

The IHE Health Economics Virtual Workshop

The purpose of this workshop is to demonstrate how health economics and early-stage technology assessment can support your research and development planning, and help communicate your value proposition more clearly and effectively to payers.

Health economics serves a critical function for life sciences SMEs

Health economics seeks to support decision-making by offering analysis of the production and consumption of health care based on the principles of efficiency, effectiveness, and value for money. In consideration of the increasing demands on limited resources and budgets, health economics influences decision-making at all levels and sectors of health care. In addition to clinical data to demonstrate the safety and efficacy of a technology, SMEs require health economic data and analysis to demonstrate the cost-effectiveness of that technology for health systems, creating a comprehensive picture of how the technology is a good use of resources.

Health economics evidence presents an opportunity to demonstrate value



Health technology contributes significantly to Canadian and provincial economies



The Provincial government and health authorities are committed to fostering health technology and adopting them to improve patient care



Health expenditure is increasing at unsustainable rates and scarce resources must be used in the most efficient way



Health technology has to demonstrate value for money in the approval and procurement process



Public payers and society try to ensure maximum benefits for health spending



There is an opportunity for informed producers to embed considerations of value in their research, design, and evidence generation

Health economics evidence can:

- Help identify how best to spend scarce resources on a growing range of health technologies
- Compare alternatives to determine what has to be paid for the benefits that the options offer
- Determine which alternative is preferable and allows health to be maximized
- Allows considerations of the price at which a health technology represents good value

Health Technology Assessment (HTA):

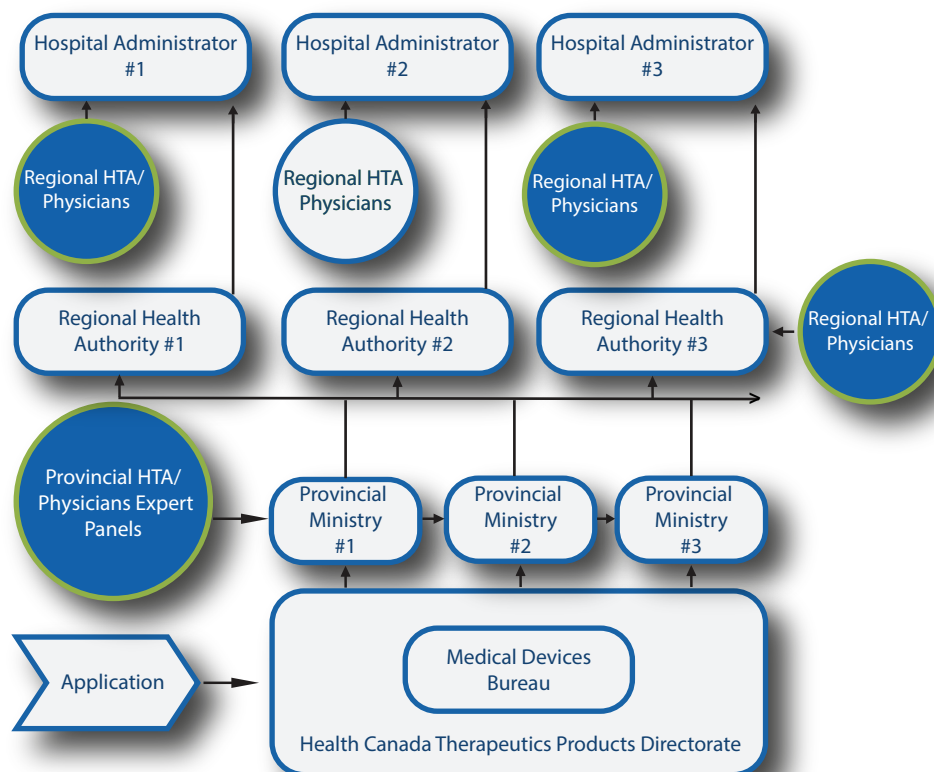
Health technology assessment (HTA) is a multidisciplinary process that evaluates the properties, effects, and/or impacts of health technology, from a social, economic, organizational, and ethical perspective. It is the systematic evaluation of the properties and effects of a health technology, addressing the direct and intended effects of this technology, as well as its indirect and unintended consequences, and is aimed mainly at informing decision-making regarding health technologies. The goal of HTA is to support evidence-informed policy decision-making.

Factors payers consider in provincial HTA

Although factors may vary, generally payers consider the following:

- Disease burden/clinical need
- Comparative effectiveness
- Budget impact and total health system costs
- Evidence of cost-effectiveness
- Equity
- Feasibility of implementation
- Access in other jurisdictions

Layers of decision-making in Canada



Health technology review criteria - General HTA process across jurisdictions

	CANADA		USA	AUS	UK
Technology Review Criteria	AB/BC/QB/ON	CADTH	AHRQ	MSAC	NICE
Clinical impact	✓	✓	✓	✓	✓
Disease burden	✓	✓	✓	✓	✓
Value for money (supported by economic evaluation)	✓	✓		✓	✓
Budget impact (supported by economic evaluation)	✓	✓	✓	✓	✓
Patient experience	✓	✓			✓
Ethical, legal	✓	✓		✓	✓
Health system challenges (implementation, diffusion, etc.)	✓	✓			✓

Economic evaluations are frequently used in HTAs, across multiple jurisdictions.

Economic evaluation for health technology

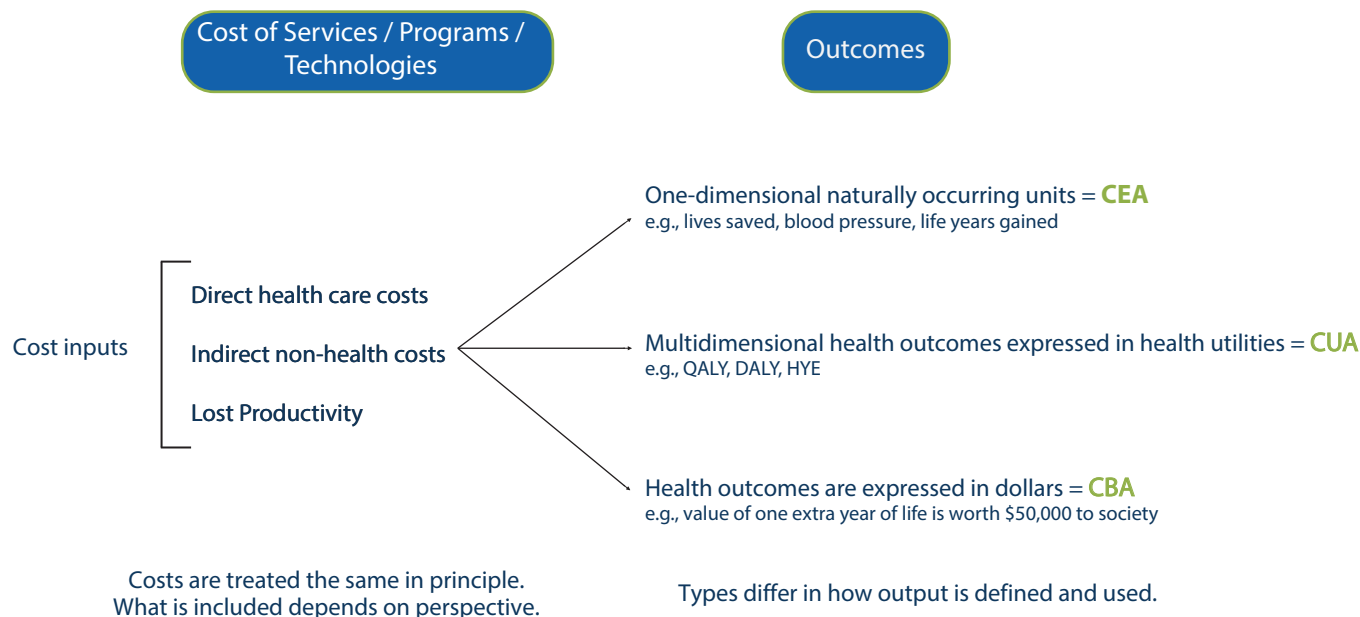
Economic evaluation is the process of measuring cost-effectiveness. More specifically, economic evaluation methods can be used to:

- Answer questions about which alternative provides the best use of resources
- Assess the benefits of a health technology compared to the costs associated
- Consider both the cost of the intervention and subsequent health costs that stem from the intervention

Data for Economic Valuation:

- Can be collected alongside efficacy studies
- Can be obtained from secondary sources
- Plausible estimates can be obtained through elicitation techniques

Types of economic evaluation



Achieving cost-effectiveness

- Increased health gain, both immediate and in the long term
- Reduced procedure costs
- Reduced follow-up costs for health services
- Reduced follow-up costs for patients and carers
- Reduced costs in other areas of public spending

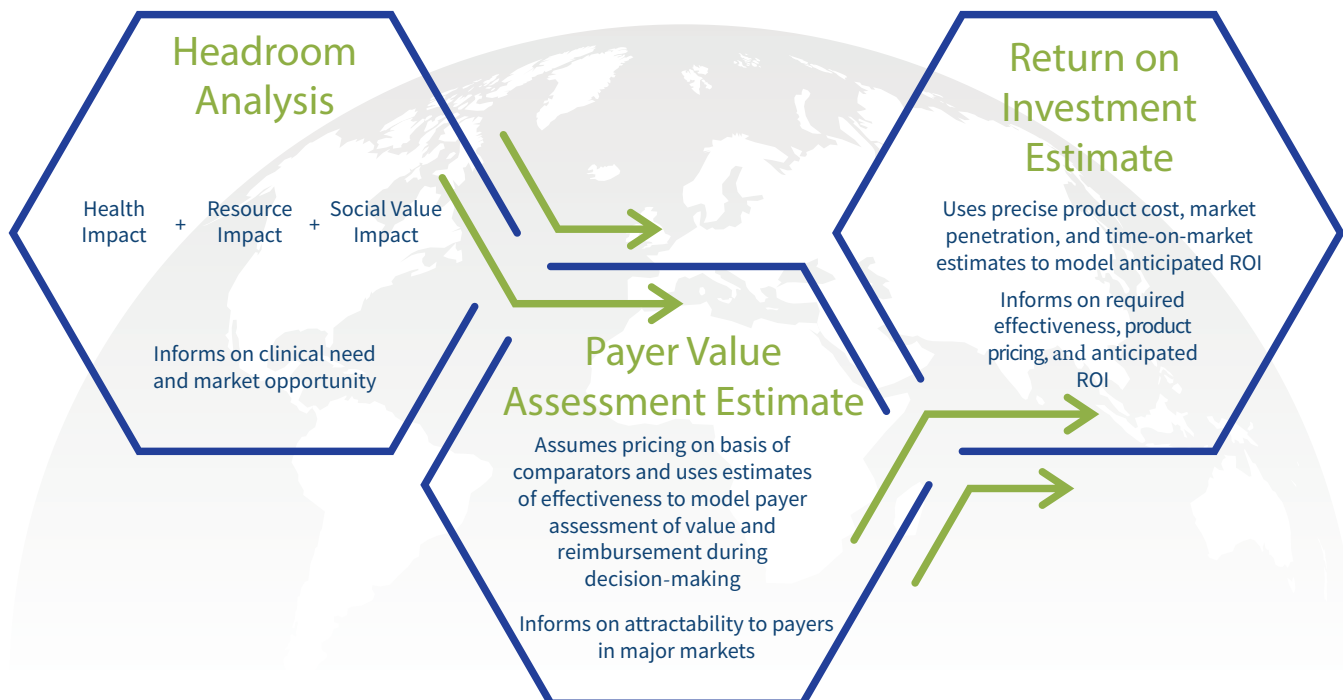
Cost-effectiveness plane



Early-Stage Life Sciences Technology Assessment:

In the development of early-stage life sciences technology, it is imperative to understand whether healthcare organizations are likely to purchase your innovation, and consequently provide you a return on investment. Healthcare organizations make purchase decisions based upon clinical AND economic (value for money) considerations.

Early-stage assessment process



Alberta is committed to fostering health research by:

- 
-  Ensuring quality of care, improving health outcomes, achieving sustainability
 -  Building strong partnerships
 -  Incentivizing research
 -  Applying and spreading knowledge
 -  Adopting innovations to achieve service excellence

Alberta's Health Research and Innovation Strategy, 2010

Alberta aims to build on its position as a world-class leader in health research, reflecting its longstanding commitment to scientific excellence, while improving the health and well-being of Albertans. The province is focused on enhancing ability to support and adopt innovative preventative, diagnostic, and therapeutic technologies and health products, with industry as a key stakeholder.

The IHE provides services to:



Educate SMEs and support organizations (e.g., accelerators) on the value and use of health economics to support procurement efforts.

Assess early stage technology and present innovators and investors with insights into commercial potential, given the anticipated economic evidentiary requirements and hurdles that will need to be met and overcome to market a technology that is attractive to payers.

Document the economic value of a technology, using data captured during clinical trials, to support SMEs in preparing complete (clinical and economic) evidentiary packages for the procurement process.