Third Forum

1. AMCP Dossiers: Useful for Decision Making or Not? A Debate
2. Biologics: Drawing (or Crossing) the line of Cost vs. Benefit: A Case in Oncology
3. Quality Adjusted Life Years (QALY’s) for Decision Making: Views from Canada and the U.S.
Forum Objectives

Discuss commonly encountered obstacles to conducting or utilizing results of PE studies for decision making

- Explore solutions from various perspectives
  - Managed Care
  - Government
  - Pharmaceutical/Biotech Firms
  - Medical Centers
  - Academia

- Create an environment & foundation to foster larger PE/Outcomes Research Interest Group
Participants

- MCO/PBM
- Government
- Pharma/Biotech
- MedCenter
- Academia
Participants

SPRING 2007

FALL 2006

MCO/PBM
Government
Pharma/Biotech
MedCenter
Academia
### Steering Committee

<table>
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*VA San Diego Healthcare System*
Sponsor - Many Thanks!
Quality Adjusted Life Years (QALY’s) for Decision Making
Views from Canada and the U.S.
Expanding the Use of QALY's as a factor in decision making for pharmaceuticals in the U.S.

- **Pro’s**
  - Robert M. Kaplan, PhD

- **Con’s**
  - Chris Leibman, Pharm D
Why don’t Americans Use Cost-Effectiveness Analysis?

Neumann, PJ. American Journal of Managed Care, May 2004
Neumann’s Thoughts

- American MDs not taught to think about resource constraints
- Long-term societal perspective seems irrelevant to decision makers with short-term demands
- Motives – Tool for:
  - For-profit manufacturers to make more money
  - Accountants & managers to save more money
- Health plans may fear lawsuits if openly use CEA
American MDs not taught to think about resource constraints
Long-term societal perspective seems irrelevant to decision makers with short-term demands
Motives – Tool for:
- For-profit manufacturers to *make* more money
- Accountants & managers to save more money
Health plans may fear lawsuits if openly use CEA

*Americans have a “deep-seated distaste of limits and of the corporate or government officials who impose them”*
“Other countries’ acceptance of CEA confirms the United States’ failure to use CEA is driven more by the country’s own cultural, political, and institutional conditions than by the technique’s inherent methodological shortcomings”

Neuman, PJ. American Journal of Managed Care, May 2004
Quality Adjusted Life Years (QALY’s) for Decision Making
Views from Canada and the U.S.

Moderator
Ted Ganiats, MD
Interim Chair, Department Family and Preventive Medicine
UCSD School of Medicine
Executive Director
UCSD Health Services Research Center (HSRC)
Speakers

Lesia M. Babiak, PharmD, MBA
Director, Federal Affairs & Health Policy
Janssen Ortho Inc
Formerly, Associate Director, Drug Programs Branch, Government of Ontario

Robert M. Kaplan PhD
Fred W & Pamela K Wasserman Professor
Chair, Department of Health Services
UCLA School of Public Health

Chris Leibman, PharmD, MS
Senior Director, Pharmacoeconomics
Elan Pharmaceuticals Inc.
What is a QALY?

Ted Ganiats, M.D.
Executive Director
UCSD Health Services Research Center
Which Is Most Cost-effective?

Program A
$50K per MI prevented

Program B
$32K per abnormal Pap smear
Which Is Most Cost-effective?

Program A
$50K per Colon Cancer Found

Program B
$32K per Cervical Cancer Found
Which Is Most Cost-effective?

Program A
$50K per Dukes A Colon Cancer Found

Program B
$32K per Dukes D Colon Cancer Found
How Can (Should) You Compare?

Cost: “EASY”

HEALTH:
Would be nice to have a common metric

What should that metric be?

What are the goals of health care?
Goals of Health Care

- Improve Health (quality of life)
- Prolong duration (life expectancy)
Conceptual Model

Goals are to increase quality of life and life expectancy.
Conceptual Model

Wellness vs. Years

[Graph with points indicating the relationship between wellness and years.]
Conceptual Model

Quality-adjusted Life Years (QALYs)

Wellness

Years
Ta-TAH!

We have a metric (QALYs) that
- represents our major health goals
- allows for comparisons

We can combine it with dollars for CEA!
BUT…

… how do we measure quality of life?
There is some debate, but can use... *tools* like VAS, Standard Gamble, Time trade-off, Willingness to Pay

And *instruments* like EQ-5D, HUI, and QWB
What is a QALY?

The QALY (Quality-adjusted life year) is a way of measuring health outcomes that takes into consideration our two main goals (quality of life and life expectancy).
Questions

Should QALY's be used broadly as a factor in decision making for pharmaceuticals in the U.S.?

Yes  No
Likelihood of US having broader use of QALY's for decision making among pharmaceuticals?

In 5 Years?

- Very Likely (80-100%)
- Likely (60-79%)
- Unlikely (40-59%)
- Highly Unlikely (0-39%)
Questions

Likelihood of US having broader use of QALY's for decision making among pharmaceuticals?

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Questions

A centralized body or group in the U.S. should be responsible for evaluating the QALY’s produced by new pharmaceuticals?

Strongly Agree     Agree     Not Certain     Disagree     Strongly Disagree
Questions

Using QALY’s on a broader basis for pharmaceutical decision making in the US would be of greatest benefit to: (choose one)

______ Payers – e.g. managed care, insurers
______ Patients
______ Manufacturers
______ Employers
______ Society / Government
______ Academia
Questions

Who should be responsible for including QALY’s in their decision making for pharmaceuticals? (Check all that apply)

_____ Federal Government
_____ State Governments (e.g. Medicaid programs)
_____ Payers – e.g. managed care, insurers
_____ Employers
_____ Other (Please specify)
Second Forum Objective

- Create an environment & foundation to foster larger PE/Outcomes Research Interest Group

THANKS ONCE AGAIN!

and PARTICIPANTS!
Planning Survey

Your Thoughts for future Forums

Some Issues….

- Data Mining: Useful for Formulary Management?
- Pill splitting: Cost Savings or Patient Safety Concern?
- PE Data: Useful for Risk Adjustment and Rate Setting by Insurance Companies?

Other ideas???