A primary concern regarding ICER is its use of a QALY (kwah-lee) standard in its value assessments. QALY stands for “Quality-Adjusted Life Year” and is an older economic tool used to quantify the net value of a treatment by determining how its cost corresponds to the potential benefit. QALYs are used to assess whether the cost of a treatment corresponds to the potential benefits to the patient. It creates a formula that includes quality of life and quantity of life.

The assumptions QALYs make about “quality of life” are subjective, and discriminate against patients based on age, disability, and chronic conditions.

Let’s take Jane Doe. She’s 55 years old, she’s developed cancer. Her treatment is probably going to cost $125,000 a year. But QALYs say that she’s only worth $100,000. And that she shouldn’t be getting the treatment at all, it’s just denied. That’s wrong, totally wrong.”

~ Tony Coehlo, Patient Rights Advocate & Former Congressman

EMPLOYERS CAN avoid value assessments based on the Quality-Adjusted Life Year (QALY), such as those conducted by the Institute for Clinical and Economic Research (ICER). Don’t use these discriminatory metrics when designing a formulary or assigning drugs to tiers.

Scan the QR code to view a short video about QALY-based value assessments. Also available at BetterRxBenefits.org

*Principles for Value Assessment.* Value Our Health, 24 June 2019