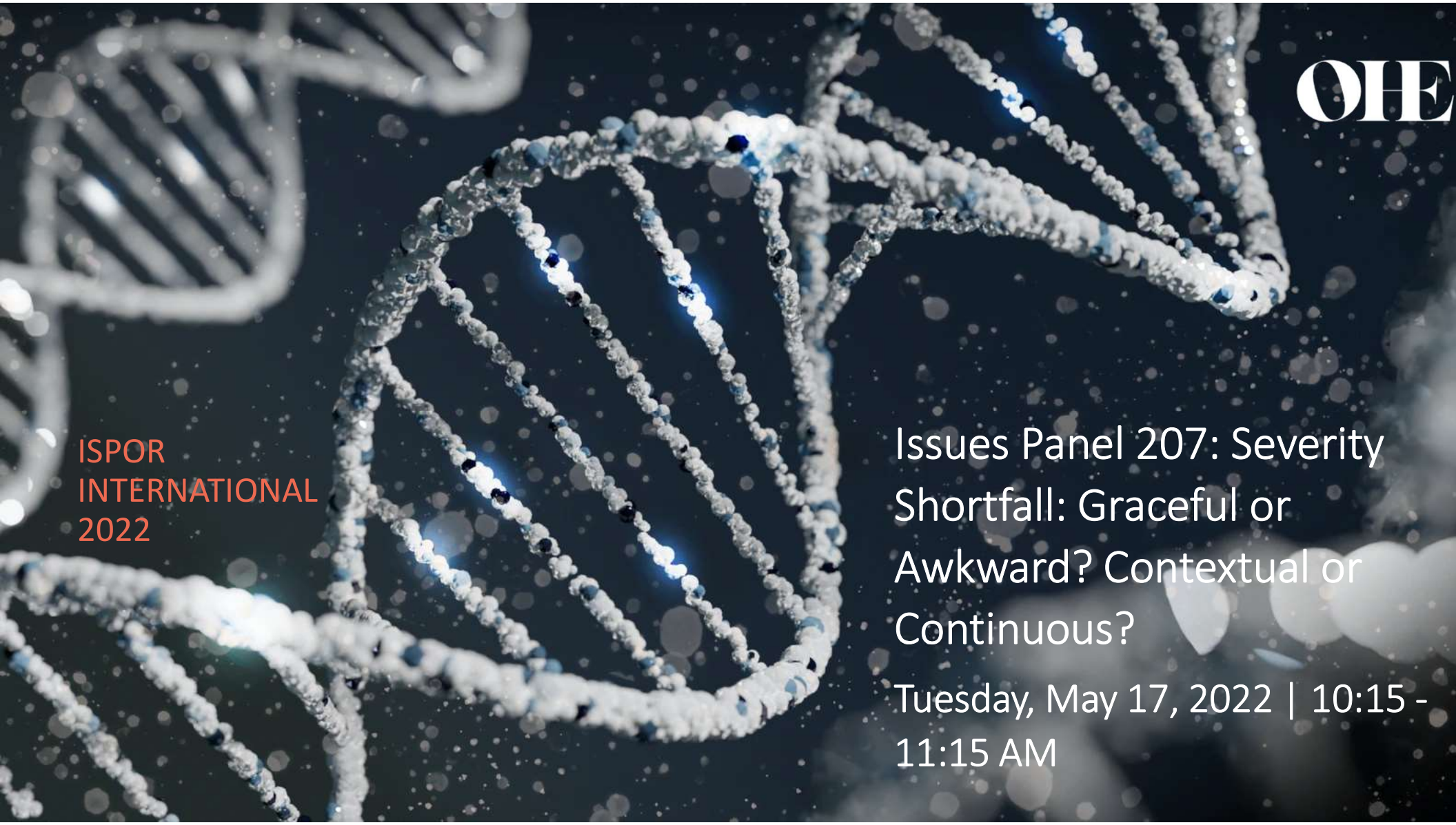
OHE
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2022
Issues Panel 207: Severity Shortfall: Graceful or Awkward? Contextual or Continuous?
Tuesday, May 17, 2022 | 10:15 - 11:15 AM

ISSUE:

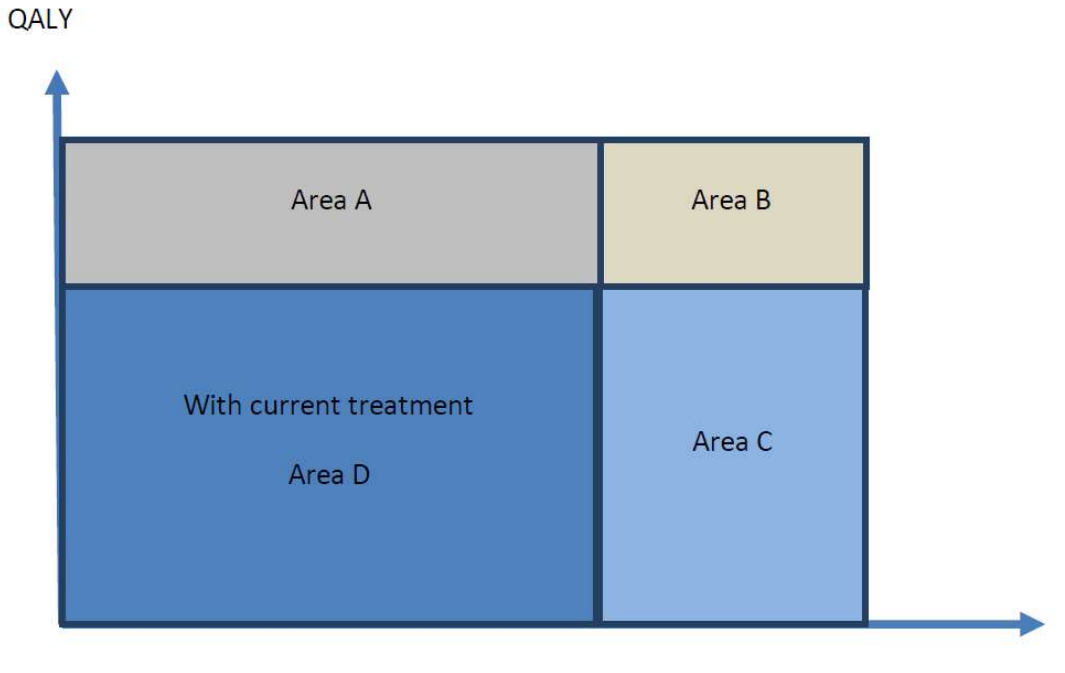
- Evidence indicates public preference to give some priority to health gains for severe health problems.
- The panel will debate how to operationalise this.
- Should it be an automatic adjustment or one contextual factor for deliberation?
- Do we have an agreed, measurable definition of severity that enables us to do this across diseases and patient conditions?
- How do we address opportunity cost?

Severity Shortfall: Graceful or Awkward? Contextual or Continuous?

Session	Presenter / Moderator
Introduction	**Adrian Towse** *Emeritus Director and Senior Research Fellow,* *OHE*
A Perspective from one HTA organization	**Steve Pearson** *President* *Institute for Clinical and Economic Review*
An Academic Perspective	**Charles Phelps** *University Professor and Provost Emeritus* *University of Rochester*
A Patient Organisation Perspective	**Durhane Wong-Rieger** *President and Chief Executive Officer* *Canadian Organization for Rare Disorders*
Discussion / Q & A	**Adrian Towse** *OHE*

Absolute Shortfall (AS) and Proportional Shortfall (PS)

- Absolute QALY Shortfall (AS) is total potential health going forwards - Areas (A+B+C+D) minus current health prospects (Area D), i.e. Areas (A+B+C).
- Proportional QALY Shortfall (PS) is the ratio of AS (Area A+B+C) to total potential health going forwards, Area (A+B+C+D.



Towse, A., and Barnsley, P. (2013) Clarifying meanings of absolute and proportional shortfall with examples. A Note. OHE. Available https://www.nice.org.uk/Media/Default/About/what-we-do/NICE-guidance/NICE-technology-appraisals/OHE-Note-on-proportional-versus-absolute-shortfall.pdf

Approaches being taken by different HTA bodies (1)

- ZiN uses an individual's PS to adjust the acceptable cost / QALY threshold from €20,000 to €80,000 between the lowest (≤40% shortfall) and highest (>70% shortfall) severity categories
- Norway has proposed adjusting its threshold on the basis of AS in expected lifetime QALYs, from a shortfall of < 4 lifetime QALYs to more than 20 lifetime QALYs. The threshold would increase from 275,000 to 825,000 Norwegian Kroner (approximately US$32,000 to US$95,000) over this range.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Policy Perspectives

Considering Severity in Health Technology Assessment: Can We Do Better?

Chris Skedgel, PhD, Nadine Henderson, MSc, Adrian Towse, MA, MPhil, David Mott, PhD, Colin Green, PhD

ABSTRACT

There is strong evidence that individuals and the public assign relatively greater value to health gains from relatively more severe health states. This preference is increasingly reflected in health technology assessment, with some consideration of severity incorporated by health technology assessment bodies in, among others, The Netherlands, England and Wales, Norway, Sweden, and the United States. If a societal "severity premium" is to be considered fairly and consistently, we argue that a more explicit and quantitative approach is needed. We highlight drawbacks of categorical approaches, especially discontinuities between severity categories that arguably violate concepts of vertical equity, and argue that a more continuous approach to understanding severity is needed. We also note challenges to more explicit approaches, including implications of a lower threshold for less severe conditions and the relative complexity of calculating a continuous severity adjustment.

Keywords: health technology assessment, priority setting, public preferences, severity

VALUE HEALTH. 2022; ■(■):■–■

Skedgel, C., Henderson, N., Towse, A., Mott, D., and Green, C. 2022. Severity in Health Technology Assessment: Can We Do Better? Value in Health e.pub. Available at: https://www.valueinhealthjournal.com/action/showPdf?pii=S1098-3015%2822%2900105-X

Approaches being taken by different HTA bodies (2)

- Sweden does formally define severity but a 2019 analysis suggested an effective acceptable threshold of up to 1 million Swedish Kroner (SEK) per QALY gained (US$115,000) for the most severe conditions; 750,000 SEK (US$87,000) for severe conditions; and 500,000 SEK (US$58,000) for moderate conditions
- In England and Wales, the National Institute of Health and Care Excellence (NICE) has recently introduced a severity modifier


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The new approach announced by NICE

Table 6.1 QALY weightings for severity		
QALY weight	**Proportional QALY shortfall**	**Absolute QALY shortfall**
1	Less than 0.85	Less than 12
x1.2	0.85 to 0.95	12 to 18
x1.7	At least 0.95	At least 18

- NICE will effectively adjust its acceptable threshold based on a combination of relative and absolute shortfall choosing the larger of the two values.
- For a review see an OHE blog by Oliver, E. and Mott, D. https://www.ohe.org/news/nice%E2%80%99s-severity-modifier-step-right-direction-still-long-way-go
- Key issues in the use of AS and PS include (i) choosing the cut offs and (ii) the weights to use

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