OBJECTIVES: To stimulate debate on the willingness of purchasers to fund interventions with varying impact on life years gained (LYG) and quality of life. 

METHODS: The authors’ hypothesis is that, for two health-care interventions (HCIs) with equal cost per quality-adjusted life year (QALY) ratios, purchasers favour the intervention that extends life, rather than the one that improves quality of life.

RESULT: The list describes a conceptual framework for assessing the relative benefit of a HCI according to its ability to extend life or improve quality of life. Low LYG, Low QALY = Limited Intervention, Low LYG, High QALY = Lifestyle Intervention, High LYG, Low QALY = Life Extending Intervention, High LYG, High QALY = Optimal Intervention. If this hypothesis is correct it means that there is a need for a new measure of health gain that distinguishes between ‘life extending’ and ‘quality of life improving’ HCIs and that builds on the QALY. As an interim step, the authors suggest that both QALYs and LYG values be cited in future studies and a new ratio be adopted. New Ratio = QALY / LYG. As this ratio tends towards 0, the HCI tends towards a ‘life extending intervention.’ As this ratio tends towards infinity, the HCI tends towards a ‘lifestyle intervention.’ Factors other than QALYs and LYG influence purchasers and results of this new ratio should be interpreted with caution.

CONCLUSIONS: LYG and QALYs are widely recognized and respected measures of the HCI effect, and are frequently used in economic evaluation. Viewed in isolation the measures do not inform purchasers as to the nature of the HCI effect, and a ratio of the two would help improve this understanding. The authors would welcome feedback from purchasers to how useful this new measure would be in informing health-care resource allocation decisions.

THE ‘NICE’ APPROACH TO PHARMAECOENOMICS: AN ECONOMICS PERSPECTIVE

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OBJECTIVE: The National Institute for Clinical Excellence (NICE) is a UK government-funded body that responds to requests for guidance from the Department for Health on the use of selected new and established technologies in the NHS in England and Wales. In March 2001 NICE published its “guidance to manufacturers” for these submissions, essentially economic evaluation guidelines for publicly-funded health-care services including, but not restricted to, pharmaceuticals. This presentation analyzes the extent to which the NICE guidelines use economics to contribute to the goals articulated in the NICE documentation for health maximization and rectifying unfair availability.

RESULTS: The NICE guidelines fail to reflect important economic aspects concerned with constrained health maximization and unfair availability. The guidelines cannot be expected to lead to maximization of health gain from NHS resources and hence may fail to serve the needs of NHS decision-makers. In addition, use of the guidelines could result in continued expansion of expenditures as predicted by economic analysis.

CONCLUSIONS: The guidelines aim to provide system-wide solutions, based on standardized methods, to what are essentially locally-based, non-standardized problems. Although guidelines might be helpful in dealing with matters of administrative process, the need for or ability of such an approach to accommodate the intellectual