under the current NICE system, patients cannot sufficiently access treatments that can improve and extend their lives. Since 2010, approximately one third of new medicines each year have not been recommended by NICE. Certain patient populations are disproportionately disadvantaged by NICE recommendations; for example, patients who are diagnosed with cancer or a rare disease. |
More specifically, for new cancer treatments, 42%, 57% and 100% of medicines appraised in 2011, 2012 and 2013 respectively were not recommended by NICE. In order to ensure that people with cancer could access medicines to treat their condition, the Coalition Government established the Cancer Drugs Fund in 2010, to pay for cancer treatments that have, amongst other things, been rejected by NICE. This demonstrates that there is a higher willingness to pay and value placed on treatments that NICE has rejected using its current methodology, in response to clinician and patient demand. For rarer diseases, a new alternative approach is being applied for highly specialised technologies; however, the process is limited to only 2-3 medicines per year for very rare, specialised diseases.

The limitations associated with the cost per QALY approach are well recognised and documented. Pfizer is concerned that the current NICE proposals on VBA will become a missed opportunity to improve access to new and innovative medicines and fail to appropriately address the existing underlying problems. The current proposals for VBA are too restrictive and inherently linked with the limitations of the current QALY approach. There is a need to broaden the assessment framework away from NICE’s principal decision-making criteria, the cost per QALY, and enable a qualitative assessment of value to have a meaningful impact on decisions.

The new Pharmaceutical Price Regulation Scheme (PPRS) provides a unique opportunity to free the NHS from the cost constraints that have historically led to low and slow access and poor usage of innovative medicines for patients. Under the new PPRS agreement, Industry has agreed to underwrite any growth in the medicines bill above an agreed level. This presents an opportunity for the UK to improve substantially the access to and use of new and innovative medicines to benefit patients, without any additional burden to NHS finances. There is a fundamental need to reform NICE’s HTA methodology and decision-making frameworks in order to take into account and reward a broader definition of the value of medicines outside the traditional cost per QALY approach. Crucially, the PPRS agreement could enable a new approach, whereby the opportunity costs of ‘over-investing’ in medicines or displacing other treatments need no longer be a guiding principle and as a result, NICE would be less reliant on a rigid cost-effectiveness threshold which would enable greater flexibility to reflect the true value of medicines.

With clear direction from the Government, NICE can and should say ‘yes’ more often to promote innovation so that the UK becomes a leader, amongst comparable countries, in the adoption of new medicines. VBA could be the mechanism to achieve this goal with a new mandate to repurpose the approach adopted by NICE. This would be possible whilst still recognising the need for decisions on individual medicines to be made independently without influence from Government. A precedent for such a move has already been set in Scotland. Last year, the Scottish Government instructed the SMC to improve access to new medicines for patients at the end of life, or with rare conditions. Significantly, the SMC and Scottish Government acknowledged the need to move away from a rigid focus on QALY weightings and thresholds to allow more medicines to be recommended. This has been achieved by giving more weight to the voice of patients and clinicians in the decision making process.

In conclusion, Pfizer seeks clarification on how the practical implementation of the additional and current value elements proposed under VBA will ensure that the true value of medicines is better recognised and overcomes the limitations of the existing QALY based approach. Pfizer requests that an appropriate decision framework for VBA, along with a mandate from Government to increase access to new medicines, is implemented to support NICE and Appraisal Committees and ensure that the new approach has a positive impact on patients’ lives. Further consultation on such a framework is required to adequately capture all stakeholders’ perspectives.

Please email this form to: 2014VBAmethods@nice.org.uk

Closing date: Friday 20 June 2014 5pm

PLEASE NOTE: NICE reserves the right to summarise and edit comments received during consultations, or not to publish them at all, where in the reasonable opinion of NICE, the comments are voluminous, publication would be unlawful or publication would be otherwise inappropriate.