

IP3: Fake or Novel Elements of Value?
VALUE & DEMOCRACY

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Value Flower?

- Always included in value assessment
- Sometimes included in value assessment
- Rarely included in value assessment

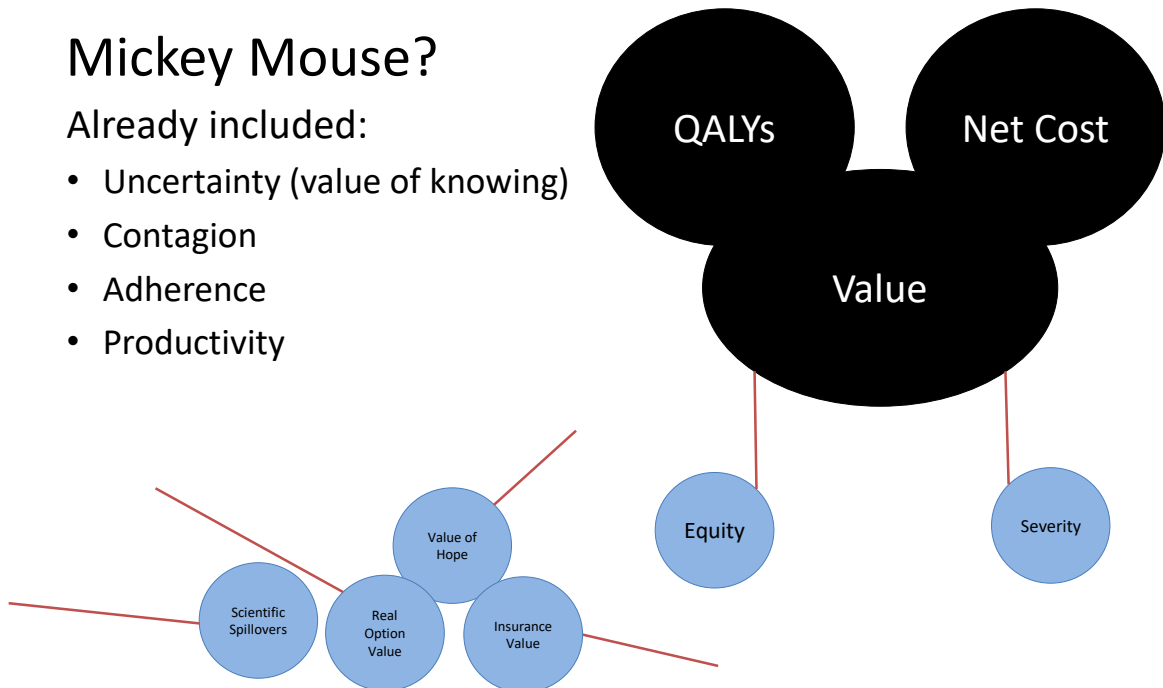


Source: Lakdawalla et al. *Value in Health* (2018) 131-139

Mickey Mouse?

Already included:

- Uncertainty (value of knowing)
- Contagion
- Adherence
- Productivity

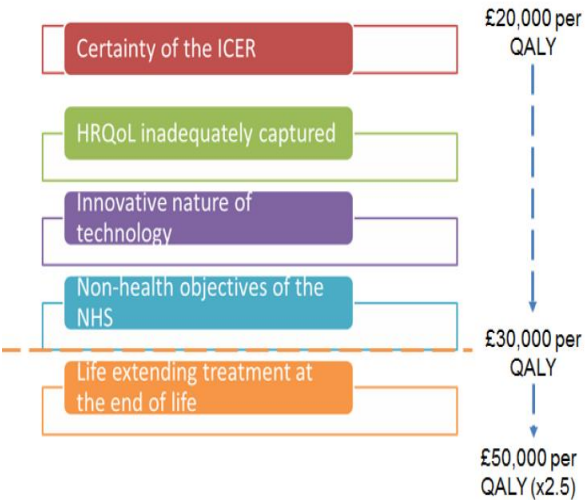


UK Case Study: NICE and VBP

VBP 'Terms of Reference'

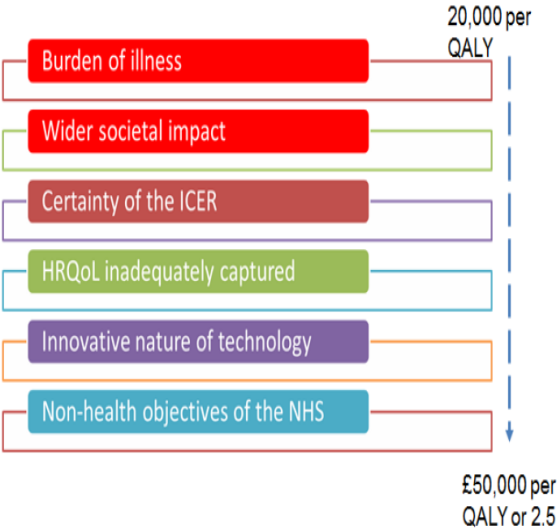
- adopt the same perspective for all technologies including displaced treatments
- include a simple system of weighting for Burden of Illness
- encompass 'End of Life' criteria within Burden of Illness weights
- take account of Wider Societal Benefits
- not include a further weighting for innovation

Current Approach



Source:
NICE Consultation document on VBP 2014

New approach



Source:
NICE Consultation document on VBP 2014

UK Case Study: NICE and VBP

‘Value Based Pricing’ initiative abandoned after consultation

NICE changes following further consultation (2017)

- Fast track for drugs under £10,000 per QALY
- Budget impact greater than £20M over 3 years triggers negotiation
- Delayed implementation allowed where BI cannot be mitigated
- QALY modifier to be implemented for HSTs

QALY modifier for HSTs

Incremental QALYs over lifetime	Weight versus £100k/QALY
Less than or equal to 10	1
Greater than 10 and less than 30	Sliding scale 1-3 (proportional)
Greater than or equal to 30	3

Raftery, BMJ Blog, April 2017

How should we approach 'novel' value elements?

- Expanded Cost Effectiveness Analysis?
 - Consistent with what is happening already
 - Could be seen as Ad Hoc
 - Equity adjusted CEA already developing
 - Severity weights already a reality
- MCDA?
 - Intuitively appealing
 - Undertaken mainly by non-economists
 - Good examples in practice are rare

Reflections on MCDA for HTA

- MCDA originally designed to help committees make decisions
- While extension to HTA seems intuitive, the ‘devil is in the detail’
- Application to HTA requires careful consideration of:
 - Independence of criteria
 - Scoring that involves ‘sacrifice’
 - Comprehensive assessment of additional dimensions of value
- Economists use a particular form of MCDA (DCE)

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Multicriteria Decision Analysis to Support HTA Agencies: Benefits, Limitations, and the Way Forward

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My recommendations for MCDA for HTA:

1. Acknowledge existing methods are a form of MCDA
 - a. Cost-per-QALY (qualitative MCDA)
 - b. Cost-benefit analysis (quantitative MCDA)
 - c. Expanded CEA (MCDA with decision rules)
2. If you must use MCDA terminology
 - a. Use cost-per-QALY in qualitative MCDA
 - b. Include QALY criterion in quantitative MCDA
 - c. Express other criteria as 'QALY equivalents'

General summary

- Oncology field has reacted to increasing price of new products by embracing the concept of value frameworks
- However, these frameworks could be seen as 'reinventing the wheel'
- Economists already have a framework, developed over many decades, designed to help guide decisions over value while recognizing opportunity cost
- US Panel of academics endorses the cost-per-QALY approach
- ICER in US is using the cost-per-QALY approach – as are many European countries
- To reject cost-per-QALY is to misunderstand its purpose as an 'aid to' rather than a 'substitute for' informed decision making

Many forms of Government have been tried, and will be tried in this world of sin and woe.

No one pretends that democracy is perfect or all-wise.

Indeed it has been said that democracy is the worst form of Government except for all those other forms that have been tried from time to time....



Many forms of **outcome** have been tried, and will be tried in this world of sin and woe.

No one pretends that a **QALY** is perfect or all-wise.

Indeed it has been said that **CUA** is the worst form of **evaluation** except for all those other forms that have been tried from time to time....

