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 (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

Canadian Expert Drug Advisory Committee (CEDAC)

- Federal Drug Plans
- Provincial Drug Plans
- Territorial Drug Plans

- Listing Decision
- Listing Decision
- Listing Decision

CONCLUSIONS ABOUT EVIDENCE

RECOMMENDATION

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

Manufacturer’s submission to CDR

Submission deemed complete

Review teams established

Clinical Review Process

Assess Submitted EE

Clinical Report

PE Report

Used by CEDAC to make recommendations
<table>
<thead>
<tr>
<th>Manufacturer submits</th>
<th>Pharmacoeconomic Review</th>
<th>Clinical Review</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Appropriate economic evaluation</td>
<td>All relevant clinical trials and information</td>
</tr>
<tr>
<td>Basis for the review</td>
<td>Critique of manufacturer’s economic analysis</td>
<td>Systematic review of clinical evidence</td>
</tr>
<tr>
<td>Inclusion of published literature</td>
<td>Comment on other economic studies or HTA reviews</td>
<td>If clinical information meets inclusion criteria of research protocol</td>
</tr>
<tr>
<td>Additional analyses</td>
<td>Require manufacturer’s model - run additional analyses - modify model with appropriate clinical data, etc.</td>
<td>-Meta analyses -Indirect comparisons</td>
</tr>
<tr>
<td>CEDAC uses</td>
<td>Results from manufacturer’s economic evaluation or CDR reanalysis</td>
<td>CDR systematic review and supplemental issues</td>
</tr>
</tbody>
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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

<table>
<thead>
<tr>
<th>Assessment group</th>
<th>CDR</th>
<th>NICE</th>
<th>PBAC</th>
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<tbody>
<tr>
<td>Systematic review of clinical literature</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Conducts own economic analysis</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Manufacturer submits economic info</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Time frame</td>
<td>20-26 weeks</td>
<td>52-63 weeks</td>
<td>17 weeks</td>
</tr>
<tr>
<td>Price negotiations</td>
<td>N</td>
<td>N</td>
<td>Y</td>
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Use of economic evaluation in pharmaceutical decision making at a provincial level
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 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 health 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.