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# How Much for a Year of Life?

## The Cost Threshold Discussion in Health Technology Assessment

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## Outline:

- The concept of cost thresholds
- Thresholds proposed
- Thresholds used
- Are thresholds a measure of “generosity”?

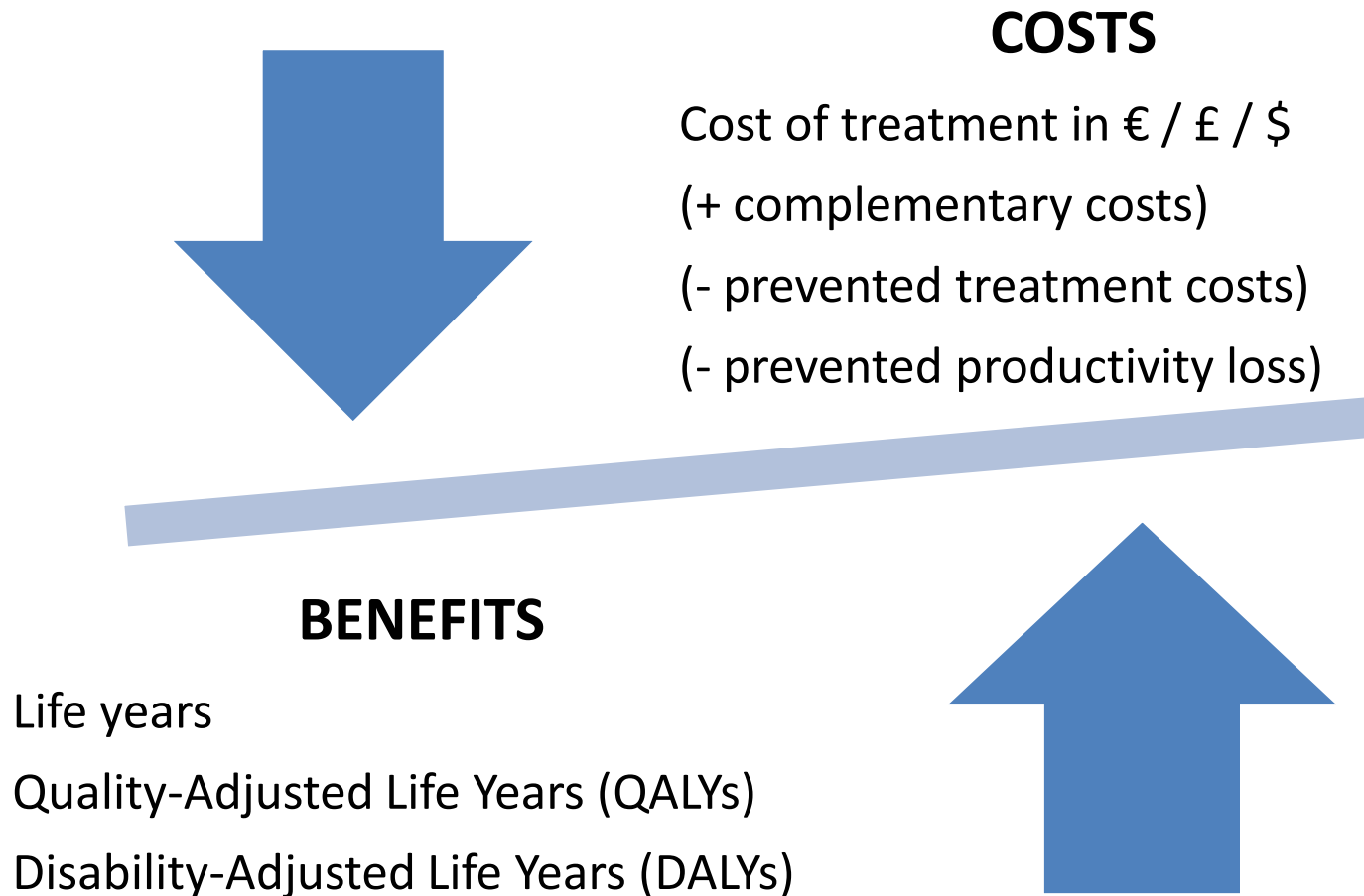
# HTA is about “Value for Money”

*“More should be done to encourage disinvestment from [medical] approaches and technologies that offer poor value for money.”*

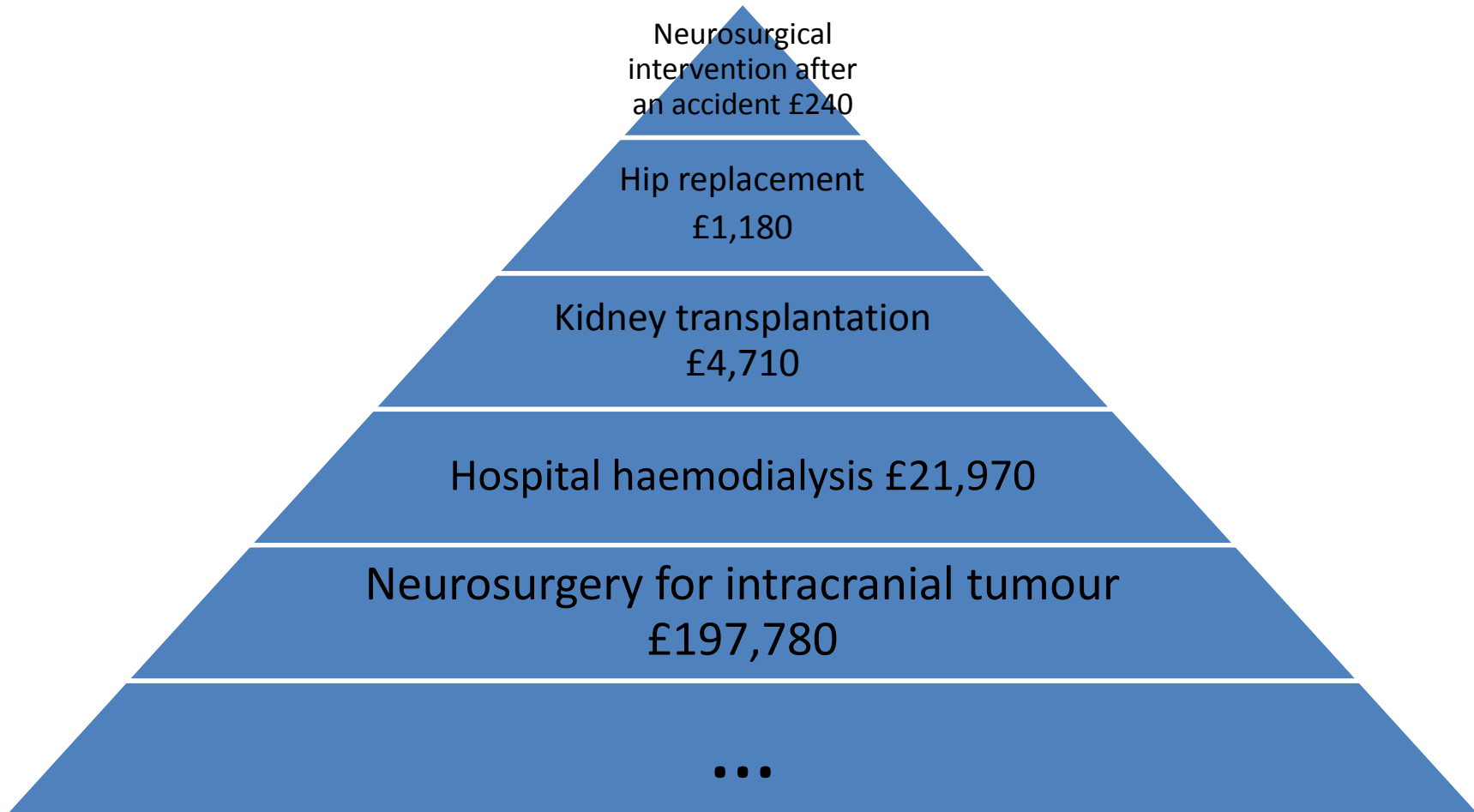
-the House of Commons Health Committee report on NICE

➤ What is “Value for Money” in health care?

# Measuring “Value for Money”

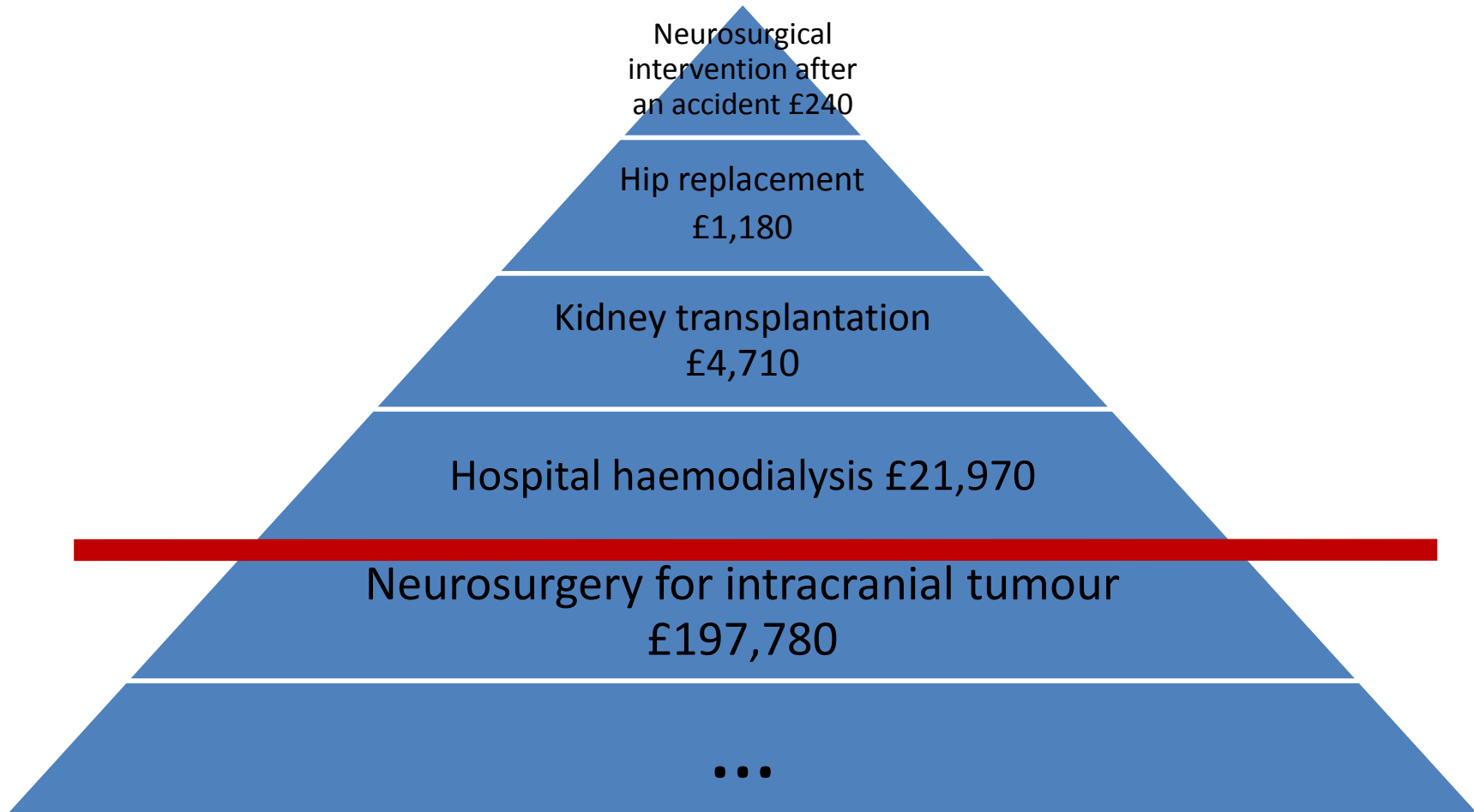


# A cost-per-QALY league table: Where to draw the line?

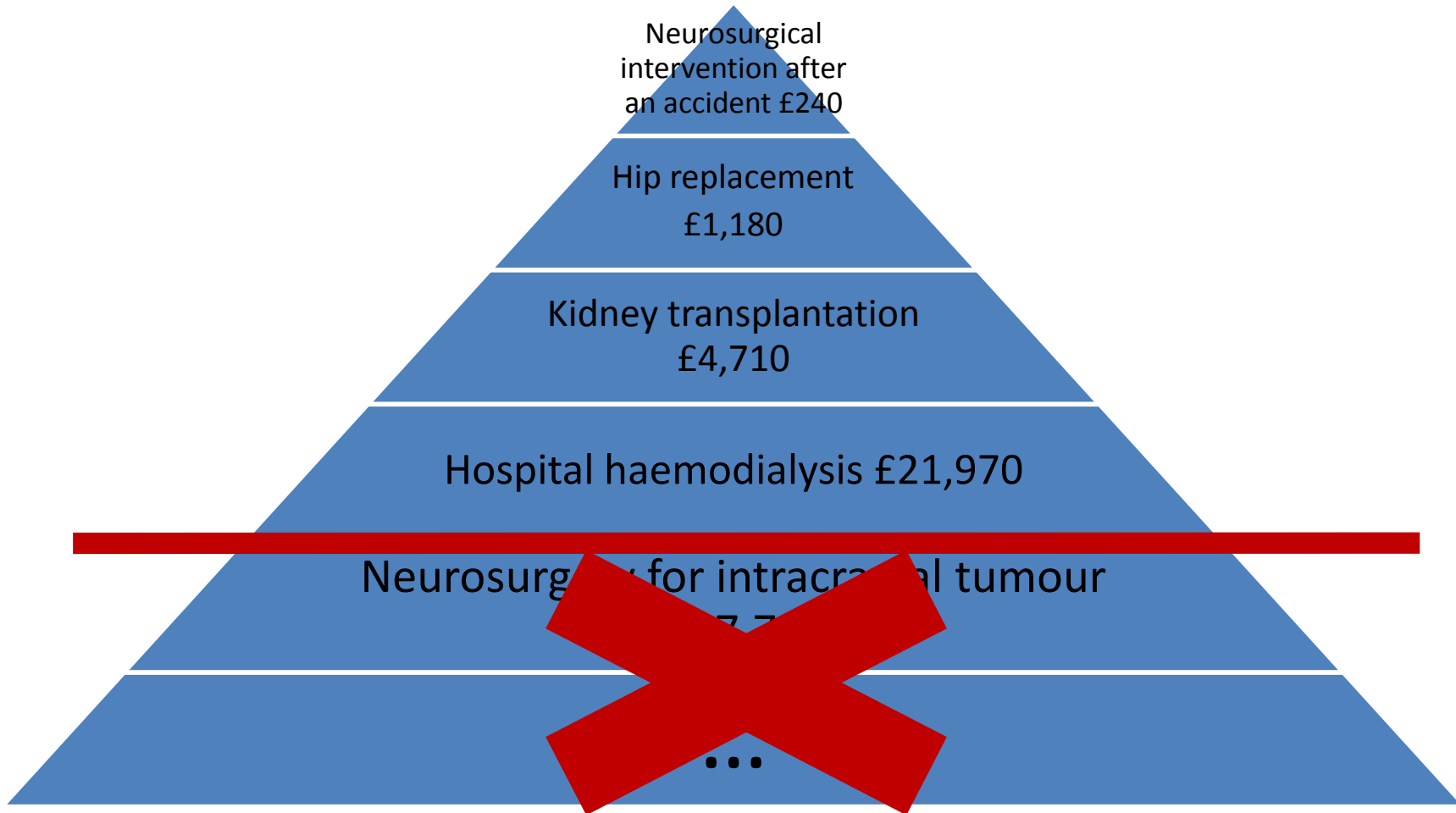


-based on Phillips & Thompson (1998)

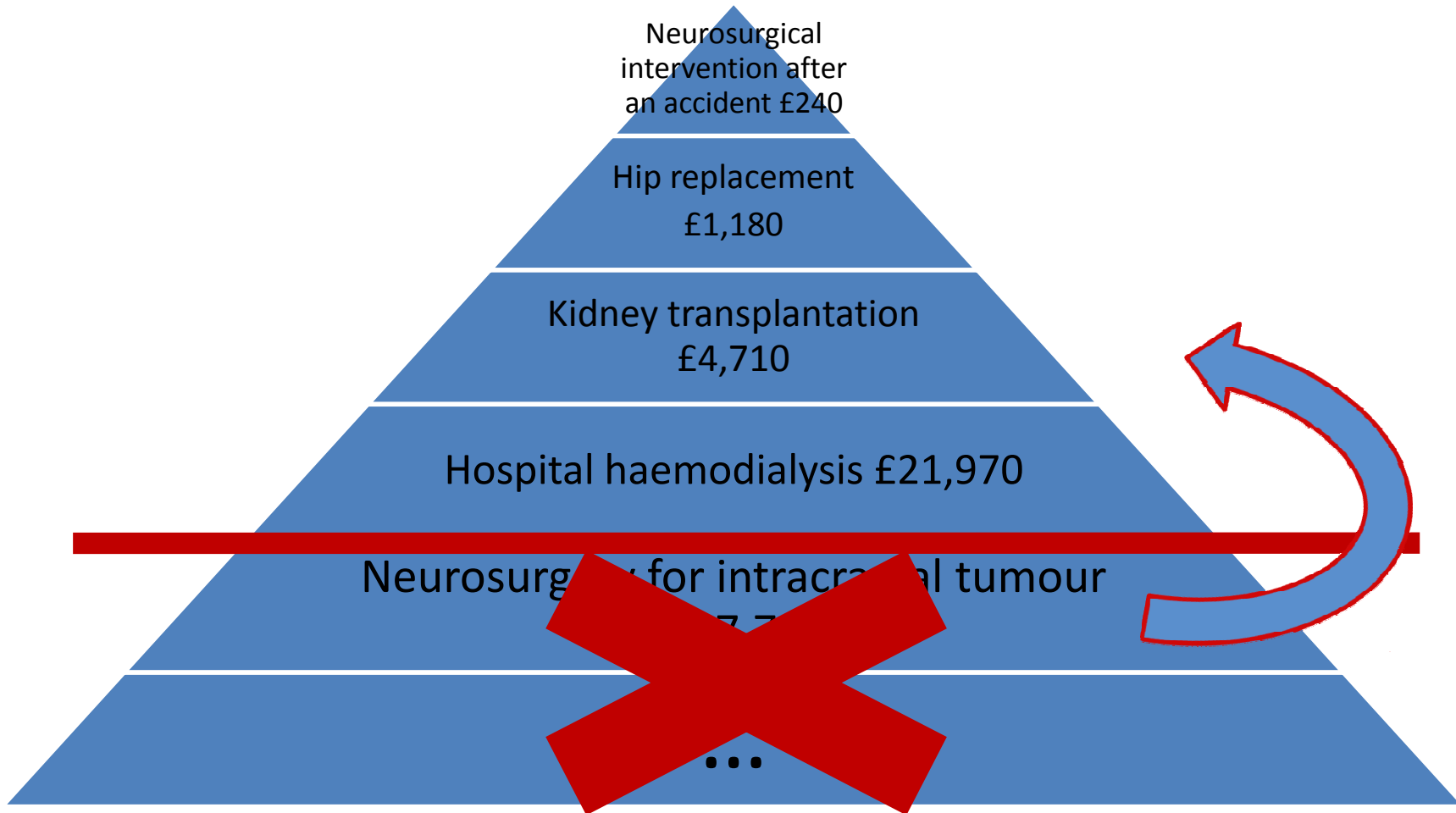
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# A cost-per-QALY league table: Where to draw the line?



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# Threshold values proposed

The “Medicare dialysis standard”	US-\$ 50 000 per QALY
The “expert consensus standard”	US-\$ 60 000 per Life Year
The “non-medical sector standard”	Value of a statistical year as used in road safety, residential safety, ...
The “WHO standard”	3 * GDP per capita

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*“There is no known piece of work  
which tells you what the threshold  
should be.”*

Michael Rawlins, Chairman of NICE

# An invisible dividing line?

## Observing past decisions

Treatment	cost per QALY	Decision of the HTA-institution
1	100€	recommended ✓
2	24,000€	recommended ✓
3	25,000€	recommended ✓
4	26,000€	recommended ✓
5	27,000€	recommended ✓
6	28,000€	recommended ✓
7	29,000€	recommended ✓
8	30,000€	recommended ✓
9	31,000€	rejected ✗
10	32,000€	rejected ✗
11	33,000€	rejected ✗
12	300,000€	rejected ✗

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# Threshold values used

	accepted	possibly accepted	rejected
NICE (UK)	<€30,000	€30,000 - €45,000	>€45,000 (possibly higher, could be up to €60,000)
PBAC (Australia) 1996 prices	<€23,000	€23,000 - €43,000	>€43,000
PHARMAC (New Zealand) 2000 prices	<€11,000		
[ SBU,LBF (Sweden) ]	[ <€35,000 ]	[ €35,000 - €55,000 ]	[ >€55,000 ]
[ IQWiG (Germany) ]	[ <€20,000 ]	[ €20,000-€40,000 ]	[ >€40,000 ]

-Sources: NICE (2004); Devlin & Parkin (2003); George, Harris & Mitchell (1999);Eichler, Kong & Gerth (2004); Sorenson, Kanavos & Drummond (2007)

# Australia and New Zealand: health care financing is diverse

- patients can pay the excess costs themselves
- supplementary insurance is common
- New Zealand: Concession Cards, not universal free healthcare

# UK: the NICE threshold is impenetrable

*“You either go all NHS and it is free, or you go all private and you pay for everything.”*

-Department of Health

*“Patients cannot be allowed to pay money for more drugs. That way lies the end of the founding principles of the NHS.”*

-Health Secretary Alan Johnson

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Thank you for your attention!



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