#### Why QALYs need replacement

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#### The purpose of QALYs

Inform and aid - **not dictate -** decision makers ...

.. by allowing calculations of value for money.

#### Decisions where calculations of value for money may be of interest.

1. Choosing between interventions in a given disease area.



2. Priority setting between diagnostic groups / disease areas.

- in UK, US, Canada, Australia and many others.

Germany: ??

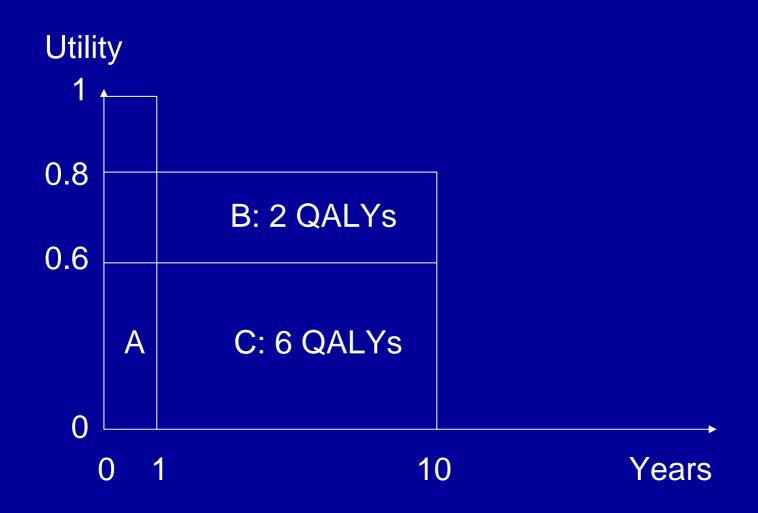
between individuals (in admissions/treatments).

of interest (but note Weinstein, 1981; Williams, 1987; Torrance, 1987!).

## The issue in Germany: Setting ceiling prices.

IQWIG may find some of the QALY methodology useful even if no interest in comparisons across disease areas.

#### **QALYs** illustrated



#### Multi-attribute utility instruments.

Example: EQ-5D (preferred and recommended by NICE)

#### **Dimensions:**

- (1) Mobility, (2) self care, (3) usual activities, (4) pain,
- (5) depression/anxiety

#### Levels:

1: No problem; 2: some problems; 3: severe problems

Examples from value table (time trade-offs in UK general population):

A: 21211. ca. 0.8

B: 22221. ca. 0.6

Why QALYs need replacement in priority setting between groups.

## Evidence of societal values concerning priority setting between groups

- Ethics literature, e.g. John Harris, Norman Daniels
- Government commissions, e.g. Norway 1987, Holland 1992, New Zealand 1993
- Studies of population preferences 1991-2000, including

Nord E, Richardson J, Pinto JL, Dolan P and Cookson R, Tsuchyia A, Bryan S, Ubel P et al, Abel Olsen J, Schwappach D, Schwarzinger M

#### Norwegian Government Commission 1987:

- Severity is of primary importance.
- 2. Everybody should have the same possibility to become as well as they can ( = realize their health potential).

### Examples of studies of population values and preferences.

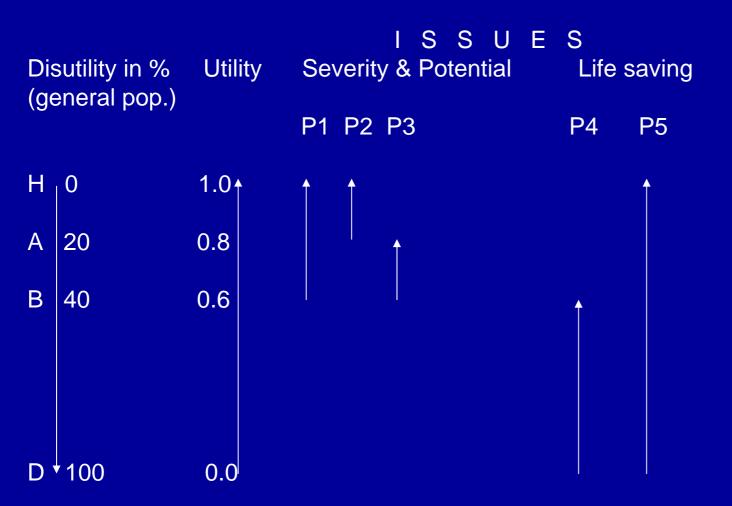
For reviews see e.g.:

Nord E. Cost-value analysis in Health Care. Cambridge University Press 1999.

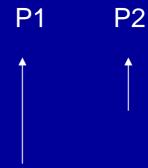
Dolan P, Shaw R, Tsuchiya A, Williams A. QALY maximisation and people's preferences: a methodological review of the literature. Health Economics 2005,14, 197-208.

#### Priority setting between groups:

Problems with 'utility subtraction' illustrated with EQ-5D 21211 (A) and 22221 (B)



#### Severity (1)



Nord, 1991, EQ-5D rating scale values vs person trade-offs:

V(A)=0.2; V(B)=0.6.

PTO: 1 A = 50 B.

Similar: Ubel et al, 1996; Pinto 1994, 1997.

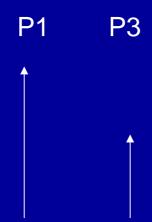
#### Severity (2)

Richardson J, 1997, rating scale vs PTO:

P2: 75=>90; P3: 5=>20. PTO: 1 P3 = 2 P2.

Similar: Nord 1993; Dolan 1998

#### **Potential**

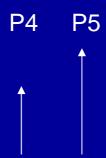


Nord, 1993: How should a given budget be divided?

Most to P1: 24 %; Split even: 72 %.

Similar: Pinto and Perpinan, 1998; Dolan and Cookson, 1998.

#### Life saving



Intuition and ethics literatur (e.g. Harris, 1987):

Equal priority

Nord, 1993, restoration to full health vs to crutches & moderate pain, PTO:

Equal priority

Similar: Ubel, Richardson and Pinto, 1999.

#### The value of duration



Abel Olsen, Norway, 1994:

100 persons, 10 years gained = 80 persons, 20 years gained

Dolan and Cookson, York Regional Health Authority, 1998:

Little differentiation between 10 and 20 years gained.

#### Conclusion so far

QALY calculations may give quite poor guidance for priority setting between groups, due to:

- 1. Lacking concern for severity.
- 2. Too strong emphasis on capacity to benefit.

So what to do?

# (1) Valuing gained life years in less than full health

 Refrain from quality adjusting gained 'liveable' life years. (Nord et al 1999, cfr also DALYs.)

# Valuing different quantities of gained life years

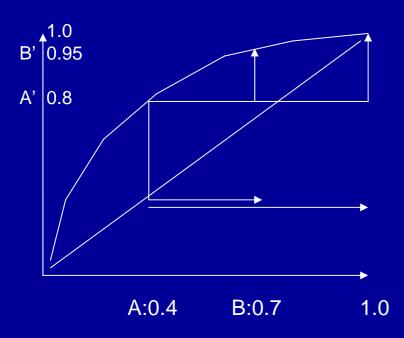
Increased discount rate?

years above a certain number, eg 10 years?

(3)

Valuing gains in functioning/QoL: Transformation of utilities. (Nord, 1996, cfr. Nord, Richardson, Pinto et al, 1999.)

Values for valuing change



Utilities from the viewpoint of healthy

## Example of transformation: EQ-5D

	EQ-5D	Societal value for priority setting
A (22221)	0.60	0.96
B (21211)	0.80	0.99
A=>B	0.20	0.03
B=>Healthy	0.20	0.01
A=>Healthy	0.40	0.04

(Transformations for various MAU instruments suggested in Nord E, Annals of Medicine 2001, 33, 371-374).

## Replacing QALYs in the method described by IQWIG's international panel

#### Why QALYs at all?

From effect to value. E.g.:

From

having some problems with walking, self care, work activities and having some pain

To

some problems with walking, some dizziness.

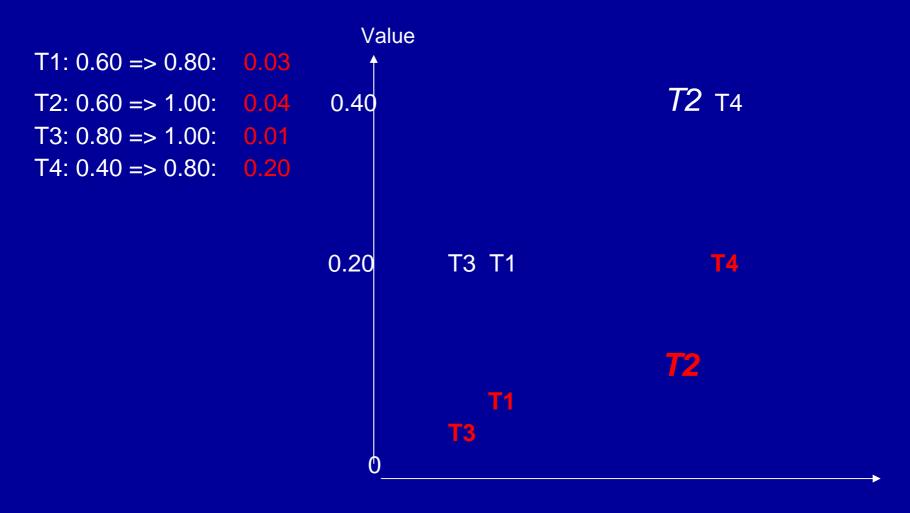
MAU instruments can be helpful.

#### Two ways of 'replacing QALYs'

1. Forget QALYs if simpler measure of value is available.

2. Transform utilities and QALYs if simpler measure of value is not available.

## Transforming utility gains: Example using EQ-5D



Costs per patient per year

## Similar modification of QALYs possible for duration

#### Conclusion

Cost-utility analysis (CUA) in terms of QALYs can be replaced by more valid and fair cost-value analysis (CVA).

CVA can draw upon extensive utility data elicited in the QALY field.

Thus no reason to refrain from comparisons across therapeutic areas.

If, nevertheless, only within-area analyses are of interest, QALYs may be replaced

- a. by simpler measures when appropriate,
- b. or by transformed values (CVA) when necessary.

Whichever measure of value is used, the information value of the International Panel's diagrammatic approach lies in the whole plot.