



Applied Pharmacoeconomic and Outcomes Research Forum

Spring 2007



UNIVERSITY of CALIFORNIA
SAN DIEGO

SKAGGS SCHOOL of PHARMACY
and PHARMACEUTICAL SCIENCES



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.

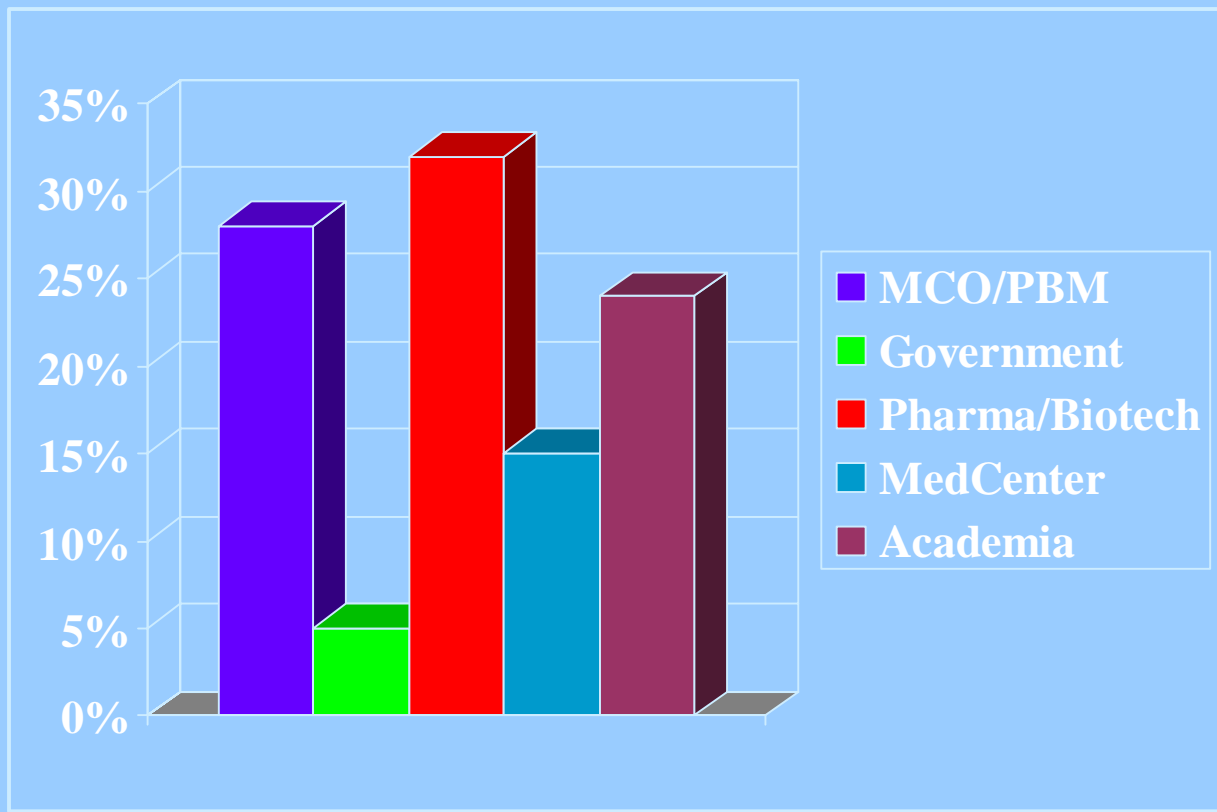


Forum Objectives

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

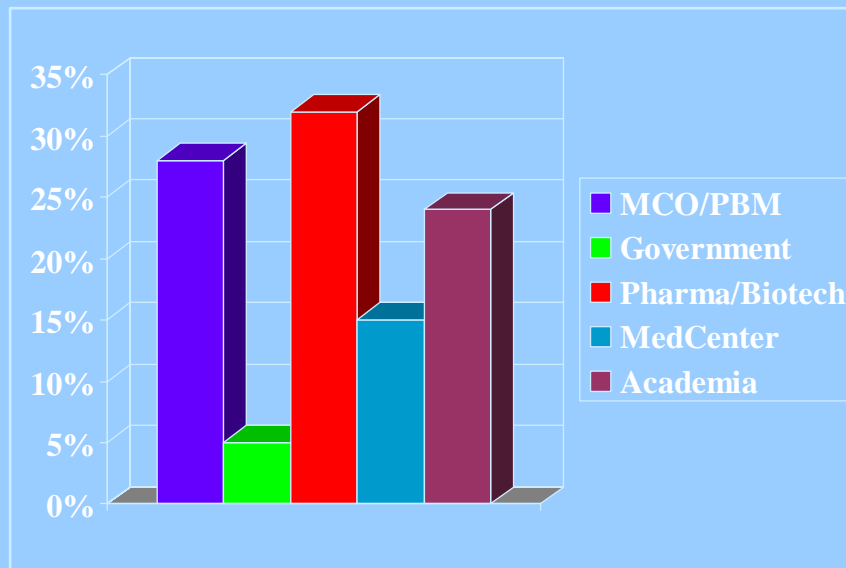
- Explore solutions from various perspectives
 - Managed Care
 - Government
 - Pharmaceutical/Biotech Firms
 - Medical Centers
 - Academia
- Create an environment & foundation to foster larger PE/Outcomes Research Interest Group

Participants

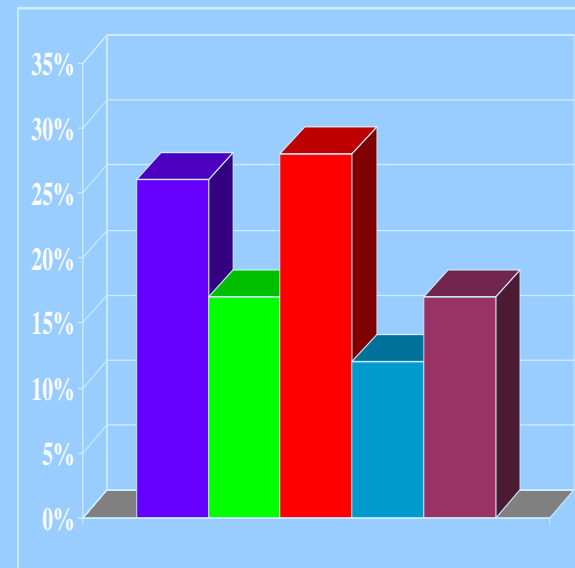


Participants

SPRING 2007



FALL 2006





Steering Committee

Charles Daniels, R.Ph., Ph.D.

UCSD Healthcare Department of Pharmacy

Ted Ganiats, MD

UCSD School of Medicine

Jan D. Hirsch, R.Ph., Ph.D.

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Mirta Millares, Pharm.D., FCSHP, FASHP

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VA San Diego Healthcare System

Mohammad Najib, MBA, MPH, PhD

Aequitas

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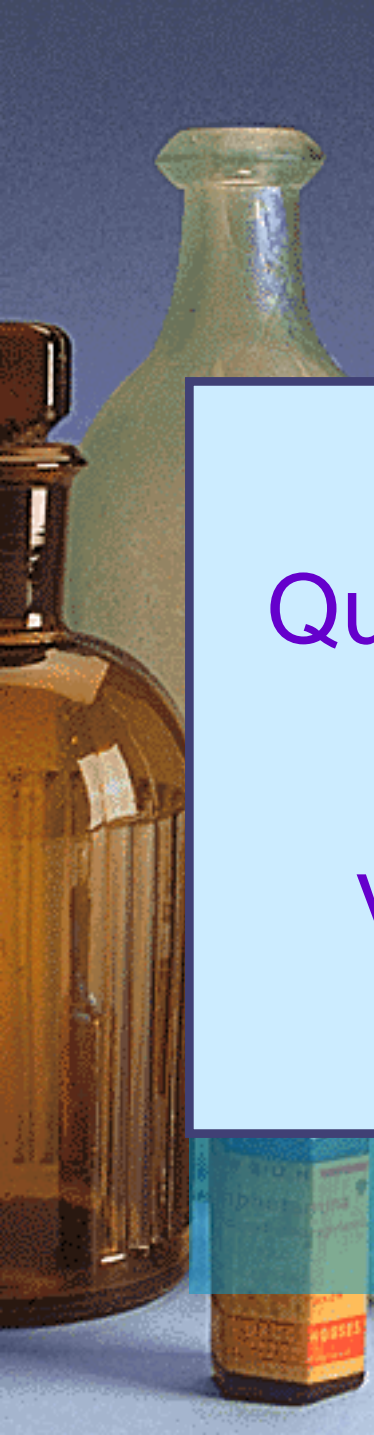
Ray Townsend, Pharm.D.

Elan Pharmaceuticals, Inc.



Sponsor - Many Thanks!

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Quality Adjusted Life Years (QALY's)
for Decision Making
Views from Canada and the U.S.

Agenda

- **Topic Introduction & QALY Tutorial** Ted Ganiats, MD
- **The Canadian Experience** Lesia Babiak, PharmD, MBA

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

Panel Q&A and Audience Discussion



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

Neumann's Thoughts


- American MDs not taught to think about resource constraints
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 - 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”

Neumann's Thoughts

“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, P.J. 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?

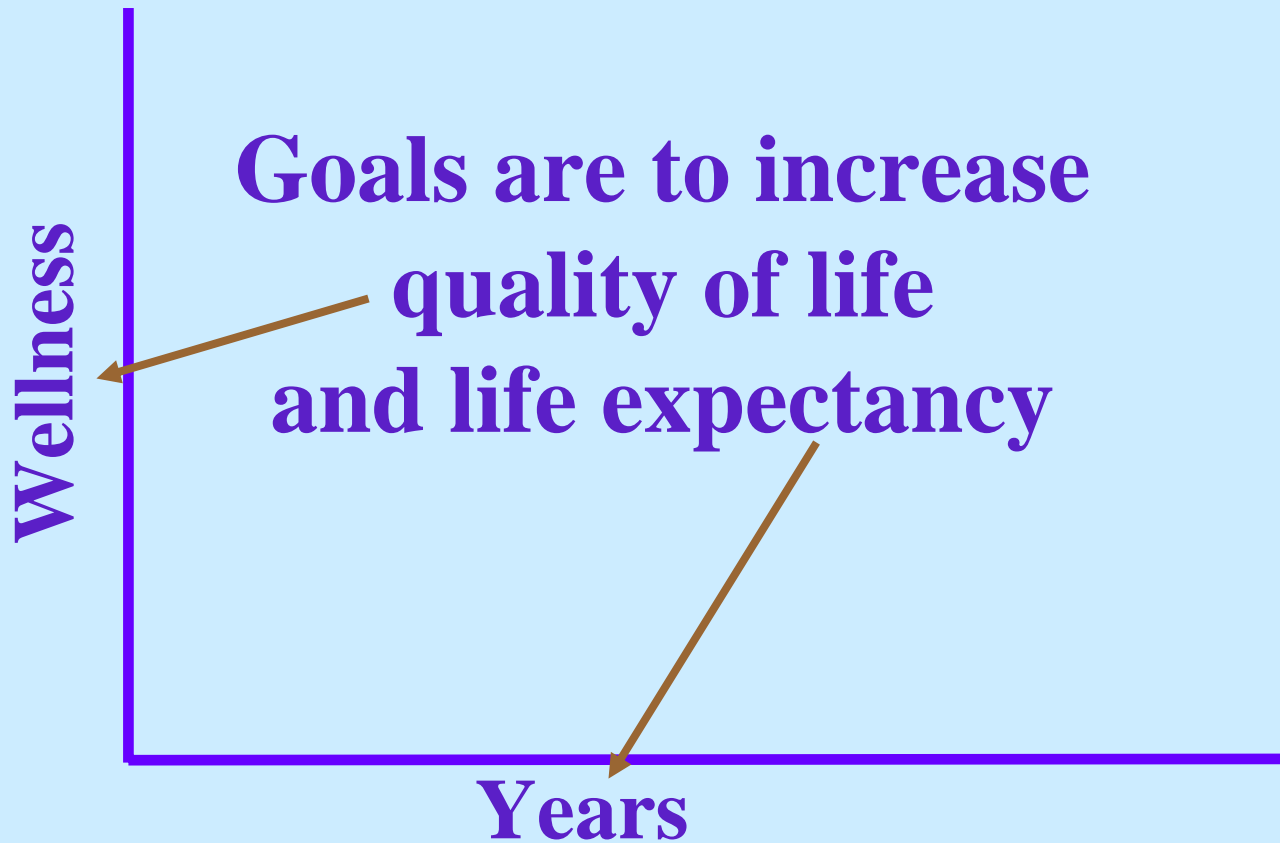


Goals of Health Care

Improve Health
(quality of life)

Prolong duration
(life expectancy)

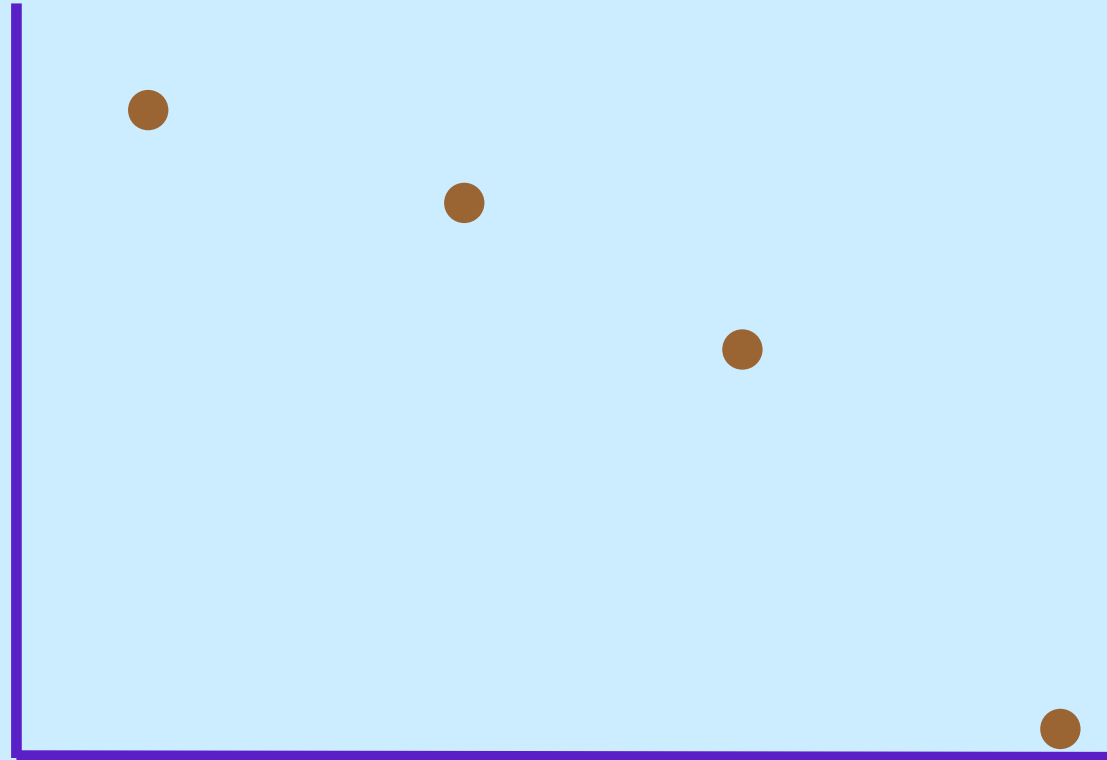
Conceptual Model



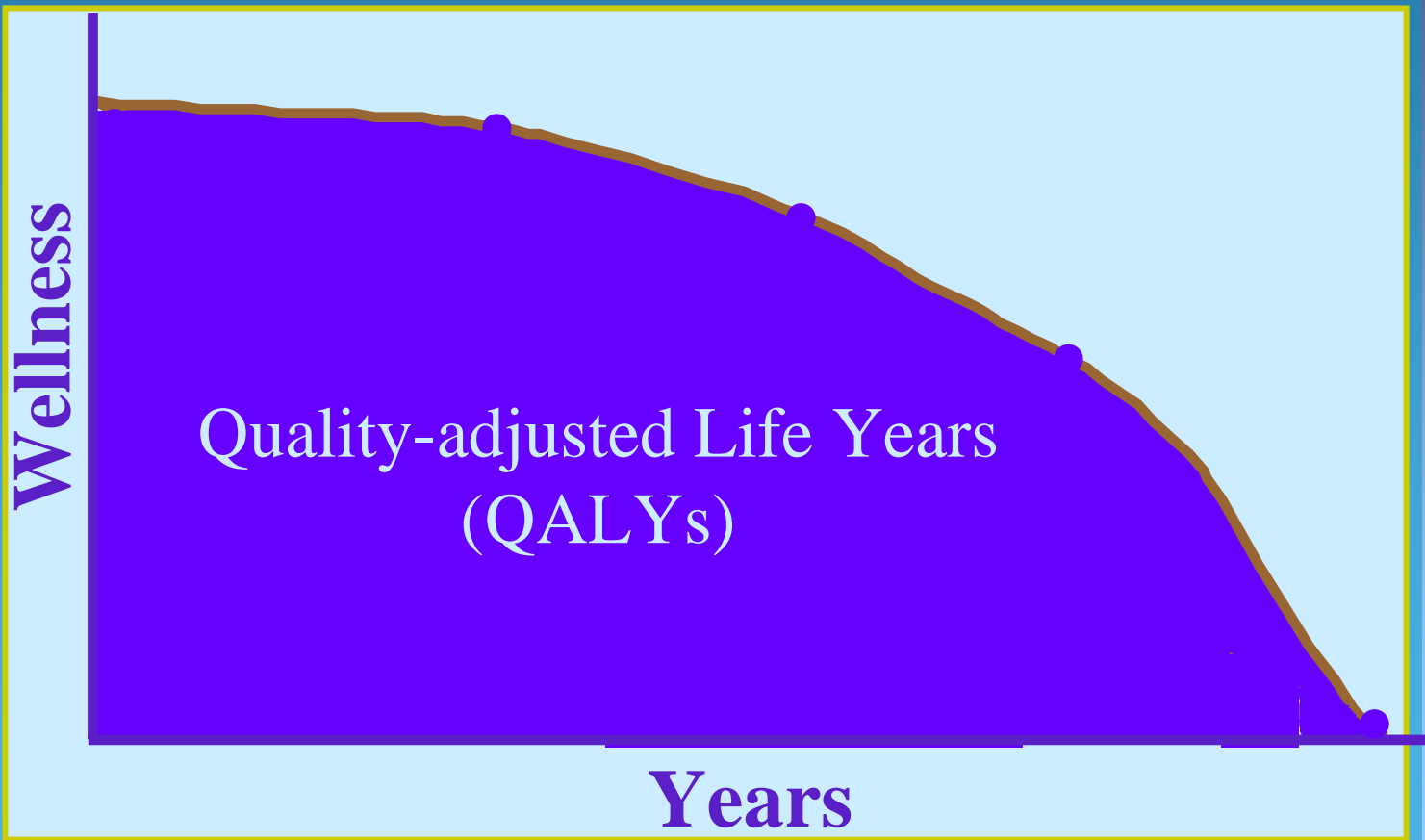
Conceptual Model

Wellness

Years



Conceptual Model





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?



How 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



Bottom Line

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



Questions

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?

In 5 Years? In 10 Years?

Very Likely
(80-100%)

Likely
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Unlikely
(40-59%)

Highly Unlikely
(0-39%)



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!

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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???