

Press Release

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Using economic evaluations for drug reimbursement decisions - what have we achieved?

Researchers at the University of York perform evaluations of the clinical and cost-effectiveness of drugs for the National Institute for Health and Clinical Excellence (NICE).

A new report by Professor Mike Drummond of the University's Centre for Health Economics assesses the actual impact of the research.

Professor Drummond reflects on the global development of 'economics-based reimbursement' over the past 20 years and examines the evidence to determine the impact of economic evaluation on the drug pricing and reimbursement processes.

He finds evidence of a number of beneficial changes in reimbursement processes, including the measurement of more meaningful clinical endpoints and increased engagement between manufacturers, drug regulators and payers.

A consistent finding across studies of reimbursement decisions is that economic considerations have been influential, second only to the strength of the clinical evidence for the drug of interest.

Overall, the impact of economic evaluation on the allocation of healthcare resources is hard to ascertain because of the difficulties in specifying what would have happened otherwise. Also little is known about the extent to which reimbursement decisions actually lead to changes in healthcare practice. However, there is evidence that economic evaluation has assisted price negotiations and enabled reimbursement agencies to target drugs at those patients most likely to benefit.

Professor Drummond concludes: "The increasingly high prices of many new drugs particularly in areas such as cancer, and the incremental rather than substantial improvements in health gain that many of these products deliver, have made economic considerations key.

"In publicly financed healthcare systems, basing the pricing and reimbursement of drugs on explicit consideration of costs and benefits has moved us closer to a more efficient and equitable allocation of resources and one that is more reflective of our collective 'willingness to pay'."

Ends

Notes to editors

- Mike Drummond. *Twenty years of using economic evaluations for reimbursement decisions what have we achieved?* CHE Research Paper 75, York: University of York, 2012. www.york.ac.uk/che/publications/in-house/
- The Centre for Health Economics (CHE) is a research department at the University of York. The Centre's aim is to undertake high quality research that is capable of

influencing health policy decisions. The Centre is one of the largest health economics research units in the world. www.york.ac.uk/inst/che/

- To obtain further information or arrange an interview with Mike Drummond, contact David Garner, Senior Press Officer, University of York, on 01904 322153.