



Centre For Health Economics

# Health Economics News

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## Welcome to the CHE Newsletter

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The latest Annual Report from the Centre for Health Economics is now available. [www](http://www.york.ac.uk/che)



## Pooling budgets is not a panacea for integrated care

Research Team: Anne Mason, Maria Goddard and Helen Weatherly

Pooling funds across health and social care services is not a panacea that will guarantee the successful delivery of integrated care.

Integrated care is often seen as a solution to some of the major challenges faced by health and social care services. Pooling funds and resources is thought to be a key facilitator for this approach. Our review investigated whether integrating financial mechanisms in this way does indeed support and incentivise integrated care in practice. It included data from 38 integrated care schemes in eight countries.

We found that compared with usual funding arrangements, schemes that pooled funds and resources to support integrated care seldom led to improved health outcomes. Although some schemes achieved short-term reductions in acute care utilisation, no scheme demonstrated a sustained and long-term reduction in hospital use. We do not suggest that future success in integrated care is unattainable, but we do advise that expectations should be realistic and new schemes should be rolled out cautiously and evaluated comprehensively.

The full report can be found at: [www](http://www.york.ac.uk/che)

Citation of the report by Simon Stevens, CEO, NHS England: [www](http://www.nhs.uk)

### Key Messages

- Very few schemes improved health outcomes or achieved cost savings, but some succeeded in shifting care into the community
- Implementing integrated funding streams is not straight forward and requires legal, institutional and cultural mechanisms in place to facilitate integration
- Policy makers should be aware that if existing levels of unmet need are high, overall costs are likely to rise
- Given the complexity of integrated systems, robust evaluations are needed to systematically assess benefits, costs and harms
- Expectations should be realistic

# ***Cost effectiveness thresholds in low and middle income countries***

Paul Revill and Simon Walker

The cost-effectiveness thresholds which are often advocated for use in low and middle income countries, particularly those recommended by the WHO, fail to acknowledge that interventions are only cost-effective if their health outcomes exceed those which will be forgone because the resources required will not be available to use for other healthcare - the perennial economic problem of whether the benefits outweigh the opportunity costs. Therefore current judgements about which interventions are cost-effective do not reflect resource constraints, and their use is likely to reduce overall population health and exacerbate healthcare inequalities. Instead, cost-effectiveness thresholds should be based on the health expected to be forgone as additional costs are imposed on constrained budgets.

Using the 2013 WHO Consolidated Guidelines on the Use of Antiretroviral Therapy, we demonstrate the impact of alternative approaches to estimating cost-effectiveness thresholds and show that the failure to reflect opportunity costs can have negative consequences for both efficiency and equity. As part of the International Decision Support Initiative (iDSI), CHE is undertaking ongoing research more suitably to inform thresholds in low and middle-income countries.

For more details see: CHE Research Papers 98 and 99 [www](http://www.cheremulation.org)

## ***Expected health benefits of additional evidence: principles, methods and applications***

Research team: Karl Claxton, Susan Griffin, Claire McKenna (CHE), Hendrik Koffijberg (University Medical Centre Utrecht)

Evidence about the clinical effectiveness of a particular healthcare intervention might suggest that it achieves better health outcomes than the available alternatives. However, any assessment of the treatment effects is uncertain and, therefore, any decision about the use of the intervention in clinical practice will also be uncertain. These uncertainties can never be entirely eliminated but they can be reduced by further evidence. This in turn facilitates better decisions on patient outcomes and on best use of finite resources.

This research demonstrates how the need for additional evidence can be informed by quantitative analysis based on the principles of value of information analysis applied to standard methods of systematic review and meta-analysis. We show the importance of distinguishing between the value of additional evidence and the value of implementing the findings of existing research into clinical practice. The results are used to examine when the accumulated evidence is already sufficient, when additional research is potentially worthwhile, and whether a particular research proposal should be prioritised over other research topics that could be commissioned with the same resources.

We have also developed a research prioritisation tool to show how we can quickly apply the methods to the type of meta-analysis commonly conducted in systematic review to help inform research prioritisation and commissioning decisions. The tool with a manual is freely available for download at <http://www.york.ac.uk/che/research/teehta/prioritisation/>. The full report on this research is also available here too.

## ***Alan Williams Fellowships***

Congratulations to Francesca Zantomio, from Ca' Foscari University of Venice, and Hossein Afzali, from The University of Adelaide, who have been awarded Alan Williams Fellowships.

Francesca Zantomio's research project will be 'Labour supply responses to acute health shocks: the role of shock-induced impairments and job characteristics'. Hossein Afzali's research topic will be 'A critical review of decision analytic models submitted to PBAC and NICE: need for disease-specific models'.

Further details about the award can be found on our website at : [www](http://www.cheremulation.org)



**Maria Goddard** is one of three new Non-Executive Directors appointed to join the Board of the Health and Social Care Information Centre (HSCIC). HSCIC is the

national body in England responsible for collecting, analysing and presenting national health and social care data, including setting up and managing national IT systems. It also publishes a set of rules (Code of Practice) to set out how the personal confidential information of patients should be handled and managed by health and care staff and organisations.

**Marta Soares**

has been selected by the ISPOR Awards Committee as the recipient of the 2014 ISPOR Award



for Excellence in Application of Pharmacoeconomics and Health Outcomes Research. She has been awarded this distinction as corresponding author of the research paper: 'Methods to assess cost-effectiveness and value of further research when data are sparse: Negative-pressure wound therapy for severe pressure ulcers'. *Medical Decision Making* 2013; 33(3):415-436.

An article written by **Nils Gutacker, Chris Bojke, Silvio Daidone, Nancy Devlin** and **Andrew Street** entitled 'Hospital variation in patient reported outcomes at the level of EQ-5D dimensions: evidence from England' *Medical Decision Making* 2013; 33(6); 804-818, has been awarded the prize for best scientific paper in 2013 by the EuroQoL group.



**Marc Suhrcke**, from the University of East Anglia, was appointed to the Chair in Global Health Economics



position and joined us in June. Further appointments in global health research will be announced soon.



**Rowena Jacobs** has been promoted to a Chair in Health Economics.

Congratulations to all CHE staff receiving promotions including **Claire McKenna, Paul Revill, Marta Soares and Shehzad Ali**.

CHE staff contributed chapters to Tony Culyers' *Encyclopedia of Health Economics*, published by Elsevier; 2014.



**Asaria M, Cookson R, Griffin S.**

Incorporating health inequality impacts into cost-effectiveness analysis.

**Bojke L, Soares M.** Decision analysis: Eliciting experts' beliefs to characterise uncertainties.

**Cookson R, Griffin S, Nord E.** Incorporation of concerns for fairness in economic evaluation of health programs: overview.

Espinoza MA, **Sculpher MJ, Manca A, Basu A.** Analysing heterogeneity to support decision making.

**Weatherly H, Cookson R, Drummond M.** Economic evaluation of public health interventions: methodological challenges.

**Weatherly H, Faria R, van den Berg B.** Valuing informal care for economic evaluation.

Congratulations to **Idaira Rodriguez** on winning a poster presentation award at the 34th Conference of Health Economics held on 27-30 May



2014 in Pamplona, Spain. Her work was entitled 'Social determinants of mental health: empirical evidence for Catalonia (2010-2012)' presented jointly with Natalia Pascual Argente.

### New funding

Production of evidence syntheses for the HS&DR programme

**Andrew Street** (Led by Centre for Reviews and Dissemination, University of York)

1 March 2014 - 28 February 2017  
Funder: NIHR HS&DR

EPOCH: Enhanced peri-operative care for high risk patients trial. A stepped wedge randomised cluster

**Gerry Richardson** (Led by Barts & The London Queen Mary's School of Medicine and Dentistry)

1 December 2013 - 31 May 2016  
Funder: NIHR HS&DR

ELFIN: A multi-centre randomised placebo-controlled trial of prophylactic enteral supplementation with bovine lactoferrin

**Gerry Richardson** (Led by University of Oxford)

1 March 2013 - 30 November 2017  
Funder: NIHR HTA

Exploring and quantifying preferences towards self-management support interventions: a mixed-methods survey among individuals with long term health conditions

**Andrea Manca, Gerry Richardson, Bernard van den Berg, Cynthia Iglesias, Yvonne Birks, Seda Erdem, Peter Bower**  
1 April 2014 - 30 September 2015  
Funder: Health Foundation

Making the health sector work for patients

**Andrew Street, Chris Bojke, Katja Grasic**  
14 February 2014 - 31 August 2014  
Funder: MONITOR

**Asaria M, Griffin S, Cookson R,** Whyte S, Tappenden P. Distributional cost-effectiveness analysis of health care programmes – a methodological case study of the UK bowel cancer screening programme. *Health Economics* 2014;doi:10.1002/hec.3058.

Brekke KR, **Gravelle H, Siciliani L,** Straume OR. Patient choice, mobility and competition among health care providers. In: Levaggi R, Montefioro M (eds). *Health Care Provision and Patient Mobility*. Vol.12. Springer;2014 pp. 1-26.

Brilleman SL, **Gravelle H,** Hollinghurst S, Purdy S, Salisbury C, Windmeijer F. Keep it simple? Predicting primary health care costs with clinical morbidity measures. *Journal of Health Economics* 2014;35:109-122.

**Castelli A, Street A,** Verzulli R, Ward P. Examining variations in hospital productivity in the English NHS. *European Journal of Health Economics* 2014;doi:10.1007/s10198-014-0569-5.

**Dusheiko M.** Patient choice and mobility in the UK health system: internal and external markets. In :Levaggi R, Montefioro M (eds). *Health Care Provision and Patient Mobility*, Vol.12. Springer;2014 pp. 81-132.

**Drummond M,** de Pouvourville G, Jones E, Haig J, Saba G, Cawston H. A comparative analysis of two contrasting European approaches for rewarding the value added by drugs for cancer: England versus France. *Pharmacoeconomics* 2014;32(5):509-20.

**Drummond M,** Towse A. Orphan drugs policies: a suitable case for treatment. *European Journal of Health Economics* 2014;15(4):335-340.

**Gaughan J,** Kobel C. Coronary artery bypass grafts and diagnosis related groups: Patient classification and hospital reimbursement in 10 European countries. *Health Economics Review* 2014;4(4).

Griffiths A, Paracha N, Davies A, Branscombe N, Cowie MR, **Sculpher MJ.** The cost effectiveness of ivabradine in the treatment of chronic heart failure from the UK National Health Service perspective. *Heart* 2014;doi:10.1136/heartjnl-2013-304598.

**Jacobs R.** Payment by results for mental health services: economic considerations of case-mix funding. *Advances in Psychiatric Treatment* 2014;20:155-164.

**Kasteridis P,** Yen S. Occasional smoking and body weight among young adults. *Applied Economic Perspectives and Policy* 2014;doi:10.1093/aep/ppu008.

Listl S, **Chalkley M.** Provider payment bares teeth: Dentist reimbursement and the use of check-up examinations. *Social Science & Medicine* 2014;111:110-116.

Mejía A, **Richardson G,** Pattenden J, Cockayne S, Lewin R. Cost-effectiveness of a nurse facilitated, cognitive behavioural self-management programme compared with usual care using CBT manual alone for patients with heart failure. *International Journal of Nursing Studies* 2014;doi:10.1016/j.ijnurstu.2014.01.009.

**Saramago P,** Cooper NJ, Sutton AJ, Hayes M, Dunn K, **Manca A,** Kendrick D. Cost-effectiveness of interventions for increasing the possession of functioning smoke alarms in households with pre-school children: a modelling study. *BMC Public Health* 2014;14:459.

**Soares MO,** Dumville J, Ades AE, Welton NJ. Treatment comparisons for decision making: facing the problems of sparse and few data. *Journal of the Royal Statistical Society: Series A (Statistics in Society)* 2014;177(1):259-279.

**Street A, Castelli A.** Eliminating poor productivity is key to NHS improvement. *Health Service Journal* 13 March 2014.

**van den Berg B,** Fiebig D, Hall J. Well-being losses due to care-giving. *Journal of Health Economics* 2014;35:123-131.

Victoor A, Hansen J, van den Akker-van Marle M E, **van den Berg B,** van den Hout W B, de Jong J D. Choosing your health insurance package: A method for measuring the public's preferences for changes in the national health insurance plan. *Health Policy* 2014;doi:10.1016/j.healthpol.2014.04.017.

## Latest CHE Research Papers

**CHERP96** *The importance of multimorbidity in explaining utilisation and costs across health and social care settings: evidence from South Somerset's Symphony Project* - **Panos Kasteridis, Andrew Street,** Matthew Dolman, Lesley Gallier, Kevin Hudson, Jeremy Martin and Ian Wyer.

**CHERP97** *Financial mechanisms for integrating funds for health and social care: an evidence review* - **Anne Mason, Maria Goddard and Helen Weatherly.**

**CHERP98** *Using cost-effectiveness thresholds to determine value for money in low-and middle-income country healthcare systems: Are current international norms fit for purpose?* - **Paul Revill, Simon Walker,** Jason Madan, Andrea Ciaranello, Takondwa Mwase, Diana M Gibb, **Karl Claxton, Mark Sculpher.**

**CHERP99** *WHO decides what is fair? International HIV treatment guidelines, social value judgements and equitable provision of lifesaving antiretroviral therapy* - **Paul Revill, Miqdad Asaria,** Andrew Phillips, Diana M Gibb, Charles F Gilks.

Free to Download here: [www](http://www.york.ac.uk/cbe)

## Courses and workshops

**Analysing patient-level data using hospital episode statistics (HES)**

10 - 12 November 2014

Further information on the course and how to register: [www](http://www.york.ac.uk/cbe)