



## ICER Signs Multi-Year Deal to Use New Cloud-Based Analytic Platform, hēRo3

*New Application Significantly Increases Transparency,  
Reduces Errors, Speeds Drug Evaluations*

**Boston, Mass., February 19, 2020** -- Policy Analysis Inc. (PAI), a Boston-based health-economics consultancy, today announced that it has signed a multi-year deal with the Institute for Clinical and Economic Review (ICER) that will allow the drug-pricing watchdog to expand its use of PAI's new cloud-based economic modeling platform, hēRo3 ([heroapps.io](https://heroapps.io)), in its evidence reviews for new prescription drugs, medical tests, and other healthcare interventions. ICER has been using hēRo3 for the last two years, and has employed the new modeling platform in two such reviews to date.

hēRo3 is a Web-based tool for building economic models for drug evaluations in a fraction of the time needed with current approaches. Also, by using an open-source modeling package to perform its calculations with tested code, hēRo3 allows models to be built with fewer errors.

ICER, which is best known as the nation's independent watchdog on drug pricing, began testing hēRo3 in January 2018. In late 2018, declaring that its pilot study of hēRo3 had been successful, ICER stated that it planned to use the new modeling platform to meet its own internal modeling needs, and to validate models developed by its external partners. Dr. Richard Chapman, ICER's Director of Health Economics, also stated that "(i)n addition to saving us substantial time that we otherwise would spend building models in Excel, we think that hēRo3 will help us advance our ongoing initiative to further modeling transparency".

"Since its launch in mid-2018, hēRo3 has proven to be an important tool for ICER, as it streamlines analyses that are needed to assess whether new products provide reasonable value for money," said Gerry Oster, Ph.D., Managing Partner of PAI, which developed the new cloud-based modeling platform. "By reducing time needed to evaluate the cost-effectiveness of new drugs, hēRo3 also has been an indispensable tool for drug manufacturers faced with decisions about whether to invest large sums of money to develop new drugs while having limited knowledge about whether insurers and health plans will want to pay for them. hēRo3 takes a lot of the guesswork out of the process for them."

In addition to ICER, hēRo3 is now being used by more than a dozen large biopharma companies, as well as colleges and universities throughout the US and other countries.



## **About hēRo3**

hēRo3 is a new, secure, web-based, modeling platform that was the product of an 18-month development initiative between PAI and Amgen, Merck, and Novartis; the latter 3 companies provided initial seed money to begin development of this new application. hēRo3 allows users to build, run, and share economic models of new drugs online, using their web browsers. All calculations in hēRo3 are performed using an open-source modeling package in the programming language, R, that runs on a cloud-based platform. By automating many tasks that are usually programmed from scratch, hēRo3 significantly reduces the amount of time it takes to develop cost-effectiveness models for new drugs. These models are often used by manufacturers to provide formal evidence to decision makers about the value of new prescription drugs, medical tests, and other interventions; they also are used by insurers and healthcare authorities in their deliberations about whether to cover new drugs, and how much to pay manufacturers for them.

## **About the Institute for Clinical and Economic Review (ICER)**

The Institute for Clinical and Economic Review (ICER) is an independent and non-partisan research organization that objectively evaluates the clinical and economic value of prescription drugs, medical tests, and other health care and health care delivery innovations. Founded in 2006, ICER conducts rigorous analyses of all clinical data and publicly convenes key stakeholders—including patients, doctors, life science companies, private insurers, and the government—to translate this evidence into policy decisions that lead to a more effective, efficient, and just health care system.

## **About Policy Analysis Inc. (PAI)**

Policy Analysis Inc. (PAI) is a 47-year old, independent, health-economics consultancy, located in Brookline, MA, that is an industry leader in the fields of pharmacoeconomics, outcomes research, quality-of-life assessment, pharmacoepidemiology, and health technology assessment.