Innovation Review
Methodology of Assessing Value:
Response to Amgen Proposals

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Is this just about innovation?

1. Innovativeness √

2. Caregiver burden No. Perspective, under review or health

3. Productivity benefits No. Perspective, under review

4. Disease severity No. Social value of health

5. Compliance No. Need to model health effect

Can apply to any technology, programme or service
Is this just about new technologies?

New technologies
- Health gain
- Additional Cost

Budget constrained health care system

Displaced services
- Health forgone
- Resources released

Non-NHS costs
Productivity effects
Disease severity
Innovativeness

- Important issues around how to value innovation
- Net gain in health main focus
- Patent protection provides sustained monopoly returns
- No clear rationale for why all value of innovation should be entirely appropriated by the manufacturer
- Major issues of policy but can all be handled in existing framework
Health effects
Caregiver health burden and compliance

• No issues of principle
  – Any potentially important health effects should be included

• Health effects on caregivers
  – Factored into measurement of health-related quality of life
  – Research needed to improve measurement instruments

• Increased compliance can impact on health
  – Part of the evidence from RCTs
  – Can treat as a intermediate endpoint in a model
Costs falling outside the NHS/PSS
Caregiver cost burden and productivity effects

• Conflicts with NHS and PSS perspective
• Budget constraint exists
• Reflects imperfect democratic decisions
• Limited guidance on how wider costs considered
  – Budget constraint
  – No opportunity for budget re-adjustment
  – Complexity of defining a social welfare function
• Current review considering options
• [Are productivity effects net of consumption?]
Interpersonal comparison of health

Unmet need and severity

“\textbf{A QALY is a QALY is a QALY}”

- Severity
- Lifetime health experience
- Non health-related disadvantage
- Short life expectancy
- Degree of ‘blame’

Those that \textit{gain} health
Generally known

Those that \textit{lose} health
Generally unknown
Analytical versus deliberative approaches

**Analytical?**
- Equity-weighted QALYs
- Opportunity costs
- Which characteristics?
- Whose preferences?
- Ready for prime time?

**Deliberative?**
- Other factors taken into account
- More nuanced
- Lacking transparency?

**Deliberation informed by analysis?**
- Threshold analysis
- Which utilities?
- Which QALY weights?
- What opportunity cost?
- When do QALY limitations matter?
The Comprehensive Benefits and Value Review

- Key dimensions can be handled within standard analysis
- Is there a role in assessing the distributional issues in health gain?
- What does it provide over deliberation informed by analysis?
- Arbitrary scoring: e.g. equal weights between dimensions
- Risk of masking the key judgement: is the health gain from a new technology of greater value than health forgone?
- Process issue: implications of giving manufacturers discretion