Cost-effectiveness Thresholds for Decision Making about Health Care Technologies: Conceptual and Empirical Underpinnings

Chair

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Background

- Widespread use of economic evaluation to support decisions regarding new medical technologies
- Some form of cost-effectiveness analysis predominates
  - Measure of (health) effects in natural units
- Costs and effects ultimately have to be valued in commensurate units for decision making

Decision rules

- Standard ICER decision rule:

  $\Delta C/\Delta E < \lambda$

  Where λ is the threshold

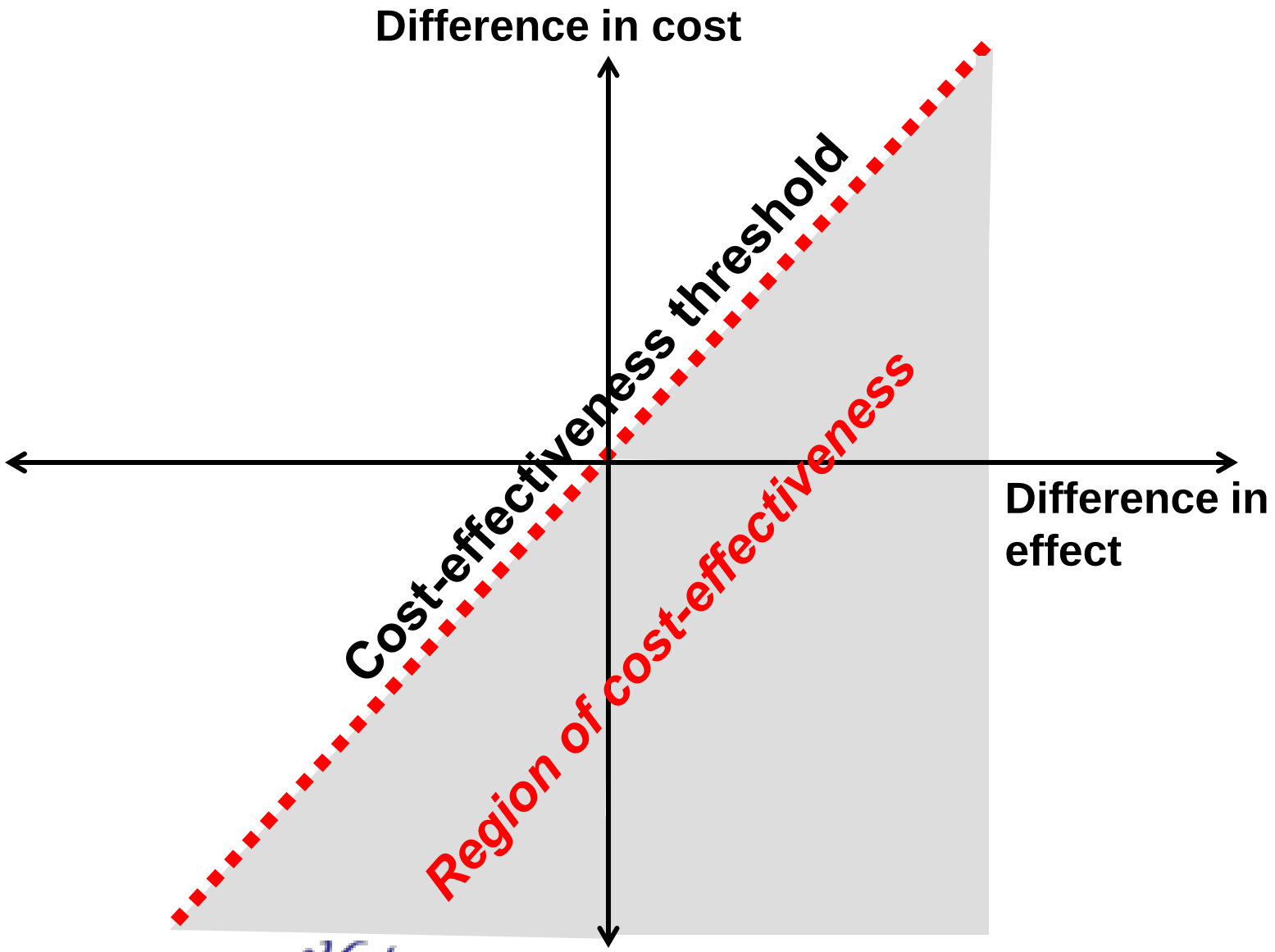
- Net monetary benefit:

  $(\Delta E \times \lambda) - \Delta C > 0$

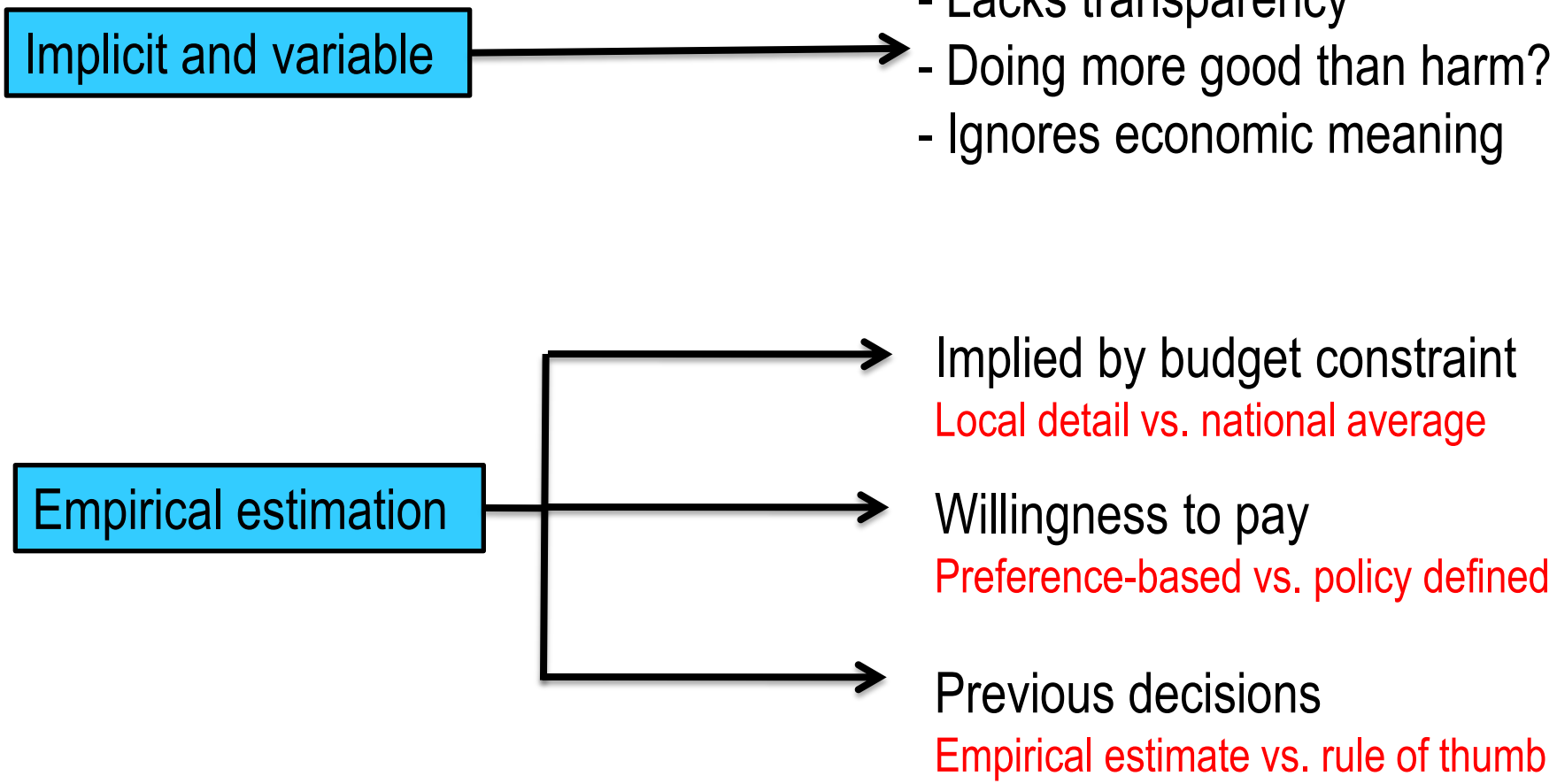
- Net health benefit:

  $\Delta E - (\Delta C/ \lambda) > 0$

The region of cost-effectiveness



Alternative sources of the threshold



Some considerations

- Which type of health care system?
  - Budget constrained
  - Freely funded
  - Mixed
- Should threshold vary by clinical area?
- What methods and datasets exist for estimation?
- What level of precision is need in the estimate?
- How do we deal with the inevitable uncertainty?
- Can different concepts of the threshold co-exist?
- How often should the threshold be re-estimated?
- Should the threshold only reflect only unweighted health?

Our speakers

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