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INNOVAL^{HC}

Institute for Innovation & Valuation
in Health Care

Institut für Innovation & Evaluation
im Gesundheitswesen

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Health Economics Summer School

A program offered by **INNOVAL^{HC}** in cooperation with the University
of Heidelberg, Mannheim Medical Faculty, Institute for Public Health

Heidelberg, September 24th – 28th, 2007

Program



Program Overview

Part A **Economic Evaluation of Health Care Programs: Current Concepts**

Monday 11:00– Tuesday 12:30

Introduction to the methods of economic evaluation in health care: international context: health care systems and reforms; principles of economic thinking; theory and practice of cost analysis; cost-effectiveness analysis; Quality-Adjusted Life Years (QALYs); quantifying quality of life and expected utility theory; exercise “utility measurement”; decision analytic models for economic evaluation; sensitivity analyses to capture uncertainty, including cost-effectiveness acceptability curves; overview of international guidelines for health economic evaluation.

Part B **Economic Evaluation of Health Care Programs: International Experience and Controversies**

Tuesday 14:00 – Friday 14:00

Advanced topics and international practices related to the use of economic evaluation to inform health care policy: Economic theory, biomedical ethics and health economic evaluations; international overview of health technology assessments including economic evaluation; experience in Australia (PBAC), Canada (CADTH), England (NICE), and Sweden (LNF); managed care and cost-effectiveness analysis in the United States; IQWiG in Germany; using economic evaluations for pricing and reimbursement decisions; reforming the Pharmaceutical Price Regulation Scheme (PPRS) and “value-based pricing” in the UK; stakeholder expectations; NICE as an international role model?



Faculty

Friedrich Breyer

Chair of Economic and Social Policy, University of Konstanz (Germany), Economics Department.

Member of the executive board and chairman, health economics committee of the association of German-speaking economists (Verein für Socialpolitik); member of the advisory board of the Federal Ministry of Economics and Technology (Germany); Research Professor at the German Institute of Economic Research in Berlin; author of a major health economics textbook.

Martin J. Buxton

Professor and Director of the Health Economics Research Group (HERG) at Brunel University, London.

Over 20 years experience in the methods and practice of economic evaluation in health care; previously member of the Appraisal Committee of the National Institute for Clinical Excellence (NICE); member of the Reference Group established by NICE to review the new Single Technology Appraisal (STA) process.

Sören Holm

Professorial Fellow in Bioethics at Cardiff Law School, Cardiff University, Wales.

Professor of Medical Ethics at the University of Oslo, Norway; editor-in-chief of The Journal of Medical Ethics; member of the Danish Council of Ethics from 1994 to 1999; currently President-Elect of the European Society for the Philosophy of Medicine and Health Care.

Wolfgang Kaesbach

Board member of the German Federal Association of Company Sickfunds (Bundesverband der Betriebskrankenkassen, BKK).

Member of the Medicine Evaluation Committee (MEDEV), European Social Health Insurance Forum; head of department of pharmaceutical and medical products at BKK, the lead organization of the German Statutory Health Insurance on pharmaceutical pricing and reimbursement.



Panos Kanavos

Lecturer in International Health Policy and Merck Fellow in Pharmaceutical Economics at the London School of Economics (LSE).

Advisor to the World Bank, the World Health Organization and the Organisation for Economic Cooperation and Development (OECD), the American Association for Retired Persons and Ministries of Health in over 14 transition and developing countries.

Peter Kolominsky-Rabas

Head of the Department for Health Economics at the German Institute for Quality and Efficiency in Health Care (IQWiG), Cologne (Germany).

Founder and previous Scientific Director of the Interdisciplinary Center for Public Health Studies at the University of Erlangen (Germany); Chairman of the Health Economics and Outcomes Research Committee of the German Stroke Association (DSG); Managing Board Member of the Bavarian Public Health Network.

Andreas Laupacis

Professor, Department of Health Policy, Management and Evaluation, at the University of Toronto, and Director, Li Ka Shing Knowledge Institute, Toronto.

Over 20 years experience in cost-effectiveness and quality-of-life measurement studies; member of Health Canada's Advisory Board; previously Chief Executive Officer of the Institute for Clinical Evaluative Sciences; formerly senior scientist of the Canadian Institutes of Health Research; first chair of the Canadian Expert Drug Advisory Committee.

Christine Lavery

Chief Executive, Society for Mucopolysaccharide and Related Diseases (MPS), Amersham/Buckinghamshire, England (since 1993).

Prior to that, between 1984 and 1993 employed as National Development Officer at Contact a Family, a UK charity; awarded Member of the British Empire by the Queen in 2002; recipient of A Life Time Award from the International MPS Community for her services to metabolic diseases.



Ulf Persson

Chairman, Swedish Institute for Health Economics (IHE), Lund (Sweden).

Over 20 years research experience in the development and application of economic evaluation methods in health care, with particular regard to the introduction and utilization of medical technologies.

Jeff Richardson

Professor, Faculty of Economics at Monash University (Melbourne / Clayton, Victoria); Foundation Director of the Centre for Health Economics (CHE).

President of the Australian Health Economists' Group from 1984 to 1991; member of the Pharmaceutical Remuneration Tribunal in Australia; member of the editorial boards of five leading health economic journals.

Michael Schlander

Founding Chairman of the Institute for Innovation & Valuation in Health Care (INNOVAL^{HC}); Professor of Health Care Management at the University of Applied Economic Sciences Ludwigshafen (Germany).

Visiting Scientist at the Mannheim Institute of Public Health (University of Heidelberg); over 15 years experience in executive management roles in the international pharmaceutical industry.

Koen Torfs

Vice President, Health Economics & Public Affairs, Janssen-Cilag GmbH (Neuss, Germany).

Over 20 years experience in the economic evaluation of health care interventions.

Rosalie Viney

Associate Professor and Deputy Director at the Centre for Health Economics Research & Evaluation, University of Technology, Sydney, New South Wales.

Chair of the Australian Pharmaceutical Benefits Advisory Committee (PBAC)'s Economics Sub-Committee; research areas include utilization of health services, valuation of health outcomes, the use of economic evaluation in resource allocation, and measurement of individual's preferences for health care services.



Time Schedule Part A
“Current Concepts”

Faculty for Part A:

Christian Boehler
Jeff Richardson
Michael Schlander
Rosalie Viney

Monday, September 24th, 2007

11:00 **International context**

International health care systems
International health care reforms
Principles of economic thinking
Cost-benefit analysis

12:30 **Lunch break**

14:00 **Cost analysis**

Theory of costing
Practice of costing
Cost-of-illness studies

15:00 **Coffee break**

15:30 **Cost-effectiveness analysis**

Incremental cost-effectiveness ratios (ICERs)
Cost-utility analysis
Quality-adjusted life years (QALYs)
ICER benchmarks and interpretation

16:30 **Expected utility theory**

Axioms and application
Standard gamble technique



Time trade-off technique
Visual Analogue Scales
Preference elicitation techniques

18:00 **Supper break**

20:00 **Exercises**

1. Quantifying “quality of life”: utility measurement
2. Constructing a simple decision analytic model

Tuesday, September 25th, 2007

09:00 **Review of Day 1**

Insights from exercises

10:00 **Modeling techniques**

Modeling – an unavoidable fact of life
Decision tree models
Markov models
Sensitivity analysis I

11:00 **Coffee break**

11:30 **Advanced modeling techniques**

Sensitivity analysis II
Monte Carlo simulation
Non-parametric bootstrapping
Cost-effectiveness acceptability curves (CEACs)
International guidelines

12:30 **Lunch break**



Time Schedule Part B
“International Experience and Controversies”

Tuesday, September 25th, 2007

- 14:00 **Welcome and introduction to the program**
Michael Schlander
- 14:30 **Economic welfare theory and health economics**
Friedrich Breyer
- 15:30 **The logic of cost-effectiveness (“extra-welfarism”)**
Martin J. Buxton
- 16:30 **Coffee break**
- 17:00 **The ethics of priority setting in health care**
Sören Holm
- 18:00 **Re-interpreting health economics**
Jeff Richardson
- 19:00 **Supper break**
- 20:00 **Roundtable discussion**

**The ‘dismal science’ revisited:
normative foundations of health economic analysis**

Friedrich Breyer
Martin J. Buxton
Sören Holm
Jeff Richardson
Michael Schlander



Wednesday, September 26th, 2007

09:00 National Institute for Health and Clinical Excellence (NICE)

Martin J. Buxton

Mission and roles of NICE
The NICE reference case
NICE processes and procedures
How does NICE come to its decisions?
How do NICE and the Scottish Medicines Consortium (SMC) relate?

10:30 Coffee break

11:00 NICE and the National Health Service (NHS)

Martin J. Buxton

Implementation issues
Is the current ICER threshold right?
Value-based pricing – possible future developments

12:30 Lunch break

14:00 The Australian experience

Rosalie Viney

Pharmaceutical Benefits Scheme (PBS) in Australia
Pharmaceutical Benefits Advisory Committee (PBAC)
Quality of submissions to PBAC – common flaws
Can the system be “played” by companies?

15:30 Coffee break

16:00 The Canadian experience

Andreas Laupacis

The Canadian Common Drug Review (CDR)
CDR appraisal processes



Canadian Expert Drug Advisory Committee (CEDAC)
Canadian Agency for Drugs and Technologies in
Health (CADTH)
Provincial formulary listing in Canada

17:30 **Break**

19:00 **Social program & dinner**

Thursday, September 27th, 2007

09:00 **Economic analysis and medical decision-making:
help or hindrance? A North American perspective**

Andreas Laupacis

Prescription creep and implementation issues
Usefulness of economic evaluations
Canadian drug policy and pharmacoconomics
Expensive drugs for rare diseases in Canada
Recent trends in the United States

10:30 **Coffee break**

11:00 **Health Technology Assessments in Europe**

Panos Kanavos

Assessment procedures and methods in Europe
HTAs and decision-making in Europe
Evidence and innovation in health care
Interface between HTAs and innovation

12:30 **Lunch break**



14:00 **Pharmaceutical price regulation in the UK**

Panos Kanavos

Reforming the UK Pharmaceutical Price Regulation Scheme (PPRS)
Moving towards value-based pricing in the UK?
Implications for stakeholders

15:00 **The Swedish experience**

Ulf Persson

The Pharmaceutical Benefits Board (LNF)
Applying the cost-effectiveness principle
Experience, issues and debate in Sweden

16:30 **Coffee break**

17:00 **The German approach to economic evaluation**

Peter Kolominsky-Rabas

Legal and regulatory environment
Mission and roles of IQWiG
HTAs in Germany
Objectives of health economic evaluations by IQWiG

18:30 **Supper break**

20:00 ***Roundtable discussion***

Value-based pricing: a NICE approach?

Andreas Laupacis
Panos Kanavos
Peter Kolominsky-Rabas
Ulf Persson
Michael Schlander



Friday, September 28th, 2007

Stakeholder expectations

09:00 *Koen Torfs*

A research-based pharmaceutical corporation's view

10:00 *Christine Lavery*

The perspective of patients

11:00 **Coffee break**

11:30 *Wolfgang Kaesbach*

The perspective of payers in the regulatory context

12:30 **Discussion**

13:00 **Which way forward?**

Michael Schlander

What have we learnt?
Concluding remarks

13:30 **Lunch (optional)**

Venue: **Studio of Villa Bosch, Heidelberg**

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Please note that situations might arise in the future that require change and revision of the program.
Program as at July 20, 2007.