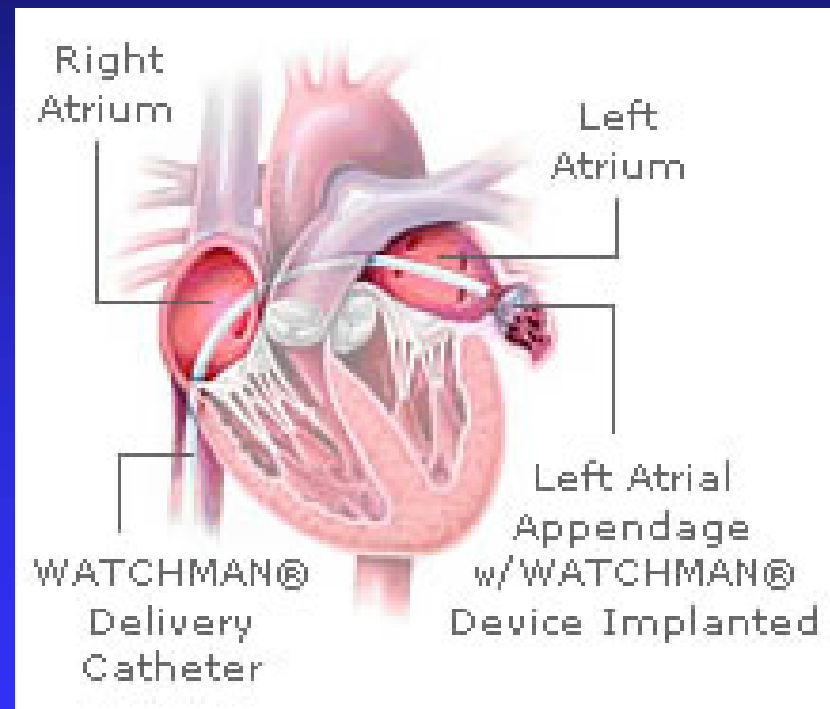


Comparative Effectiveness: Opportunities for Improved Value

Innovation: The Challenges



Examples of comparative effectiveness research (CER)

- Prospective head-to-head trials
 - Stents vs. medical management for stable coronary artery disease
 - Old anti-hypertensive drugs better than new ones
- Systematic evidence review and cost-effectiveness
 - Drugs and surgery equally effective for GERD
 - Drugs for Alzheimer's minimally effective and not cost-effective

A greater federal role in CER?

- \$2.1 trillion vs. \$15 million
- Global experience with national review bodies
- CBO, MedPAC, health plans, policy experts
- House, Senate, Clinton, Obama proposals
 - Public-private entity comparing “technologies”
 - \$300-\$500 million
 - Evidence analysis *and* evidence development
 - Structure, governance, funding?
 - Product: reports vs. recommendations?

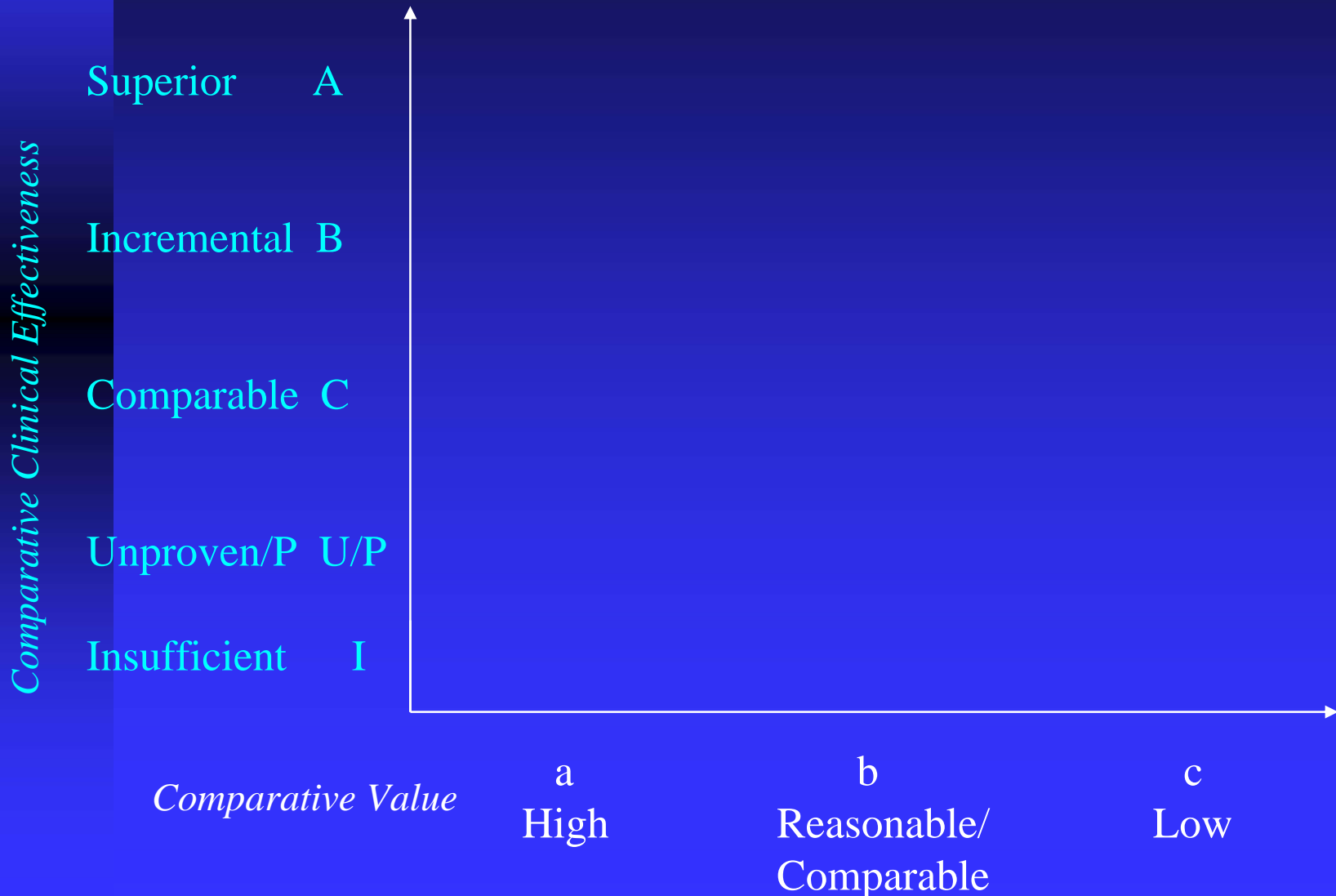
What are states doing now?

- Drug Evaluation Research Project (DERP)
 - Drug class review
- Medicaid Evidence-Based Decisions Project (MED)
 - Procedures, diagnostics, care management
- Washington State Health Care Authority
 - Judging clinical and cost-effectiveness

How can CE information be used?

- Disseminated to patients
- Disseminated to clinicians
- How can public and private insurers use the information?
 - Cover/non-cover decisions
 - Patient-clinician decision support
 - Physician group compensation (P4P)
 - Reimbursement policy
 - Value-based insurance design

Institute for Clinical and Economic Review (ICER)



Comparative Value Rating

- Value = cost for additional benefit
- Cost per outcomes
 - Per stroke prevented
 - Per case of cancer prevented
 - Per additional year of life gained
 - Per quality-adjusted year of life gained

ICER Integrated Evidence Rating

Comparative Clinical Effectiveness

Superior	A	Aa	Ab	Ac
Incremental	B	Ba	Bb	Bc
Comparable	C	Ca	Cb	Cc
Unproven	U/P	Ua	Ub	Uc
Insufficient	I	I	I	I

Comparative Value

a
High

b
Reasonable/
Comparable

c
Low

ICER Appraisal: IMRT vs. 3D-CRT

■ Background

- Potential benefits/harms of IMRT
- Coverage
- Reimbursement: \$42,000 vs. \$10,000
- Budget impact

Key Findings: IMRT vs. 3D-CRT

- Not better at curing cancer or prolonging life
- Decreased risk of moderate proctitis
 - 2-4% vs. 14-16%
- Cost of preventing one case of proctitis
 - \$300,000
- Cost per additional quality-adjusted year of life
 - \$700,000

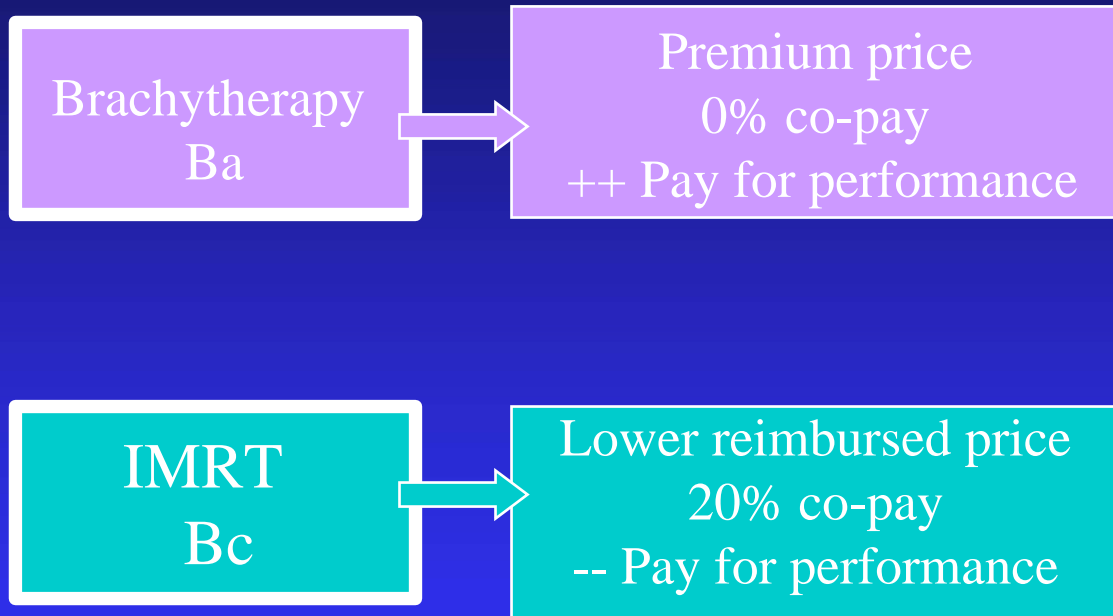
Integrated Evidence Rating

IMRT and Brachytherapy vs. 3D-CRT

Comparative Clinical Effectiveness

Superior	A	Aa	Ab	Ac
Incremental	B	Brachytherapy	Bb	IMRT
Comparable	C	C	C	C
Unproven	U	Ua	Ub	Uc
Insufficient	I	I	I	I
Comparative Value		a High	b Reasonable/ Comparable	c Low

From CER to Medical Policy



Washington State HCA decision

CT Colonography vs. optical colonoscopy

Washington State HCA decision CT Colonography vs. optical colonoscopy

Comparative Clinical Effectiveness

Superior	A	Aa	Ab	Ac
Incremental	B	Ba	Bb	Bc
Comparable	C	CTC 1/3-price	CTC half-price	CTC equal price
Unproven/P	U	Ua	Ub	Uc
Inadequate	I	I	I	I

Comparative Value

a
High

b
Reasonable/
Comparable

c
Low

What can states do to move forward?

- Develop trusted sources -- ? Federal entity
- Develop approaches to apply CER now via innovative policies other than cover/no-cover
- Where to start? Go after low hanging fruit:
 - Not life or death for the patient
 - Not life or death for the physician specialty
 - Reasonable alternatives, time to think
- Build the foundation for honest public dialogue