The Role of Economic Analysis in Funding Decisions for Health Care Interventions in Canada

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Outline of Presentation

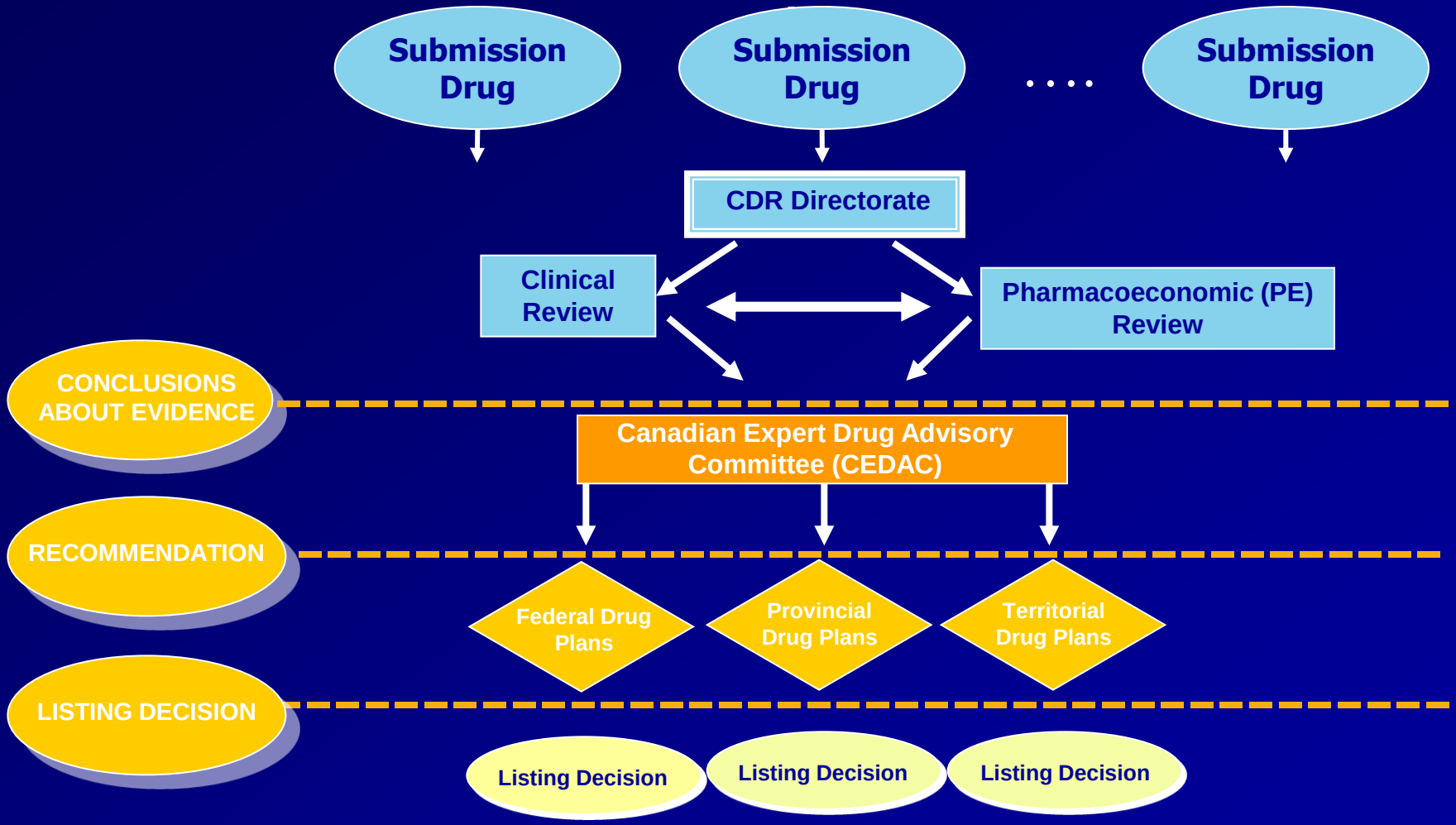
- ***Use of economic evaluation in pharmaceutical decision making at a federal level***
- ***Use of economic evaluation in pharmaceutical decision making at a provincial level***
- ***Other use of economic evaluation in decision making in Canada***

- ***Use of economic evaluation in pharmaceutical decision making at a federal level***

Common Drug Review

- ***Common Drug Review (CDR) is based within Canadian Agency for Drugs and Technologies in Health (CADTH)***
- ***A single common process for assessing new drugs for potential coverage by drug benefit plans in Canada (except Quebec)***
- ***Includes:***
  - –Review of best available clinical evidence and critique of manufacturer-submitted pharmacoeconomic evaluation
  - –Listing recommendation from a national expert committee (CEDAC – Canadian Expert Drug Advisory Committee)

CDR


Submission Drug
Submission Drug
. . . .
Submission Drug
CDR Directorate
Clinical Review
Pharmacoeconomic (PE) Review
CONCLUSIONS ABOUT EVIDENCE
Canadian Expert Drug Advisory Committee (CEDAC)
RECOMMENDATION
Federal Drug Plans
Provincial Drug Plans
Territorial Drug Plans
LISTING DECISION
Listing Decision
Listing Decision
Listing Decision

CDR - Objectives

- Reduce duplication of efforts by drug plans
- Maximize the use of limited resources and expertise
- Provide equal access to the same high level of evidence and expert advice for all participating plans
- Provide a consistent and rigorous approach to drug reviews and an evidence-based listing recommendation.

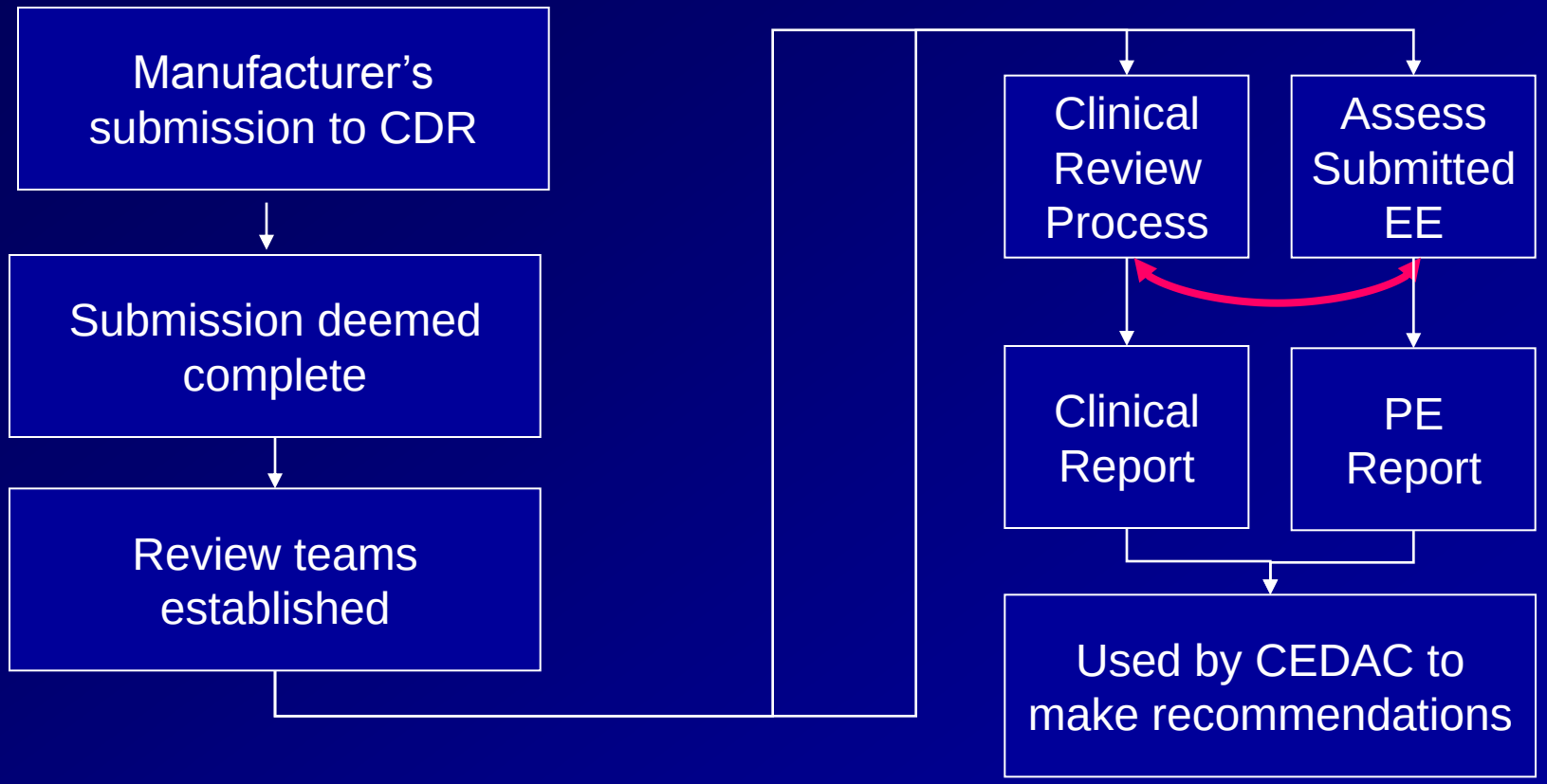
The Submission

- ***Submissions can be filed by:***
  - Manufacturers (submissions and resubmissions)
    - New chemical entities & new combinations
    - Shortly old drugs with new indications
  - Drug Plans
    - Specific drugs/ class reviews
    - Request for Advice

What is Submitted?

- Efficacy, effectiveness and safety data – common technical document, summary of clinical efficacy and safety data, list of all published and on-going studies
- An economic evaluation (EE) for the submitted drug
- Budget impact analyses (BIAs) for each drug plan
- Product monograph (approved by Health Canada)
- Disease prevalence
- Pricing information
- Letter indicating ability to supply
- Other

Clinical-Pharmacoeconomic



CDR - Process

	Pharmacoeconomic Review	Clinical Review
Manufacturer submits	***Appropriate economic evaluation***	***All relevant clinical trials and information***
Basis for the review	***Critique of manufacturer's economic analysis***	***Systematic review of clinical evidence***
Inclusion of published literature	***Comment on other economic studies or HTA reviews***	***If clinical information meets inclusion criteria of research protocol***
Additional analyses	***Require manufacturer's model*** ***- run additional analyses*** ***- modify model with appropriate clinical data, etc.***	***-Meta analyses*** ***-Indirect comparisons***
CEDAC uses	***Results from manufacturer's economic evaluation or CDR reanalysis***	***CDR systematic review and supplemental issues***

CEDAC

- ***Canadian Expert Drug Advisory Committee***
  - An independent advisory body composed of individuals with expertise in drug therapy and drug evaluation
  - Committee's approach is evidence-based and the advice reflects medical and scientific knowledge and current clinical practice
  - 13 members (includes chair and 2 members of the general public)

CEDAC Deliberations

- ***Criteria/factors considered in making recommendation:***
  - ***Clinical studies demonstrating safety and efficacy of the drug in appropriate populations***
  - ***Therapeutic advantages and disadvantages of the drug relative to accepted therapy***
  - ***Cost-effectiveness of the drug relative to accepted therapy***

CEDAC Deliberations

- ***CEDAC may recommend that:***
  - A drug be listed
  - A drug be listed with criteria/conditions
  - A drug not be listed
  - A recommendation be deferred, pending clarification/information

Other HTA Agencies

Assessment group	*CDR*	*NICE*	*PBAC*
Systematic review of clinical literature	*Y*	*Y*	*Y*
Conducts own economic analysis	*N*	*Y*	*Y*
Manufacturer submits economic info	*Y*	*Y*	*Y*
Time frame	*20-26 weeks*	*52-63 weeks*	*17 weeks*
Price negotiations	*N*	*N*	*Y*

- ***Use of economic evaluation in pharmaceutical decision making at a provincial level***

After CEDAC

- ***After CEDAC makes a recommendation: individual drug plans consider drug***
- ***In Ontario this is the responsibility of the Committee to Evaluate Drugs (CED)***

CED

- Initially established in 1968 as the Drug Quality and Therapeutics Committee
- Drug submissions similar to CDR
- Considers drugs previously considered by CDR
  - Reviews CEDAC recommendations
- Includes submissions not considered by CDR
  - e.g. Line extensions, oncology products
- 16 members including 2 patient representatives

CED and OPDP

- CED advises the Ontario Public Drug Programs
- Recommendations
  - Do not list (no means no)
  - Exceptional access
  - General benefit
  - Conditional listing
- Not all recommendations from CED adopted by OPDP
  - Role of OPDP to negotiate price discounts and other listing agreements
  - Political pressures

- ***Other use of economic evaluation in decision making in Canada***

Other Use of Economic Evaluation

- Ontario Health Technology Advisory Committee
  - Established in 2003
  - Considers new non drug technologies
    - Submissions from payers not manufacturers
  - Makes recommendations to Ontario Ministry of Health and Long Term Care concerning funding

Conclusions

- Canada has established mechanisms for reviewing heath care technologies for funding decisions
- The role of economic evidence within these mechanisms is firmly established
- Economists play a prominent role on the committees making policy recommendations
  - From 2006 on CED and 2010 on CEDAC
- Attempts have been made to widen decision making beyond established role in pharmaceuticals.