

INVITATION TO TENDER

NATIONAL INSTITUTE FOR CLINICAL EXCELLENCE (NICE)

AND

**NATIONAL CO-ORDINATING CENTRE FOR RESEARCH
METHODOLOGY (NCCRM)**

**What is the value to Society of a QALY: An investigation
among the public in England and Wales**

ADVERTISEMENT

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WHAT IS THE VALUE OF A QALY: AN INVESTIGATION AMONG THE PUBLIC IN ENGLAND AND WALES

Applications are sought from academic teams to be selected and funded to design a protocol for a normative study of the value citizens place on Quality Adjusted Life Years (QALYs). Such a study is required to guide organisations (such as NICE which advises the National Health Service on issues of cost-effectiveness) responsible for the distribution of scarce resources. The brief should explore the issue of thresholds beyond which a service or treatment might not be considered to offer good value for money for the public purse. This is a demanding protocol to write. For example, values will vary with different valuer characteristics, as well as different beneficiary characteristics. A methodological problem the research will need to overcome is the likely existence of strong 'framing effects'. One such will be the amount of information, time and discussion the valuers have to consider their responses. The protocol will need to explain how these influences on QALY values would be systematically investigated and described, but for now we seek expressions of interest from those who might wish to write such a protocol.

Applications to write the protocol are sought from multidisciplinary teams with insight into both microeconomics and experimental economics. The protocol itself will need to state what could be achieved with £300K, £400k and £500K (including standard University overheads). Note, that teams who would not themselves wish to implement the protocol, are eligible to enter this competition to write the protocol.

At this stage, institutional CVs are required and we expect to select 2 or 3 research teams, each of which will be paid £5-10K to produce a costed protocol. The commissioners make no commitment to commission any of the protocols. The protocols should be suitable for placement in the Public Domain. Further details may be obtained from the NCCRM web site <http://www.publichealth.bham.ac.uk/nccrm/> In case of difficulty please telephone Annette Evans on 0121 414 2226.

The closing date for receipt of applications to write the protocol is 18 October 2002. Potential applicants are advised to speak to Professor Lilford – contact details available from the website.

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Value of a QALY

Commissioning brief

Applications are sought from academic teams to produce protocols, to elicit the values the public places on Quality Adjusted Life Years (QALYs) gained due to NHS activity.

This information is relevant to the National Institute for Clinical Excellence (NICE) and other organisations responsible for allocating resources in the NHS and Social Services.

The Research Issue in Broad Outline

NICE has a requirement 'to produce a common currency of effectiveness for the NHS'. This lays on NICE the duty to assess the effectiveness of very different interventions by means of a common unit of measurement. Such a measure should reflect the effects of interventions on life expectancy, quality of life and (if possible) externalities. By externalities we mean considerations beyond the health effects at which the intervention is targeted. The latter requires the views of the general public, not the views of particular patient groups, since health benefits may have to be traded off against societal benefits, such as the pursuit of equity.

Thus citizens' values are required on the extent (if any) to which these externalities should be traded off against QALY gains. Citizens' views are also needed on the threshold, above which QALYs should be deemed 'not cost-effective'.

The Research Issue In More Detail

There are four questions regarding the value of a QALY that are regarded as important in the context of allocating resources both within the health service, and between government departments, and indeed in setting levels of taxation:

1) What is the priority order for QALYs of different costs?

Suppose we want to use the current NHS budget to maximise the total number of QALYs gained. This implies that the budget shouldn't be spent on very expensive QALYs, since more QALYs could be gained within the same budget by 'buying' cheaper QALYs. However, there is only a limited need for any particular intervention, however low the cost-per QALY. So a (somewhat simplified) approach to maximising QALYs would be:

- a. to list all the possible alternative activities the NHS *could* spend its budget on, in ascending order of cost/QALY gained
- b. spend from the remaining budget on fulfilling the need for the activity currently at the top of the list, before moving on to the next activity on the list

What, then, would be the cost of the most expensive QALY that could be afforded. In other words, if we assume the NHS budget is fixed, and should be spent on maximising QALYs gained, and is spent efficiently, then what would be the cost-per QALY the NHS could only just afford?

- 2) What value do people put on QALYs in terms of other 'benefits' – in kind or in cash?

For example: do they value the gaining of a QALY (by 'society') more or less than the reduction in crime that providing an extra policeman might provide? Would they value 5 QALYs more or less than provision of an extra bus (and the extra service that would provide)? Or an extra 10,000 QALYs and a 20% reduction in bus fares nationally? Would they spend £1000 to provide an extra 1/20th of a QALY for someone? Would they accept an increase in income tax amounting to £1000 in an average family to provide 200,000 people (who might or might not be them, or relatives) with 5 QALYs each? In other words a weighting is needed to convert a cost utility into a cost benefit analysis.

Such different 'contexts' of the question might well result in different monetary values, but there are also likely to be strong 'framing' effects, which will need to be understood and avoided where possible.

Perhaps most importantly, answers are almost certain to vary depending on the depth to which respondents are informed, and have time and opportunity to think about the questions, and to discuss them with others. Describing how valuations change across the spectrum (from 'knee jerk' reactions to in-depth, well thought-out responses) is itself of methodological interest, though we suspect the latter are more relevant to policy-making.

- 3) Implicit in the two questions above is a further question, which is 'how does the value people put on a QALY vary?' (or, in other words, what things (externalities) do people value that are not captured by a QALY?).

Values will of course vary from person to person, and some interest attaches to the extent of this variation. Within this variation there will be systematic average differences according to characteristics of the valuer - age, income, health-status, education, etc. Perhaps more importantly, QALYs may be valued differently according to who the beneficiary is. Thus, saving 10 QALYs for a young mother with cervical cancer may be valued more highly than 10 QALYs in an elderly, solitary person with no living relatives, with incipient early Alzheimer's disease. Factors which might be important include age; existence of dependants; identifiability (eg we cannot identify individuals who have gained QALYs as a result of heart attacks prevented through drug treatment, or indeed promotion of healthier diets); cause/culpability (is the health problem in part due to the person's own behaviour – eg smoking, or due to someone else's behaviour or failings – eg accident, nosocomial infection, or simply due to natural causes); obviousness of immediate need for 'rescue' (eg a victim of a minor accident is more obviously in need than someone with moderate depression). In the absence of any concerns that there are over-riding prior moral considerations, such that there is no point in even asking these questions, the results could provide insight into how QALYs should be weighted.

- 4) How do those currently deciding whether to make treatments available (or not) implicitly value QALYs by their decisions?

This call is for production of protocols addressing the second and third questions raised above. We envisage that valuation techniques such as willingness to pay, conjoint analysis and person trade off, and a range of elicitation 'processes' requiring differing amounts of effort - from simple questionnaires to interviews to citizen's juries - will be among the appropriate research methods considered by protocol writers, but we will not pre-judge this if writers wish to propose other, innovative methods.

An important aspect of this research is researching the methodology. That is, it is not yet clear how best to *arrive* at the value (or values) society places on a QALY. Proposed research should thus aim to investigate and describe the effects of different approaches to the questions, as well as coming up with quantitative answers for the value(s). Part of this methodological aspect should be qualitative work describing how and why answers are arrived at. The issue of how different types and intensities of preparations may influence choices is relevant here. It could be hypothesised, for example, that the more people are exposed to ethical discourse, the less they will be inclined to deflate the value of QALYs associated with self-inflicted illness. This would be important as would the duration of discourse necessary to induce a stable opinion.

Why Have We Decided To Elicit Proposals to Write Protocols?

We have chosen to commission protocols rather than outline applications, because we wish to retain total flexibility over the commissioning brief for the definitive study. For instance, it is likely that we will wish to select ideas from more than one research team but we may decide to first commission one or more smaller ground-clearing studies.

This elicitation is the result of extensive discussion:

1. A health economics methodology workshop organised by NCCRM in Stratford in September 2001 – report available on NCCRM home page.
2. A 'think-piece' commissioned from Professor Alan Williams of York.
3. Discussion in the R&D Committee of NICE.
4. The Advisory Group to the NHS Methodology Programme.

Although public consultation as a whole has been studied quite intensively, the actual elicitation of trade-offs using discrete choices is, in the words of Alan Williams, 'rather uncharted territory'. This subject has been reviewed by the methodology programme – see Brazier J et al. A review of health status measures in economic evaluation; Health Technology Assessment (3) 9. The difficulty in commissioning this work lies in the numerous choices, which will have to be made in order to most efficiently link the actual experiments performed to the questions, which need answering. It will not be possible to test every possibility – that is to measure every trade-off by every possible technique framed in all reasonable ways. The commissioners have therefore decided that further 'think-pieces' or workshops will not be helpful and that *detailed* accounts of what the research could look like are required. We wish to fund the process of writing protocols, since we do not wish to commit funding, even implicitly, to any of the proposers. Rather, we plan to use these document to enable

us to write the definitive protocol and we will then advertise widely for a research group to implement the study. However, we fully accept that one of the teams submitting protocols or a consortium of more than one team may apply to do the definitive study when advertised. Furthermore, we intend that all protocols will be placed in the public domain, and applicants should indicate their willingness (or otherwise) to comply with this requirement.

Making An Application

No application form is provided, but applicants should describe.

1. Details of the research team – one page each.
2. Description of relevant previous and ongoing work (three single spaced typed pages).
3. Details of (any) existing consultative infrastructure – eg, standing panel of people willing and able to participate (two single-spaced typed pages and any published material as appendices).
4. Up to four papers – published or in press dealing with the issues, with special emphasis on the actual elicitation of values.
5. We have not yet decided on the format of the protocols, but would ask applicants to suggest how these should be laid out.

We are prepared to pay between £5K and £10K for a protocol and ask applicants to indicate their cost breakdown by staff time.

Time Table

The deadline for receipt of applications to write the protocol is 18 October 2002.

Two hard copies should be submitted and an electronic version without the full peer review papers should be sent to: r.j.lilford@bham.ac.uk

We plan to inform successful and unsuccessful applicants by the end of October.

The deadline for submission of completed protocols will be the end of January 2003.

These will be sent for review before being scrutinised by a combined panel of NICE and the Methodology Programme in March 2003.

Who Should Apply?

We seek applications from academic groups, which include micro-economists and those who have actually measured people's values. Groups including members from more than one organisation (not necessarily all academic) are encouraged to apply. As stated above, we would particularly welcome groups with members who have practical experience of presenting people with choices in

quantitative form using techniques such as willingness to pay, person trade-off and conjoint analysis.

Contact details for further information/general discussion is:

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