

Consideration of value in cost per QALY decision-making – an Extended Value Appraisal proposal

Victoria Barrett

The Association of the British Pharmaceutical Industry



Introduction

- Cost per QALY is often used as a key decision-making criterion in HTA.
- There are known limitations to the QALY and the value it can capture that is relevant to patients, the NHS and society.
- Without a decision-making framework that can incorporate other value elements in a consistent and transparent way, the broader value of medicines can be systematically under-estimated.

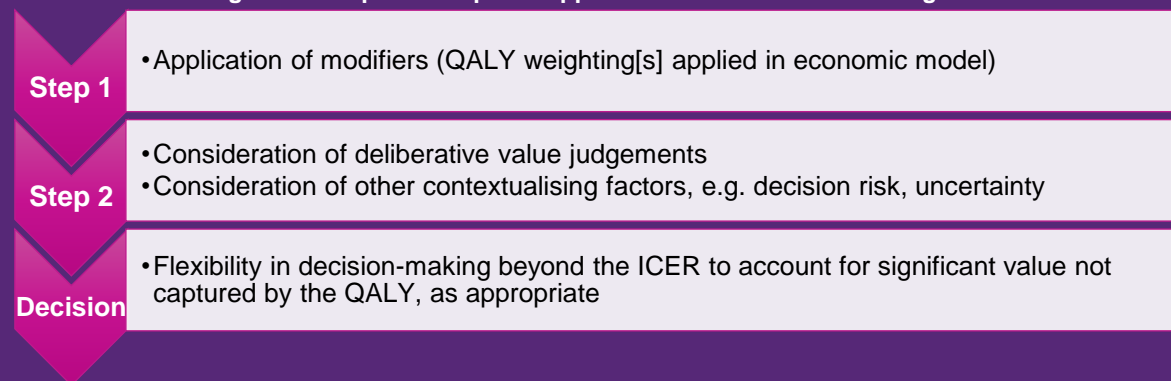
Methods

- Review of work under-taken and reported on during NICE's value-based assessment consultation in 2014 which explored NICE taking account of 'burden of illness' and 'wider societal impact' more explicitly and systematically.
- Targeted literature review to understand the theoretical arguments and empirical evidence that supports the inclusion of the value elements in the proposal.
- Review of global HTA approaches and whether the value elements are considered by other HTA bodies internationally.
- Patient Organisation workshops to review and agree value element definitions and prioritise value elements from a patient perspective.
- Ongoing engagement with ABPI's members to develop an extended value appraisal proposal – an industry position on evolving cost per QALY decision-making frameworks in HTA.

Results

- In considering how value elements (Figure 1) can be consistently captured within decision-making frameworks without introducing undue complexity and retaining room to exercise judgement, we propose two '**modifiers**' defined as quantifiable adjustments to the QALY (implemented through QALY weightings) to provide additional weight in decision-making to the value captured within the QALY:
 1. **Severity** - there is strong evidence to support a modifier that accounts for severity of disease in terms of quantity and quality of life lost.
 2. **Rarity** - a modifier that recognises rarity could help support better access to rare disease medicines.
- The proposed modifiers are incorporated alongside explicit '**value judgements**', which are defined as deliberative factors that are considered to account for the value of a technology that cannot be captured within the QALY (Figure 2).

Figure 2: Proposed stepwise approach to HTA decision-making



Conclusion

- There is scope to include modifiers and deliberative value judgements in cost per QALY centric decision-making frameworks. This approach can provide a structure for decision-making in HTA that is less reliant on the QALY, allowing better realisation of the value medicines provide to patients, their carers and families, the NHS and society.
- When it is not possible to quantify value elements, qualitative/deliberative approaches can be utilised.
- A balance can be struck between appropriate flexibility whilst maintaining transparency of decision-making to stakeholders.

Figure 1: Prioritised list of value elements which should be considered in HTA decision-making

