Talking in Tongues, and Illusions of Rationality

CADTH Invitational Policy Symposium
Edmonton AB
April 29, 2008

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Major Themes

- What are the public interest objectives for adoption and use of drugs and technologies (DT)
- What are the elements of sound policy to advance the public interest
- Why is there a huge gulf between rational analysis and advice and actual practice
- What strategies might be used to reduce vulnerabilities
- How do we link the innovation agenda with a public interest agenda
What I Don’t Know

- All of the intricacies of DT decision criteria in formulary committees, health ministries
- Templates used by RHAs for prioritizing DT acquisition and use
- The extent to which it is possible to control sub-optimal use of good technologies
- The prevailing theology of DT decision-making: justification by faith or justification by works?
What I Think Is the Case

- There is an excellent literature based on first-class deliberations about frameworks for making DT assessments and decisions
- Because health care is ultimately political (in a public system), there are limits to “rationality”
- Strict utilitarianism (greatest good for greatest number, or utility maximization) is not feasible
- What are the best achievable DT decisions and what strategies might help to sustain them?
What I Think I Know

- Have some understanding of the politics of policy-making
- Recognize the importance of communications
  - Whose message is out there
  - Whose message is credible
- Understand something of the complexity of innovation
- Understand the limits of strict rationality in public policy making
What Would A Public Interest DT Policy Look Like?

- Fund lowest cost effective DT
- Have transparent and rigorous rules for approving exceptions
- Have incentives for eliminating ineffective use of effective DTs (off-label, too much, unnecessary, harmful)
- Purchasers would be price-setters as much as price-takers – pay for value, not cost-plus
- Make DT compete fairly with other interventions and services for public funding
- Encourage real innovation to address unmet needs
Why The Public Interest Perspective Seems Absent from the Conversation

- Governments do not articulate and market the public interest perspective effectively
- Governments are divided about how to calculate the returns on DT spending
  - Economic portfolios count sales, profits, jobs, taxes
  - Health portfolios sensitive to outcomes, cost per unit of benefit, opportunity costs
- Health care is supposed to be a public good but the DT economy is commodified
Vulnerable “Rational” Decisions

- High-cost drugs for heartbreaking patients
- New devices considered state-of-the-art by professional peers of unproven effectiveness
- Restricting use to defined circumstances
- Mandated substitutions of drugs based on cost-effectiveness
Your Rationality, My Loss?

Evidence-Based Policy

Vendors

Patient groups

Media

Practitioners
Lessons from History

- HTA methods and productivity are constantly improving
- It is not hard for disinterested people to recommend rational and sensible actions
- There is a big difference between optimal use of DT and actual use
- The public and politicians can be swayed by “hard cases”
- The dilemma is staying the course in the face of opposition
If We’re Not Strict Utilitarians, What Are We?

- No one expects every DT to deliver the same results for the same cost
- A framework that stands up under pressure has to articulate what the limits are
- It is attractive to waffle, but waffling
  - Makes it harder to bargain on price
  - Makes it easier to approve “just one more”
  - Sets precedents
- Defining strict criteria and making exceptions is better than maintaining vague criteria
Maintaining Public Support for “No”

- It is defeatist to assume the public is hostile to the consistent application of good policy.
- Deliberative public dialogues reveal reasonable expectations and awareness of limits.
- Governments have done a dismal job of communicating principles and decisions.
- “Rational” and cost-effective DT adoption and use ultimately requires public support in tough cases.
- It’s like all of health care – the public interest perspective is the last to be heard.
Sending the Right Signals

- Too much innovation is marginally effective and very costly
- Policies are designed to achieve the observed results, e.g.
  - Making all marketing tax deductible in limitless amounts encourages too much marketing and bad practice
- Public policy can influence innovation agenda
  - Pay according to value, not cost
  - Fiscal measures discourage me-too agendas
Value-for-Money As Function of Use

Value for Money Realized

Acceptable

Unacceptable

Utilization
Some Suggestions for Improvement

- Launch a Canada-wide discourse on what constitutes an ideal innovation agenda that addresses
  - Aligning needs with R&D planning
  - Rewarding true innovation and making redundancy less lucrative
- Implement policies (funding, incentives, IT, QI) that promote appropriate DT adoption
- Develop a communications strategy to inform the public more thoughtfully about DT decisions
- Embed policy analysis and discussion in all HTA initiatives – the CADTH Policy Forum³
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