



NATIONAL HEALTH COUNCIL

## **Interpreting NHC Fair-Market Value (FMV) Calculator Results**

The NHC Fair-Market Value (FMV) Calculator is a tool to assist your organization in identifying appropriate compensation for a patient, caregiver, or advocacy organization to participate in a patient engagement activity. The compensation rates are based on a wide variety of data inputs, as described in our [“FMV Hourly Rate Methodology”](#) document. Since patient engagement is an evolving field and the Calculator is intended to accommodate engagement activities for a broad range of stakeholders, needs, geographic regions, and other factors; the output is presented as a range – not one exact number.

This document describes some of the factors you may wish to consider as you are determining the specific FMV rate for a specific engagement activity from the offered range.

### **Considerations to Interpreting FMV Compensation Results**

Issues you will want to consider in making choices *within an FMV range* include:

- Risk of liability (e.g., legal or financial) or stress from participating in engagement (e.g., member of a Data and Safety Monitoring Board)
- Wages lost (e.g., time off of work for hourly workers who might not otherwise participate and might impact the representative recruitment of a target population) and should be considered on a case by case basis
- Special caregiving accommodations needed for a dependent (e.g., childcare, eldercare, or other)
- Size of patient organization (e.g., very large organizations may have more staff with more staffing layers at a wide range of salary levels)
- Urgency (e.g., a very short time to prepare, create something, or complete a deadline for an activity)
- Geographic location (e.g., cost of living is much higher/lower)

In alignment with our “Principles for Compensating for Patient Engagement Activities”, compensation should not differ largely for participants with the same expertise performing the same activity in the same location.

### **Considerations for FMV Travel Reimbursement**

The individual being engaged may have additional requirements that make travel (and thus travel reimbursement) more complex, for example:

- A care partner or family member must accompany them for health reasons
- A service animal must accompany them
- Additional travel time is needed due to health accommodations
- Accompanying medical equipment is required
- Special dietary requirements must be met



## NATIONAL HEALTH COUNCIL

### **Disclaimer:**

The purpose of the Fair Market Value (FMV) Calculator is to provide a guide for patient advocates and pharmaceutical companies that enter into arrangements where the pharmaceutical company is paying a patient or patient advocacy organization for professional services and expenses incurred in connection with the arrangement. The calculator was created by the National Health Council with funding from Allergan, Biogen, Boehringer Ingelheim, Bristol Myers Squibb (sponsorship under Celgene), Grifols, Johnson & Johnson, Merck, Novartis, Pfizer, PFMD, Sangamo, Servier, and UCB. The calculator is supplied as a convenience only and use of the calculator is not a substitute for conducting your own FMV analysis.

The definition of FMV used in the analysis is based on the definition from the U.S. Physician Self-Referral (“Stark”) Regulation. This definition was used as it considers the common elements of FMV in arm’s length transactions, as well as situations where one party may be in a position to influence the decision on the purchase of the other party’s products.

The National Health Council acknowledges that professional services fees are subject to change based on a variety of factors, and that market rates for individuals may fluctuate depending upon intrinsic factors such as an individual’s experience and expertise as well as external factors such as economic conditions and inflation. This calculator was developed in June 2020, and users should consider whether rates may reasonably have been expected to change since that time based on the amount of time that has passed and market conditions, or other factors. Further, this calculator is not intended for use with other types of consultants or contractors, such as scientific consultants or physicians.

The National Health Council provides this calculator “AS IS, WHERE IS” AND WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR PURPOSE, OR NON-INFRINGEMENT. The National Health Council makes no warranty that the calculator will meet your requirements or be error-free. By using this calculator, you agree that you rely on this calculator at your own risk and the National Health Council, Inc., its partners, employees, agents, and affiliates shall have no liability to you for any claim arising from your use of this calculator.