

# Whittington, Garrison, and Campbell: Challenges With Judging and Interpreting a Drug's Launch Price (AJMC Commentary)

*A new publication suggests that decision makers take both a product lifetime view and a broader societal perspective when judging and rewarding value creation.*

WASHINGTON, DC, UNITED STATES, March 24, 2025 /EINPresswire.com/ -- Drug prices at launch continue to be debated in the lay press and other forums. But is the derived value-based price at launch from a conventional cost-effectiveness analysis a useful tool in evaluating a drug's value over the product's lifetime?

A [new publication](#) in the American Journal of Managed Care from Melanie D. Whittington, PhD (Leerink Center for Pharmacoeconomics), Louis P. Garrison, Jr., PhD (University of Washington), and Jonathan D. Campbell, PhD (National

Pharmaceutical Council), finds four reasons why comparing a launch price with a value-based price from a conventional cost-effectiveness analysis requires further examination before jumping to a judgment about its policy relevance:

1. What price? The launch price rarely equates to the price actually paid.
2. Quantifying value is complex: Cost-effectiveness analyses often do not measure everything that matters.
3. Limitations of methods: Cost-effectiveness analyses rarely account for future price changes.
4. Threshold uncertainty: Commonly used cost-effectiveness thresholds have great uncertainty, and reliance on a single or a narrow threshold is not evidence-based.



Challenges With Judging and Interpreting a Drug's Launch Price

“These four things, among others, complicate the interpretation of a drug’s value based on its launch price,” write the authors. “...A focus on a drug’s launch price may be misplaced if the goal is to have a truly dynamically efficient system that produces the optimal amount of innovation.”

“This commentary is an important reminder that cost-effectiveness analyses include both science and judgment,” said Dr. Campbell. “That’s why we ought to view them as a tool, not a rule.”

Read the full piece: [Challenges With Judging and Interpreting a Drug’s Launch Price in AJMC](#).

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