

The Political Economy of HTA: Developing a New Field of Thought to Negate the Rationing Effect

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Why HTA? Stating the obvious

- Demand for healthcare is increasing (ageing societies, increased morbidity...)
- Supply of healthcare is increasing (technological progress, more treatments....)

But

- Cost of healthcare is on the rise (new treatments are also more expensive)
- Healthcare is still considered a public good (most people still believe the state should be “responsible” for their health)
- State budgets cannot meet growing demand



Rationing

HTA – a Science?

- HTA = the “scientific” and technical manifestation of healthcare rationing
- The fundamental question = the extent to which the therapeutic utility of a specific technology merits its price (this leads to the various forms cost utility analysis)
- Common unit on measurement - quality-adjusted life year - QALY

Alternatives are not attractive...

- Raise taxes or health insurance contributions?
 - Increases unemployment, may even decrease revenue
- Free-market reforms, based on private market solutions?
 - Still strong public feelings against the “privatisation” of healthcare



HTA is here to stay!

And, HTA is spreading...

- Swedish Council on Technology Assessment in Health Care (SBU)
 - created 1987
- Canada: Canadian Coordination Office for Health Technology Assessment (CCOHTA)
 - created 1993 (in its current form)
- UK: National Institute for Clinical Excellence (NICE)
 - created 1999
- Germany: Institute for Quality and Efficiency in Health Care (IQWiG)
 - created 2004
- Denmark: Danish Centre for Evaluation and Health Technology Assessment (DACEHTA)
- France: High Health Authority (HAS)
 - created 2005

Political economy of HTA

- Primary objective – focus on the politics, not on the science
- Scope of analysis
 - Process of HTA related policies
 - Transparency of HTA bodies and of HTA decisions
 - Governance of HTA bodies
 - Mandate of HTA bodies
 - Independence of HTA bodies
 - Relationship with key stake holders (industry, physicians, patients)
 - Political dependency on the state
 - Degree of competition between HTA bodies in a given country



A far from perfect or even standardised system

Political economy of HTA finds that:

- In funding, some countries dedicate considerable resources to HTA, others don't.
- In scope, some HTA-bodies appraise only selected new drugs, others appraise most new and some old drugs.
- In relevance, some countries implement most HTA-recommendations, others hardly use them.
- In transparency, some HTA-bodies adhere to international appraisal standards, others construct their own methods.
- In stakeholders' involvement, some HTA-bodies involve patient and expert groups, others don't.

Snapshot of HTA Processes

<u>Table 1</u>		Australia	Canada	Germany	United Kingdom
HTA SYSTEM	Professional HTA authority	MSAC/PBAC	CADTH	IGWiG	NICE
	Political policymaking authority	Minister of the Department of Health and Ageing	Provincial Ministries of Health	Federal Joint Committee and Federal Health Ministry	NHS and NHS Scotland
	Centralised vs. regionalised decision-making	Central national decision-making	Regional provincial decision-making	Central national decision-making	Central national decision-making
HTA SIZE	Funding	\$22.83m ¹	\$17.9m ²	\$19.3m ³	\$48.6m ⁴
	Permanent Staff	15 ⁵ /17	Over 100 ⁶	92 ⁷	270 ⁸
INPUTS/OUTPUTS	Application received	14 per year	20-24 per year	29 per year ⁹	44 per year ¹⁰
	Length of Process	16-17 Months ¹¹	6-12 months	2-28 months ¹²	13 Months (excluding identification)
HTA PROCESS	Identification and Prioritisation?	Bottom-up	Bottom-up	Top-down	Top-down
	Assessment and Review	External assessment, internal review	Internal assessment, external review	Internal assessment, external review	Internal assessment, external review
	Competence of HTA recommendation	Non-binding recommendations	Non-binding recommendations	Non-binding recommendations	Binding recommendations

Threshold values used

	accepted	possibly accepted	rejected
NICE (UK)	<£20,000	£20,000 - £30,000	>£30,000 (possibly higher, one observer estimates it is £40,000)
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)

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

-Source: Eichler, Kong, Gerth, Mavros, Jönsson (2004)

The Stockholm Network seeks to:

- Demystify the field of HTA, make it “less scientific”
- Underscore the political forces underlining the field (rationing, attitudes towards pharma-companies....)
- Uncover the differences, gaps and inconsistencies in the practices of HTA institutions
- Highlight “best practices” and “bad practices”
- Propose improvements to existing HTA system

Examples of some recommendations

- Don't exclude whole treatments, set only reimbursement limits. People who prefer more expensive treatments should only pay the excess cost.
- Don't set one single cost-per-QALY threshold for the whole population. Let sickness funds (or co-insurances) vary in generosity and premiums.
- Let sickness funds conduct their own HTA-studies if they are unsatisfied with the national body. Create competition among HTA bodies.
- Adjust HTA budgets (and upper limits) to the overall health budgets

Present work and ideas for the future

Policy papers

- 2007 - An introduction to Health Technology Assessment
- 2007 - Health Technology Assessment in Context
- 2008 - Health Technology Assessment in the UK and Germany
- 2008 - What Price for a Year of Life? The Threshold Discussion in Health Technology Assessment

Future Research – into 2009

- **Index of HTA best practices (based on what was previously discussed)**
- **The issue of Governance of HTA systems**
- **Proposed model for the decentralisation of HTA bodies (for the state to healthcare providers)**
- **The HTA Dictionary**

Events – Public debates, workshops and seminars on HTAs (in Brussels, Berlin and Rome, forthcoming in Stockholm)

Taskforce - Creating a cross-country free-market taskforce of think-tanks and other like minded bodies dealing with HTA

Thank you for your time!



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