

September 11, 2018

Larry J. Merlo
President and Chief Executive Officer
CVS Health
One CVS Drive
Woonsocket, Rhode Island 02895

Dear Mr. Merlo:

We represent patients, people with disabilities, physicians, and caregivers, and we are writing to urge you to abandon your recently-announced decision to consider denying coverage of drugs that fail to meet a cost-effectiveness threshold. In particular, we are deeply concerned that CVS Caremark will offer clients the option of formularies that rely on assessments from the Institute for Clinical and Economic Review (ICER) to deny coverage of drugs if they do not meet a subjective “quality-adjusted-life-year” (QALY)- based threshold.

We all support access to high-quality, affordable care, but CVS’ reliance on a cost-effectiveness threshold is profoundly misguided.

Our concern reflects deep flaws in ICER’s cost-effectiveness analysis. In particular, policy decisions based on cost-effectiveness ignore important differences among patients and instead rely on a single, one-size-fits-all assessment. Further, cost-effectiveness analysis discriminates against the chronically ill, the elderly and people with disabilities, using algorithms that calculate their lives as “worth less” than people who are younger or non-disabled.

From a clinical care perspective, QALY calculations ignore important differences in individual patient’s needs and preferences. From an ethical perspective, valuing individuals in “perfect health” more highly than those in “less than perfect” states of health is deeply troubling.

The United States has considered and rejected such measures as unacceptable discrimination against patients and people with disabilities. Ten years ago, Congress passed legislation prohibiting Medicare from misusing ICER-style cost/QALY thresholds, thereby moving beyond this outmoded, paternalistic approach to health care. We urge you to do the same.

Therefore, we request that you reconsider this decision. CVS Health’s stated purpose is “helping people on their path to better health.” Reliance on cost-effectiveness thresholds like ICER’s falls short of this purpose, replacing deeply personal, individual health care decisions with an opaque algorithm based on average study results that do not address the needs of different patients and special populations.

We ask you to stay true to your purpose and stop relying on cost-effectiveness thresholds. We stand ready to work with you on real solutions that start by asking patients what they value, rather than telling them what they're worth.

Sincerely,