



VALUE OUR HEALTH

States and QALY-Based Assessments: What is happening Where *As of February 22, 2021*

Washington

Washington State bill [SB 5020](#) was introduced for the 2021 session. The legislation states, "In order to determine whether a price increase for a prescription drug is unsupported by new clinical evidence, the state must utilize and rely upon the analyses of prescription drugs prepared annually by the institute for clinical and economic review and published in its annual unsupported price increase report." Treatments identified by ICER would then be subject to the penalties outlined in the legislation despite ICER's reliance on quality-adjusted life years (QALYs) which is known to be a discriminatory metric.

North Dakota

North Dakota is currently considering a piece of legislation, [SB 2170](#), which would import QALYs from Canada. The bill directly references the prices paid for drugs in five Canadian provinces. Before applying for coverage by the provinces, all drugs must complete a Common Drug Review by CADTH, which uses QALYs. The result of this is that in Canada is that many individuals living with disabilities are unable to receive the treatments and care they need. SB 2170 narrowly passed by vote in the Senate on February 19, 2021. It has not yet been heard in the House.

Massachusetts

Thank you to advocacy from the patient and disability communities, Massachusetts has introduced a QALY ban bill in both the House, HD 2949, and Senate, SD 1925. Last year Massachusetts formalized a regulation that would allow the Health Policy Commission (HPC) to determine an appropriate price for a drug. To create their framework for determining value, HPC has signed a contract with two entities ICER and PORTAL, both of which galvanize QALY-based cost-effectiveness assessments. Passing a QALY ban would put patient-centric guardrails around this process.

Oklahoma

Last year, advocates applauded the State of Oklahoma for being the first state to pass legislation explicitly barring the use of quality-adjusted life years (QALYs) or any other metric that would devalue lives lived with a disability, whether from within its agency or a third party. Oklahoma's Health and Human Services Committee passed separate legislation that would import QALYs from Canada, where the Patented Medicine Prices Review Board relies on a cost-utility analysis model in which health outcomes are expressed as QALYs. To move forward, it will next be heard by the [Appropriations Committee](#).



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New Mexico

The legislature in the State of New Mexico has introduced HB 154 which would create a prescription drug affordability board. The proposed law would authorize the board to review the cost of prescription drugs and vote on whether to impose an upper payment limit on purchases and payer reimbursements of prescription drug products in the state, similar to the State of New York. Similar to New York, the bill explicitly authorizes the board to enter into contracts with qualified, independent third parties (such as the Institute for Clinical and Economic Review) for services necessary to carry out the powers and duties of the board. New York explicitly references ICER which is known to refer to the quality-adjusted life year (QALY) as the “gold standard” for value assessment.

Pennsylvania

Pennsylvania is considering the establishment of a Health Policy Committee, modeled after Massachusetts. The Pennsylvania State Treasurer is [proposing](#) to create a Drug Affordability Review Board and to institute “value-based purchasing” of pharmaceuticals. Interestingly, the Treasurer specifically references VBP arrangements in Oklahoma but does not mention that the Oklahoma state legislature subsequently [barred](#) the use of QALYs. It will be informative to see if Pennsylvania similarly seeks to bar QALYs as part of their considerations.

Hawaii

Hawaii has introduced two bills that would rely on the QALY or ICER’s assessments, both are based on template legislation from NASHP. [HB 30](#) is based on the Unsupported Price Increase model; and [HB 18](#) is based on referencing Canadian policies based on QALYs.

Rhode Island

Rhode Island is considering [HB 5372](#), which would establish a prescription drug review board. In states considering these types of boards and commissions, an explicit [QALY ban](#) would provide protections for patients and people with disabilities.

Colorado:

In December, 2019, the Colorado Department of Health Care Policy and Financing released a report entitled “[Reducing Prescription Drug Costs in Colorado](#).” The report proposes to reduce prescription drug costs, including by “monitoring new ways to price prescription drugs, including QALY pricing methodologies” from the Institute for Clinical and Economic Review (ICER).

New York:

[Advocates opposed](#) a provision in New York’s 2019 budget codifying authority to use QALY-based value assessments by third parties such as ICER in determining the “value” of treatments in determining reimbursement and coverage policies.