

01 Nov 2016 | Analysis

DrugAbacus Gains Money, Sophistication

by **Melanie Senior**

In February 2016, the non-profit Laura and John Arnold Foundation donated \$4.7 million to Memorial Sloan Kettering Cancer Center's Evidence Driven Drug Pricing Project, home of the *DrugAbacus*.

In February 2016, the non-profit Laura and John Arnold Foundation donated \$7.2 million to fund value-based pricing solutions. Of the total donated, \$4.7 million went to [Memorial Sloan Kettering Cancer Center](#)'s Evidence Driven Drug Pricing Project, home of the *DrugAbacus*, conceived and designed by Peter Bach, MD (the bulk of the remaining Arnold Foundation money went to a similar project at the Center for Evidence-based Policy at [Oregon Health & Science University](#)).

DrugAbacus' technology, developed by Westport, CT-based Real Endpoints (an Informa partner) and based on its *RxScorecard* value-assessment tool, allows users to determine and compare value-based prices for more than 50 cancer drugs based on their own weightings of eight key value elements – including the “price” of a year of life and the relative importance of a drug's novelty and cost of development. It also includes two further dimensions of drug pricing: pricing by indication, and by geography or market. Users can compare the actual and Abacus price of four widely used drugs – *Abraxane*, *Avastin*, *Nexavar* and *Tarceva* – across multiple indications for which they're approved. They can also compare actual and Abacus prices across different countries and markets. The added functionality is designed to prompt further reflection of what variables are, and should be, reflected in drug prices.

Most patient advocacy groups and pharmaceutical companies haven't embraced DrugAbacus any more than they've accepted ICER's assessments. For example, the number of “price components” DrugAbacus uses is limited and unvariable. But advocacy groups, like some drug companies, do like DrugAbacus' ability to differentially weight the various “price components” – and thus at least avoid the problem that the ASCO, NCCN and ICER frameworks all end up providing: a single, undifferentiated answer to the question of value.