Health Economics Methods Advisory

Defining Appropriate Benefits for Economic Evaluation of Health Care Technologies

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Outline

- Context
- Scope
- Principles
- Recommendations

“Novel Value Elements”

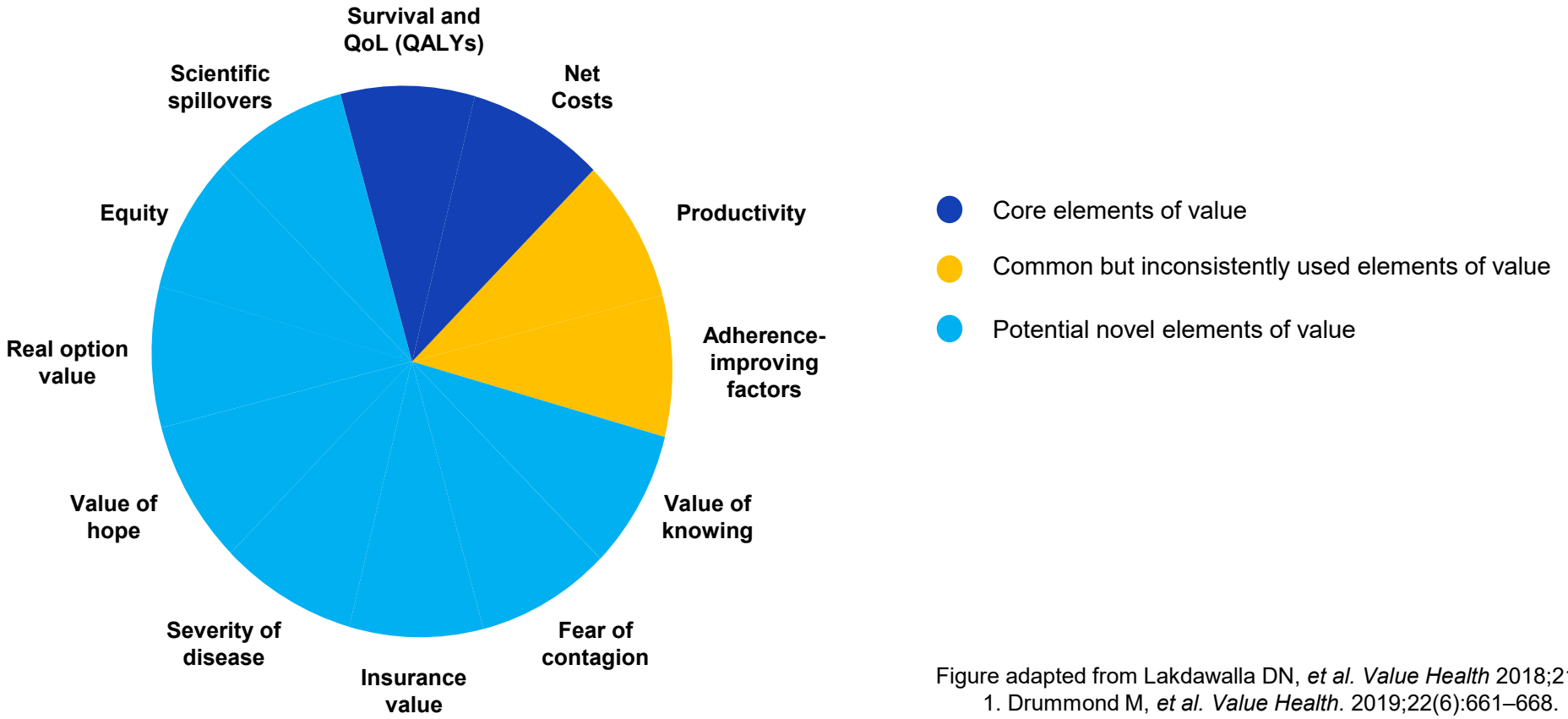
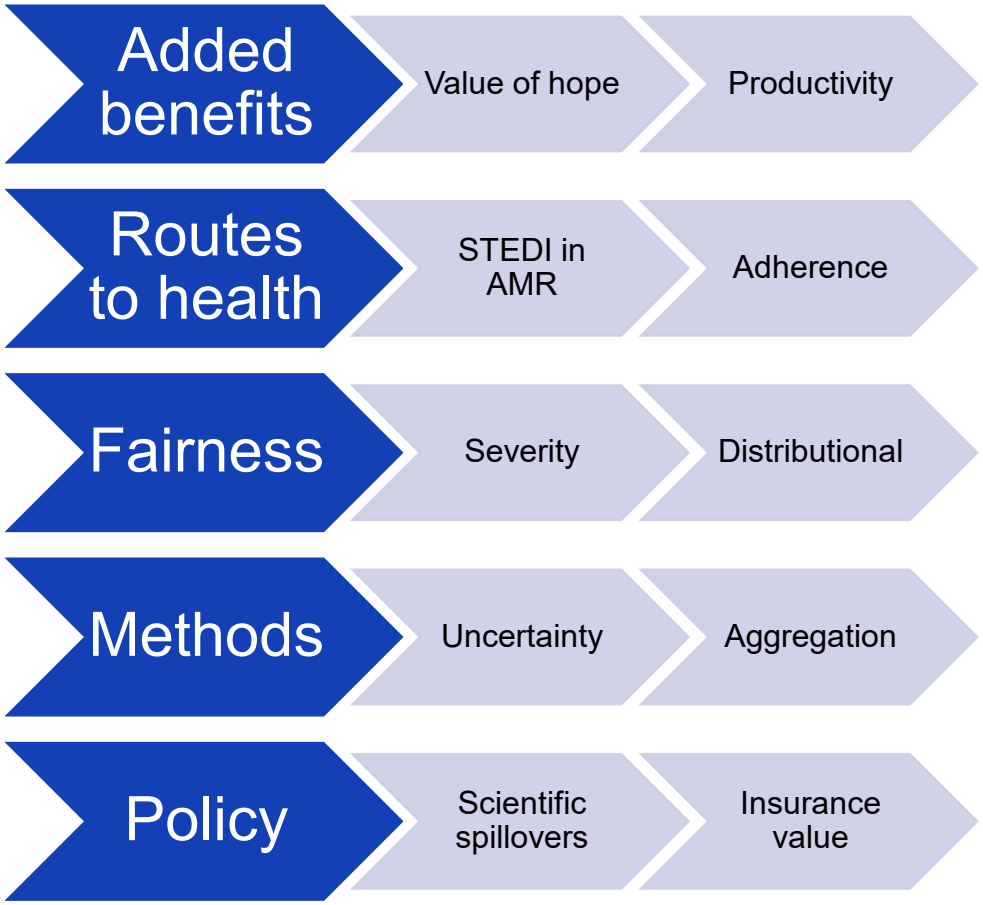


Figure adapted from Lakdawalla DN, *et al. Value Health* 2018;21:131–139.
1. Drummond M, *et al. Value Health.* 2019;22(6):661–668.

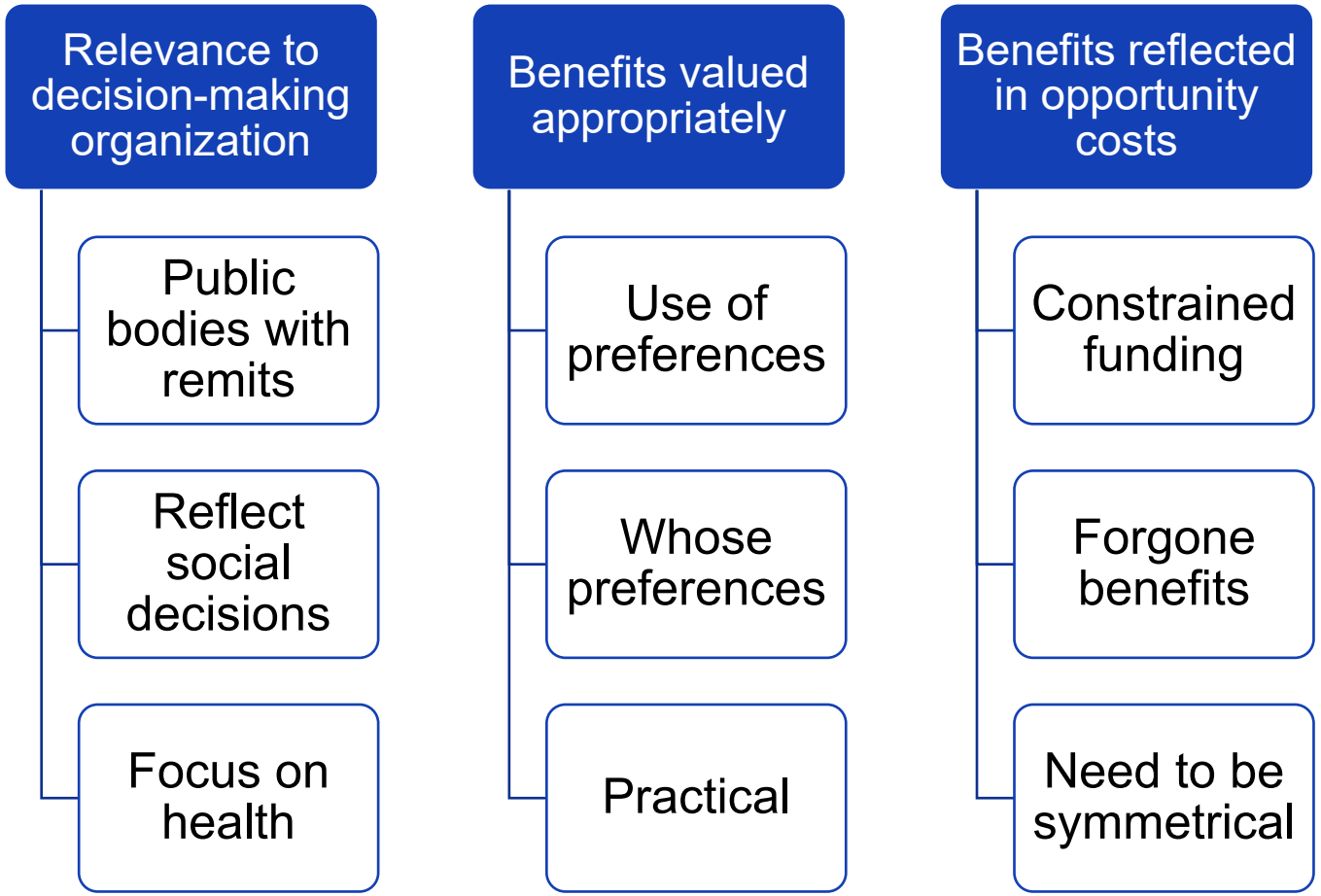
Novel value elements cover many things



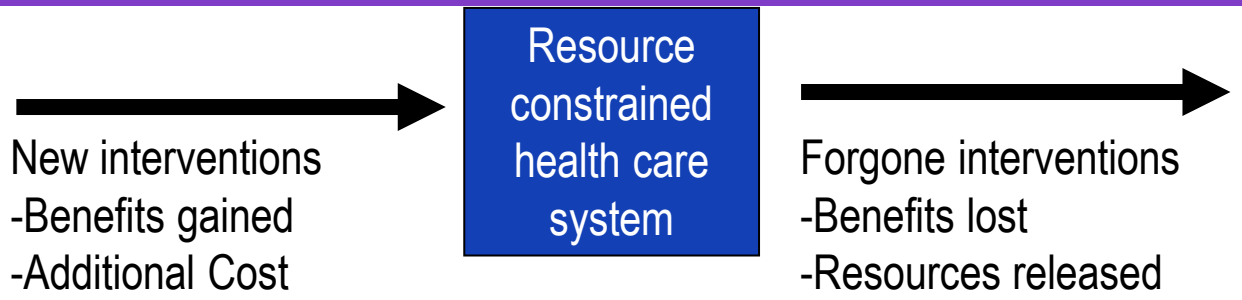
Focus on proposed additional benefits

Risk attitudes	Process of care	Equity	Broadening the perspective
• ‘Value of hope’ • ‘Insurance value’ • Risk attitudes	• ‘Value of knowing’ • Process changes	• Modifiers • Distributional concerns	• Spillovers • Other sectors • Productivity

Principles



Opportunity costs should always apply



System	Funding	Increased spend	Benefits lost	Mechanisms	Reference
England	Single system, constrained funding	$20,000	1 QALY	Waiting lists, services changed, staffing changes	Claxton 2023
USA	Pluralistic, more flexible funding	$100,000	1 QALY	Co-pays, premiums	Vanness et al 2021

General recommendations

- When considering additional measures of benefit for economic evaluation, HTA organizations should assess these against the **guiding principles of relevance, valuation, and opportunity cost** outlined in this report.
- No additional benefits should be routinely incorporated into economic evaluation until there is an **evidential basis to reflect them in opportunity costs**.
- The deliberative process within HTA may consider potential additional benefits qualitatively, but it should **not be used in a way that bypasses the consideration of opportunity costs**.

Recommendations specific to incorporating risk attitudes

- A **clear normative and practical case** for routinely incorporating risk preferences into a measure of lifetime health gain is necessary.
- The practical case should consider: **whose preferences** should be elicited; **over which aspects of health** they should apply; the need to produce robust evidence for **the relevant jurisdictions**; and whether such developments would **significantly affect HTA decisions**.
- Simultaneously incorporating aspects of patients' preferences would be a **departure from and inconsistent** with the view of community preferences.

Recommendation on process benefits

- Further research is necessary to ensure these effects are not **already being captured** in HRQoL measures, or this could not be achieved with the use or development of **more sensitive measures.**

Recommendations on equity

- HTA organizations should provide a **clear normative basis and measurement approach** when applying “modifiers” (e.g., for severity) as an expression of equity considerations.
- DCEA provides a framework; technologies may increase as well as reduce inequalities, and **opportunity costs should always reflect any impact of additional expenditure on inequalities**.

Recommendations on broadening the perspective

- The generation of **improved empirical evidence** of spillover health impacts on carers and other family members should be encouraged.
- If consistent with decision makers' remits, **additional evidence requirements must be considered** (e.g., opportunity costs by sector and trade-offs between different outcomes relevant to each sector).
- HTA organizations should consider the **routine use of "impact inventories"** to understand and enhance transparency.