

Merck and Co. Shareholder Meeting Question
David Almasi, Vice President
National Center for Public Policy Research, May 28, 2019

I'm David Almasi of the National Center for Public Policy Research.

I want to ask you about Merck's membershipⁱ in and fundingⁱⁱ of a controversial group that wants to keep our company from making a profit while also putting patients at risk.

According to the website of the Institute for Clinical and Economic Review (ICER), Merck currently helps pay for the annual ICER Policy Summit, webinars and other programming.

But a group of concerned oncologists have claimed that ICER recommendations about drug pricing are based on research that is unscientific, biased and not comprehensive.ⁱⁱⁱ Those oncologists also express concern that ICER has relied on "largely inaccurate" assumptions to demand lower prices for certain drugs.

Additionally, Amgen – not a member or funder of ICER – charges ICER is too focused on drug prices as the "main determinant of health system value."^{iv}

As these concerns were being aired, ICER was calling for Merck's Keytruda anti-cancer drug to be discounted by at least 20% – possibly up to 60%.^v

ICER was founded by Dr. Steven Pearson. He came to our shores after working with the National Institute for Health and Care Excellence in the United Kingdom, commonly known as NICE. NICE's not-so-nice recommendations are largely why hundreds of thousands of Britons are on waiting lists for basic diagnostic tests, and thousands of operations are regularly cancelled. *The Guardian* recently reported that people "who are losing their sight are being forced to wait for months before having eye cataracts removed because" of "imposed restrictions on patients' access to cataract surgery in more than half of England" thanks to NICE.^{vi}

NICE's disastrous cost-effectiveness policies are what Dr. Pearson and ICER could now replicate here. Former U.S. Rep. Tony Coelho, a primary author and sponsor of the Americans with Disabilities Act, explained the real-world unfairness of this scheme. He wrote: "This type of cost-effectiveness analysis discriminates against people with disabilities and other vulnerable groups like the elderly because it assigns higher value to people in 'perfect health' than people in less-than-perfect health."^{vii}

ICER is working with CVS on cost-effectiveness strategies. CVS CEO Larry Merlo told my colleague it's about setting suitable price points for drugs.^{viii} That means more of what happened with Keytruda at the expense of patient outcomes. When I brought this up with Johnson & Johnson CEO Alex Gorsky, he appeared disturbed about ICER's agenda.^{ix} I'm hoping he will re-evaluate his company's relationship with ICER.

So now I'll ask the same of you. Can you explain how funding ICER benefits Merck?

*Contact: Judy Kent at (703) 759-0269 or cell (703) 477-7476 or JKent@nationalcenter.org and
David W. Almasi at (703) 568-4727 or DAlmasi@nationalcenter.org
National Center for Public Policy Research
20 F Street, NW, Suite 700, Washington, DC 20001
www.nationalcenter.org • @NationalCenter • @FreeEntProject*

ⁱ <https://icer-review.org/about/membership/>

ⁱⁱ <https://icer-review.org/about/support/>

ⁱⁱⁱ <https://www.fiercepharma.com/pharma/oncologists-blast-icer-s-lung-cancer-cost-effectiveness-review>

^{iv} <https://www.fiercepharma.com/pharma/oncologists-blast-icer-s-lung-cancer-cost-effectiveness-review>

^v <https://www.fiercepharma.com/pharma/icer-calls-for-deep-discounts-for-opdivo-keytruda-tarceva-others-nscl>

^{vi} <https://www.theguardian.com/politics/2019/mar/20/nhs-england-restricts-patients-access-to-cataract-removal>

^{vii} https://www.realclearhealth.com/articles/2018/08/30/patients_harmed_by_cost-effectiveness_measures_110821.html

^{viii} <https://nationalcenter.org/ncppr/2019/05/16/cvs-health-officials-questioned-over-potential-health-care-rationing/>

^{ix} <https://nationalcenter.org/ncppr/2019/04/25/johnson-johnson-urged-to-break-ties-with-pro-rationing-health-care-group/>