

Introduction to the economic evaluation of healthcare interventions

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DAY 1

Overview of the course

- Day One
 - Introduction to economic evaluation
 - Costs
 - Outcomes – QALYs, DALYs etc
 - ICERs / Efficiency frontiers
- Day Two
 - Modelling
 - Handling uncertainty
 - Case study
 - Presenting summaries of cost-effectiveness evidence
 - The Colombian context

Presentation 1

Introduction to economic evaluation



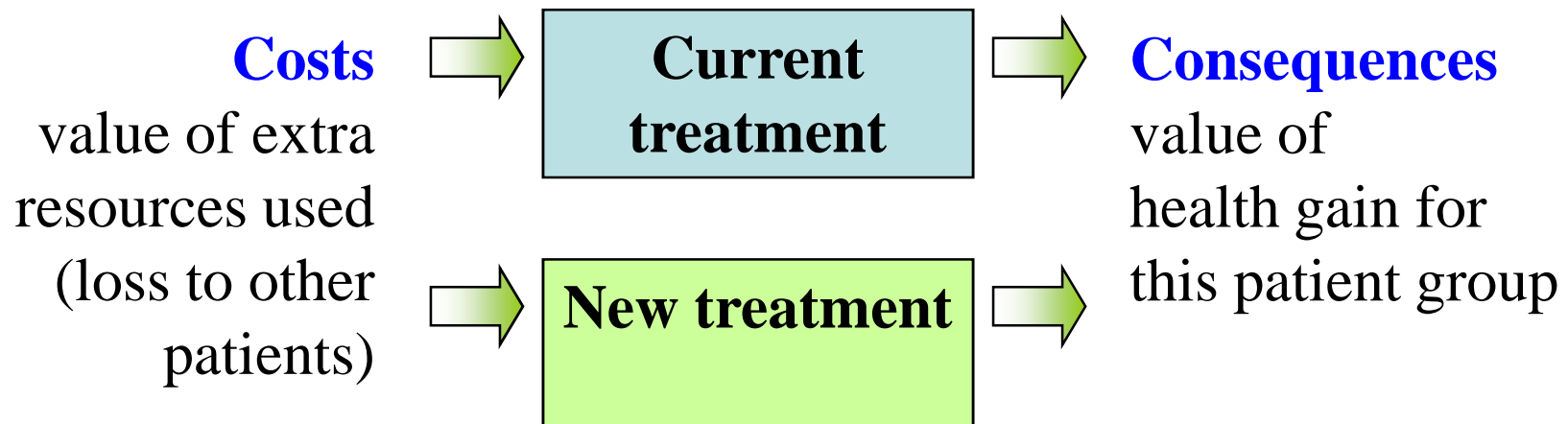
Why consider economics?

- Not everyone does... can be very unpopular... But
- For reimbursement/purchasing decisions, it is necessary to consider relevant costs
- In addition, economic evaluation provides a framework for exploring all the elements of value of a particular intervention in a structured, analytical way
- Focusing on standard clinical outcomes alone can lead decision makers to exclude (at least explicitly) other aspects of value including health-related quality of life, patient preferences and the impact on resources both within and outside of the healthcare setting

Economic Evaluation

“... the comparative analysis of alternative courses of action in terms of both their costs and consequences.”

Drummond, Stoddart & Torrance, 1987



Analysis should be conducted separately for each subgroup of patients.

Framing the question

- **Identify which patients are included (P)**
 - Define population at point in pathway
 - Consider subgroups & risk stratification
- **Choose the right comparators (I/C)**
 - Include all relevant options
 - Current practice, usual care
 - ‘Do nothing’, ‘best supportive care’, placebo?
- **Include all relevant costs and health effects (O)**
 - Identify all significant costs and savings
 - Select appropriate measure(s) of outcome

Role of cost effectiveness in NICE guidance

- “Those developing *clinical guidelines, technology appraisals or public health guidance* must take into account the relative costs and benefits of interventions (their ‘cost effectiveness’) when deciding whether or not to recommend them.” (Principle 2, SVJ, NICE 2008)

BUT

- “Decisions about whether to recommend interventions should *not be based on evidence of their relative costs and benefits* alone. NICE must consider other factors when developing its guidance, including the need to distribute health resources in the fairest way within society as a whole.” (Principle 3)

- See: <http://www.nice.org.uk/media/C18/30/SVJ2PUBLICATION2008.pdf>

Concept of the 'reference case'

- Debate about the most appropriate methods to use for some aspects of health technology assessment.
- Can relate to choices that are essentially value judgements; for example, whose preferences to use for valuation of health outcomes.
- It also includes methodological choices that relate to more technical aspects of an analysis; for example, the most appropriate approach to measuring health-related quality of life (HRQL).
- A reference case specifies the methods considered by the decision making body to be the most appropriate for its purpose
- An RF facilitates a consistent approach, but does not necessarily exclude non-RF analyses, especially if strict adherence to the RF is not possible.

NICE (technology appraisals) reference case

- Specifies methods with respect to:
 - The decision problem
 - Comparators
 - Perspective on costs and health outcomes
 - Type of economic evaluation
 - Synthesis of evidence on outcomes
 - Measure of health effects
 - Source of data for the measurement of HRQL
 - Source of preference data for the valuation of changes in HRQL
 - Discount rate
 - Equity weighting