# AN ALBERTA PROCESS FOR ASSESSING PUBLIC FUNDING OF HEALTH SERVICES AND TECHNOLOGIES

Report of the Research Group
To the
Expert Advisory Panel to Review Publicly Funded Health Services

March 18, 2003

# INTRODUCTION

The Expert Advisory Panel to Review Publicly Funded Health Services was established in May 2002 to review the current basket of health services and to provide ongoing review of new health services to ensure that Alberta's publicly funded health services provide the best value and remain sustainable for the future.

A Research Group was established to assist the Expert Panel in various aspects of its work. Members of the Research Group include:

Coordinator:         Paul Boothe, PhD
Professor and Director, Institute for Public Economics
University of Alberta
Expertise – Public finance

Members:           Mary Carson, PhD
Research Associate, Institute for Public Economics
University of Alberta
Expertise – Clinical research

Barry A. Finegan, MB BCh FRCPC
Professor and Chair, Department of Anesthesiology and Pain Medicine
University of Alberta
Expertise – Clinical research

Glenn Griener, PhD
Associate Professor, Departments of Philosophy and Public Health Sciences
University of Alberta
Expertise – Research ethics

James Smythe, DPhil
Assistant Professor, Department of Economics
University of Alberta
Expertise – Health economics

This is the last of three reports prepared by the Research Group for the Expert Advisory Panel. The first report summarized the findings of the Research Group on four services referred to the Panel for review – optometry, podiatry, chiropractic services, and the community physical therapy program. The second report outlined the Research Group's findings on applying the Panel's three screen review process (see Appendix) to broad categories of health services. To review, the questions posed in three screens are:

- Technical screen – Is the service or treatment safe, effective, and well-integrated with other health services?
- Social and economic screen – What is the impact of decisions to provide or not provide public funding for the service or treatment on individuals' access to services, on ethical issues that might affect groups of individuals,and on the health system?  Assessment takes into account the availability of other options, and consistency with health reforms.
- Fiscal screen – What are the financial costs of the service or treatment?  What are the implications of continuing to fund existing services or providing funding for new services on the sustainability of the health care system, and of deciding whether a service or treatment should be publicly funded in whole or in part?

The purpose of the current report is as follows:

- To review processes in place in other jurisdictions to assess existing and new health services, treatments and technologies
- To propose a process for Alberta that captures the best features of approaches from other jurisdictions but also reflects the Alberta context
- To outline a business case to support the establishment of an assessment process in Alberta.

*"I agree with the Panel's observation that its most important contribution to sustainability lies in developing an open and rigorous approach for decisions about the public funding of new services ..."*

*Hon. Gary Mar, January 29, 2003*

As a starting point, the Research Group identified four criteria for evaluating processes in place in other jurisdictions and to guide the development of a process for Alberta. The criteria are as follows:

- **Transparency** – the decision making process should be clear and accessible, so that stakeholders and the public are informed about decisions and can see how they are made
- **Rigor** –appraisals should meet current best standards for evaluation of health technologies and include technical, social, ethical and economic, and fiscal assessments.
- **Openness** – the process should be open so that any interested party can apply for appraisal of a new or existing health service.
- **Timeliness** – the timelines for appraisals should specified, take stakeholder timelines into consideration, and include a specified schedule for review and audit.

Based on the four criteria, the Research Group reviewed a number of processes in place around the world and developed a proposal for Alberta.

# EXISTING MODELS AND BEST PRACTICES

The Research Group identified and reviewed processes used in 35 jurisdictions around the world. Based on this review, three models were selected as best practices:

- United Kingdom
- Australia
- Netherlands.

The following sections provide an overview of the roles, responsibilities and processes in the three jurisdictions as well as the Research Group's assessment of the three models based on the criteria of transparency, rigor, openness and timeliness.

# United Kingdom – National Institute for Clinical Excellence

The role of the National Institute for Clinical Excellence (NICE) is to develop authoritative guidance for the National Health Service in England and Wales on the clinical and cost effectiveness of health care interventions and on the treatment of clinical conditions.

NICE is responsible for reviewing proposed new treatments, technologies and interventions, including prescription drugs, as well as assessments of existing services as required. As part of its process, NICE issues two kinds of guidance:

- Technology appraisal guidance – related to the clinical and cost effectiveness of an individual health care intervention or group of interventions for a specific condition. "Interventions" are broadly interpreted to include not only drugs and devices but also diagnostic techniques, surgical procedures, therapeutic interventions, and health promotion.
- Clinical guidelines – describe the best practice for management of a particular condition including use of a given intervention.

Through its process and decisions, NICE is expected to promote:

- Equitable access to treatments of proven clinical and cost effectiveness
- Faster and appropriate uptake of new technologies
- The effective use of National Health Service resources.

## Roles and Responsibilities

The groups involved in the U.K. appraisal process include government, the NICE Board, the Appraisal Committee, assessors, stakeholders and NICE staff. Details of their roles and responsibilities are presented in Table 1. In summary, government funds and appoints the NICE Board, and communicates with the Board to request appraisals and receive appraisal results. The NICE Board governs the appraisal process and receives applications, appoints the Appraisal Committee, refers questions to and receives the recommendations of the Appraisal Committee, hears appeals if required, and communicates with government. The Appraisal Committee is a body of professional experts which oversees and commissions assessments, ensures communication between assessors and stakeholders, appraises the results of

assessments and makes recommendations to the Board.  Assessors, located in academic centres, conduct health technology assessments and prepare clinical guidelines with input from stakeholders.  Stakeholders, which include professional and patient groups, industry, and academic centres, may apply to the NICE Board for appraisals and are consulted during the assessment and appraisal process.  The process is supported by the NICE staff which report to the Board.

## Process

The process used by NICE includes the following key steps:

### Application process and priority setting

- A request for an appraisal of a current or new technology is referred to the NICE Board.
- The request can come from government, industry, professional and patient groups, and academic institutions.
- The NICE Board decides whether or not an appraisal will be undertaken and sets priorities for appraisals.

### Assessments

- The NICE staff commissions an assessment from one of six academic assessment centres.
- Stakeholders are consulted for input and to help define the specific question to be reviewed and its scope.
- The assessment is performed.
- The assessment report and all supporting information (except proprietary information) is circulated among stakeholders, and the Appraisal Committee by NICE Staff.

### Decisions

- The Appraisal Committee reviews the outcomes of the assessment and recommends to the Board to either approve or not approve the treatment, service or drug.
- The NICE Board hears appeals if required based on two grounds for appeal, either due to a flaw in the implementation of the process or because the decision was a clear contradiction of evidence.
- The NICE Board makes a decision.

**Implementation**

- If approved, the NICE Board issues mandatory guidance to the National Health Service.
- Practice guidelines are disseminated to health care providers through the National Health Service. Implementation is expected within three months of a decision. Additional funds are not necessarily provided for implementation.

**Observations**

A number of key points are noteworthy:

- Under the U.K. process, decisions are made by the NICE Board rather than by government.
- The scope of U.K. process is a broad one, including both a wide range of interventions and prescription drugs as well as the development of clinical practice guidelines.
- Currently in the National Health Service, the emphasis is on expanding the range of services available and the introduction of new technologies rather than on containing services and costs.
- The process does not involve a fiscal screen as envisioned in the Expert Advisory Panel's three screen process and there is relatively little in the way of social and economic assessment.
- The U.K. process is well developed and explicit; however, it is a relatively expensive approach.
- NICE is responsible for decisions that affect the entire health care system including pharmaceuticals. Its size and scope and the range of expertise available for appraisals are considerably larger than what would be available in Alberta.

# Australia – Medical Services Advisory Board (MSAC)

The Australian process is more limited in scope than the UK and MSAC acts as an advisory body to government rather than a decision-making body.

Table 2 summarizes the key roles and responsibilities of the various groups involved in the assessment process. Briefly, government funds and appoints the MSAC Board, initiates questions to and receives recommendations from the Board, and makes and implements decisions. The MSAC Board is a governance body which receives applications, sets priorities for assessment, refers questions for assessment to and receives the results from the Supporting Committees, and makes recommendations to government. The

Supporting Committees oversee assessments and make recommendations to the MSAC Board. Assessments are carried out by independent assessors which report to the Supporting Committees. Stakeholders submit applications for assessments to the MSAC Board. The process is facilitated by the MSAC Staff which receives direction from the Board.

## Process

The following steps comprise the Australian process:

### Application process and priority setting

- Applications for assessments are submitted from government and stakeholders to MSAC.
- The Board decides whether a service or treatment is eligible for assessment based on the answer to three questions:
  - Would the service or treatment be eligible for coverage under the Medicare Benefits Scheme?
  - Is it consistent with government policy?
  - Is there safety approval?
- The Board decides whether or not an assessment will be conducted and determines priorities.

### Assessment

- A Supporting Committee is established to oversee the assessment process.
- A technical assessment is commissioned from an independent assessor.
- The applicant is invited to comment on the outcomes of the assessment.
- The Supporting Committee makes a recommendation to the MSAC Board.

### Recommendations to government

- The MSAC Board considers the report and recommendations from the Supporting Committee.
- The Board recommends approval, rejection or conditional approval with interim funding.
- Recommendations go from the Board to government.

### Decision and implementation

- The Minister considers the recommendations from the MSAC Board along with advice from the Department of Health.

- A decision is made and, if approved, the Minister consults with the MSAC Board on implementation.
- If the assessment involves a surgical procedure, a separate professional body develops clinical practice guidelines for implementation. The development of guidelines for non-surgical interventions is not part of the process.

**Observations**

- The primary focus of the Australian review process is on technical and safety considerations and thus is limited to the first screen, the technical assessment, of the Expert Panel's three screen process. The second, the social and economic screen, and the third, the fiscal screen, are not included in the MSAC process.
- The scope of the process is narrower than the U.K. process; it does not include prescription drugs or clinical practice guidelines.

# Netherlands

The Netherlands has a much different health system, with a mix of public and private health care coverage and delivery. Unlike the United Kingdom or Canada, the Netherlands does not have a universal national health care system. Public health, environmental protection, governance of hospitals, and the regulation of health care professions are the responsibility of the central government. Coverage and delivery of health care services for low-income and elderly persons is publicly funded but privately administered. All others may opt for coverage through the private sector.

The roles and responsibilities of the various bodies involved in the assessment process are outlined in Table 3. Assessments are conducted as a basis for determining insurance benefits and are requested government, public insurers (Health Insurance Council) and private insurers (National Society of Private Healthcare Insurers). Assessments on behalf of the government are carried out by the Health Council, which is appointed by and reports to government, and produces and regularly reviews health technology assessments (HTAs) and clinical guidelines. The work of the Health Council is supported by a Secretariat. Insurers commission HTAs and the production of guidelines with private research agencies such as TNO (The Netherlands Organization) . The process is assisted by the Council for Health Research, which provides

horizon scanning for government and the Royal Dutch Academy of Sciences, which provides research capacity and expertise.

## Process

The Dutch process reflects the complexity of their health system and the mix of public and private insurers and providers involved. The key steps in the assessment process are as follows:

### Application process and priority setting

- Government initiates requests for assessments of hospital services and sets priorities.
- The Health Insurance Council and the National Society of Private Health Care Insurers review and initiate requests for assessments for non-hospital services and catastrophic insurance coverage and set priorities.

### Assessment

- Requests for assessments of hospital-based services and funding are directed by government to the Health Council.
- The Health Council conducts assessments and works with the Royal Dutch Academy on research. The Health Council also prepares clinical practice guidelines.
- Requests for assessments of non-hospital services go from insurers to TNO and others.
- Ethical, social and legal issues as well as fiscal implications are all considered as part of the assessments.
- A four-year review cycle is built into the process.

### Decisions

- The results of assessments are reported to government and to insurers.
- Government and insurers make decisions on whether to approve, not approve, or approve the service/treatment for limited use. Decisions fit within the overall budget for health care.

### Implementation

- If the service or treatment is approved, it is included in the medical benefits package and clinical practice guidelines are disseminated.

**Observations**

- The Dutch process reflects the complexity of their health care system. It is not fully applicable to the Alberta situation because of the major differences in how the two systems operate.

- The HTA process is the most comprehensive in that it reflects all three screens outlined in the Expert Advisory Panel's process.

- Although the process is understood by all parties, it is not easy to access, no external application process is in place, and only limited information is available to the public.

## Assessment of the three models

Based on its review, the Research Group found that all three models have important strengths and elements that would work well within the Alberta context. A comparison of the process in the three jurisdictions with respect to the criteria of transparency, rigor, openness and timeliness is summarized in Table 4. The proposed Alberta process has been drawn from the best of these models.

# A PROPOSED ALBERTA PROCESS

The approach developed by the Research Group borrows elements from the three best practice jurisdictions. It is designed to reflect the scale and scope of the Australia process, the transparency, openness and timeliness of the UK process, and the rigor of the Dutch approach.

## Objectives

The proposed Alberta process should meet the following objectives:

- It should lead to the provision of the optimal mix of publicly-funded health services

- It should contribute to the sustainability of Alberta's health system

- It should meet the four criteria of transparency, rigor, openness, and timeliness

- It should draw from and contribute to a larger body of knowledge on health assessments in Alberta, Canada and around the world.

## Overview of the proposed process

To meet those objectives, the Research Group recommends that a new process be developed for Alberta. The process should be governed by an appointed Board supported by a small staff. The appraisal process would be managed through an Appraisal Committee with technical input from assessors with academic and health technology assessment expertise. The assessment process should address all three screens used by the Expert Advisory Panel in its earlier reports. An explicit review and audit process should be included so that currently funded services and treatments are reviewed on an ongoing basis. Ultimate decisions on whether or not to approve new services or treatments or to continue funding for existing services and treatments should be the responsibility of government.

In terms of the scope of the assessment process, the Research Group recommends that the process be limited to assessments of current and new non-pharmacological health services, treatments and technologies. While the process would not include clinical practice guidelines, there should be explicit linkages between the assessment process and current bodies responsible for developing clinical practice guidelines in Alberta. The current process for reviewing and approving pharmaceuticals through the Expert Drug Committee should continue with that body responsible for making recommendations on whether or not new pharmaceuticals should be approved for coverage in Alberta. The process would provide a useful resource to regional health authorities in their ongoing assessment of the effectiveness and efficiency of various innovative approaches suggested by physicians and other providers in their regions. At the same time, services which are used throughout the province, or those requiring coordination of use across the province would be referred to the new assessment process to ensure that province-wide implications are assessed. It is important to note that Regional Health Authorities are essential stakeholders in this process.

The process should be open, easily accessible, and provide ample opportunities for stakeholders to be involved throughout the process. Transparency is critical, and that means decisions at every step in the process must be explained and available to the public and stakeholders through a website and other communications mechanisms.

As outlined in its earlier reports, the Research Group is also concerned about the lack of data from primary research that is critical to making decisions about whether or not to fund a service or treatment. The new

Board should play a role in advising government and other research agencies on priorities for primary research on an ongoing basis.

Finally, the Research Group acknowledges that, with the dynamic growth in new health technologies, treatments and services, all provinces and many countries around the world are facing increasing challenges in assessing and making the best decisions about whether or not to approve and fund these new services. While Alberta is not large enough to have the capability of national systems such as the UK or Australia, there is much to be gained from having an explicit process in place, developing expertise within the province, and establishing clear links to a growing network of health technology assessment agencies around the world. To the extent possible, assessments in Alberta should build on previous work done in Alberta or in other provinces and countries. There are also opportunities to work with other provinces, particularly in western Canada, to share expertise and outcomes of the assessments.

## Roles and responsibilities

A number of key bodies would be involved in the proposed Alberta assessment process including:

- Government
- A governing Board
- Staff to manage the process
- An Appraisal Committee to oversee the appraisal process
- Assessors to provide the technical and the social and economic assessments
- Stakeholders including providers, regional health authorities, the public and industry

The relationship of these bodies is illustrated in Figure 1. The Board, appointed by and responsible to government, communicates directly with the Appraisal Committee and stakeholders as required in the application and appraisal process. A support staff facilitates the appraisal process. The Assessors are independent HTA agencies which communicate with the Appraisal Committee and consult with stakeholders during the assessment phase.

Table 5 lists the details of the roles and responsibilities of the groups in the Alberta proposal. Government funds, appoints, refers questions to and receives recommendations from the Board. Additionally, government is responsible for setting fiscal targets, making decisions, developing implementation plans and

for identifying emerging issues and potential areas of cooperation with other jurisdictions. The Board governs the appraisal process, receives, evaluates and sets priorities for requests for appraisals, and hears appeals. The Board is accountable to government and the public. The Appraisal Committee is appointed by the Board and receives questions from and makes recommendations to the Board. The infrastructure to manage the appraisal process is provided by support staff headed by a CEO hired by the Board. The Appraisal Committee commissions assessments by academic and research HTA centres. Stakeholders consult with the Appraisal Committee and assessors at the outset and during the assessment and may appeal decisions with the Board. Stakeholder participation is included in the dissemination of clinical practice guidelines and of information to the public.

## Appraisal process

The following summarizes the proposed process. The process as outlined applies primarily to new services, treatments and technologies. However, the Research Group believes that currently funded services should be reviewed and that appraisal of both new and existing services should include an explicit schedule for reappraisal and audit of services that are implemented. Staff and the Board, in consultation with government and stakeholders, would be responsible for mapping existing services to identify those requiring appraisal

### Application process and priority setting

- Applications for appraisals are referred to the Board
- Applications come from government, including committees within Alberta Health and Wellness, and stakeholders, including individual clinicians, researchers, regional health authorities, industry, patient and professional groups.
- Applications include information about:
    o The condition the service, treatment or technology is intended to treat
    o Background information including a description of current therapies
    o Evidence, if available, that compares the effectiveness of the treatment, service or technology to existing therapies
    o Rationale for the timing of the request for appraisal
    o Resources needed to implement the intervention

- A pre-appraisal is done by staff to clarify information requirements, availability of prior research and assessors with necessary expertise, potential cost of an appraisal, eligibility for review (i.e. within the scope of the Board's responsibilities)
- Requests for appraisals are referred to the Board
- The Board assigns priorities based on explicit criteria
- The Board also maps existing services and sets priorities for reviewing currently funded services, treatments and technologies
- Decisions about whether or not to undertake an appraisal and the assigned priority are communicated to stakeholders and the public, including the rationale for decisions
- The Board refers requests for appraisals to the Appraisal Committee

## Assessment

- The Appraisal Committee determines the type of assessment required. Assessments could be:
  - Based on HTAs conducted in other jurisdictions
  - Submitted by the applicant as part of the application process and verified/reviewed by the Appraisal Committee and independent assessors
  - Undertaken by independent assessors in academic and other research centres in Alberta
  - Undertaken cooperatively with assessors in other jurisdictions
  - Done by existing networks including regional health authorities, the Alberta Cancer Board, and the AHFMR.
- Reviews and audits of currently funded services address key questions such as whether or not the service, treatment or technology was implemented as recommended and if the expected outcomes were achieved
- The Appraisal Committee commissions assessments from independent assessors
- The Appraisal Committee, assessors and stakeholders determine the scope of the specific question to be assessed
- Stakeholders present background and evidence to assessors
- Assessors complete their assessment which includes application of the technical and the social and economic screens and recommendations regarding collection of data for subsequent audit.  The assessment is forwarded to the Appraisal Committee
- Stakeholders receive the assessors' findings and provide comments to the Appraisal Committee

- The Appraisal Committee reviews the findings on the technical and the social and economic screens and applies the fiscal screen

- The Appraisal Committee makes recommendations to the Board. Recommendations could include approval of the service, treatment or technology, rejection, or approval on a limited or interim basis.

- The Appraisal Committee's recommendations include timing for review and audit of the decision following acceptance by government and implementation in the health system

## Recommendations

- The Board receives and reviews recommendations from the Appraisal Committee

- The Board hears any appeals that may be lodged based on two grounds:
  - The recommendations are inconsistent with the research findings
  - The process was not followed

- The Board provides its recommendations to government

- The Board's recommendations are communicated to stakeholders and the public by posting on a website and other communications mechanisms

- The Board identifies any areas where further research is needed and conveys this to government and other research agencies

- The Board confirms the schedule for review and audit

- The Board identifies whether clinical practice guidelines are needed on a priority basis

## Decision and implementation

- Government reviews recommendations from the Board and makes decisions

- If government approves the decisions, plans are made for implementation including:
  - Timelines for implementation
  - Responsibilities of regional health authorities and providers
  - Development and dissemination of clinical practice guidelines

- Staff and stakeholders assist in dissemination and implementation

# BUSINESS CASE

The Research Group believes that the proposed process would provide an open, transparent, rigorous and timely process for making decisions on what services, treatments and technologies should be funded in Alberta. It would provide an opportunity to consolidate, streamline and rationalize existing processes and decisions that often are made on an ad hoc basis or through processes that are not well understood by stakeholders or the public.

The Board and the process would become a "node" connecting to the growing network of expertise in health technology assessments in Alberta, across Canada and around the world. As such, it would provide an invaluable tool for regional health authorities, the Cancer Board, clinicians and other stakeholders in coordinating and expanding Alberta's capability to access information and undertake appraisals.

At the same time, the process will add costs and must be justified in terms of the potential benefits it can provide. While a full analysis requires a review of existing Alberta Health and Wellness activities to eliminate duplication and thus is beyond the scope of this report, the Research Group has estimated process costs and provided an example of potential savings based on its previous review of currently funded services and the application of the three screen process.

The Research Group's process cost estimate is based on the following assumptions:

- The process could reasonably conduct 20 appraisals per year and another 20 reviews/audits of currently funded services
- Each appraisal is estimated to cost $175,000 including the costs of both the appraisal and dissemination. Reviews/audits are estimated to cost $50,000 each.
- The total cost of operating the process on an annual basis would be approximately $8 million. This is based on the following breakdown of costs:

| | |
|---|---|
| Board | $250,000 |
| Staff | $1,650,000 |
| Space, equipment, travel, etc. | $600,000 |
| Appraisals and reviews/audits | $5,500,000 |
| | |
| Total | $8,000,000 |

- Some of these costs may be covered through reallocation of existing funds within Alberta Health and Wellness.

Based on its work to date in reviewing currently funded services, the Research Group believes that substantial quality improvements and cost savings could be generated using this process.

For example in the case of hemodialysis, the Research Group's previous review indicated that total costs for hemodialysis grew at a rate of 20% per year for the period 1998-99 to 2000-01. Hemodialysis is required for patients with end-stage renal disease. The two most common causes of chronic renal failure are hypertension and diabetes. In many cases both of these conditions are preventable and treatable. The Research Group recommended that prevention strategies should be expanded and treatments for hemodialysis should be evaluated. If we assume that these steps are taken and the result is to reduce the rate of growth in services from a medium term growth rate of 10% per year to 5% per year, the value of the potential savings is estimated at $40 million between 2003-04 and 2007-08. These savings could be used to fund prevention initiatives and other health services, as well as more than offsetting the costs of operating the health appraisal process on an annual basis.

# CONCLUSION

This report concludes the work of the Research Group. In its work for the Expert Advisory Panel the Research Group has developed a three-screen process, assessed its viability in reviewing currently funded services, identified the current capabilities for health assessment in Alberta, reviewed processes used in other jurisdictions, and proposed a unique Alberta approach.

The Research Group believes that establishing a transparent, rigorous, open and timely process for Alberta is critical for making sound decisions, ensuring Albertans have access to the most effective basket of services, treatments and technologies, and contributing to the overall sustainability of the province's health system.

**Table 1.  U.K.  Roles and responsibilities of groups involved in the appraisal process**

| Group | Roles and responsibilities |
|---|---|
| **Government** | Funds NICE (approximately $36 million CDN)<br>Appoints NICE Board<br>Refers questions to NICE Board<br>Receives NICE Board decisions |
| **NICE Board**<br><br>Includes 8 non-executive and 4 executive members<br><br>Current make-up<br><br>5 health policy members<br>3 public members<br>3 academic medicine members<br>1 private medical doctor | Governs the process<br>Supervises NICE staff<br>Receives applications from government, industry, professional/patient groups, academic institutions<br>Prioritizes requests<br>Evaluates the need for appraisal of existing services through mapping of current health services<br>Appoints Appraisal Committee and refers questions to it<br>Approves recommendations of Appraisal Committee<br>Hears appeals from stakeholders if necessary based on two grounds:<br>  ▪ The recommendations are inconsistent with the research evidence<br>  ▪ The process was not followed<br>Advises government on NICE decisions<br>Advises government on appraisal needs |
| **NICE staff** (40) | Manages the appraisal process<br>Provides managerial support to government, NICE Board, Appraisal Committee and stakeholders<br>Communicates with stakeholders and government |
| **Appraisal Committee** | Includes experts appointed by the NICE Board for a fixed term<br>Oversees the assessment/appraisal process<br>Consults with stakeholders<br>Makes recommendations to the NICE Board |
| **Assessors** (6 centres) | Includes independent academic centres selected to conduct assessments<br>Conduct assessments and prepare clinical guidelines<br>Provide assessments to the Appraisal Committee |
| **Stakeholders** | Request appraisals<br>Participate in appraisals<br>Inform NICE Board regarding timelines for new technologies<br>Participate in consultations with Appraisal Committee and Assessors<br>Appeal to NICE Board (based on criteria noted above) |

**Table 2.  Australia.  Roles and responsibilities of groups involved in assessment process**

| Group | Roles and responsibilities |
|---|---|
| **Government** | Funds MSAC (approximately $5 million Canadian) |
| | Appoints the MSAC Board |
| | Refers questions to MSAC |
| | Receives advice and recommendations from MSAC |
| | Makes and implements decisions |
| **MSAC Board**<br><br>Current make-up<br><br>5 private physicians<br>8 academic physicians<br>6 health policy experts<br>2 public members | Governs the review process<br>Supervises the MSAC staff<br>Receives applications from MSAC staff<br>Determines whether services are eligible for review and prioritizes applications<br>Refers questions for assessment to Supporting Committees and receives their recommendations<br>Approves recommendations of Supporting Committees and provides recommendations to government |
| **MSAC staff** (12) | Manages the review process and provides managerial support to government, MSAC Board, Supporting Committees, and stakeholders<br>Receives and screens assessment applications<br>Communicates with stakeholders and government |
| **Supporting Committee**s<br><br>Chaired by MSAC Board member | Oversee assessments<br>Make recommendations to the MSAC Board |
| **Assessors**<br><br>6 independent agencies | Conduct assessments as per contracts from Supporting Committee<br>Report findings to the Supporting Committee |
| **Stakeholders** | Make applications for assessments |

**Table 3.  Netherlands.  Roles and responsibilities of groups involved in the assessment process.**

| Group | Roles and responsibilities |
|---|---|
| **Government** | Establishes the overall health care budget<br>Oversees public and private insurers<br>Controls funding for hospitals<br>Approves the medical benefits package<br>Refers questions to the Health Council and TNO for assessment<br>Receives clinical practice guidelines from the Health Council |
| **Health Insurance Council**<br><br>Includes 35 members representing:<br>    Employers<br>    Trade unions<br>    Insurers<br>    Physicians<br>    Consumer groups<br>    Government | Administers publicly funded and catastrophic insurance<br>Negotiates contracts with providers and establishes the medical benefits package<br>Prioritizes issues<br>Contracts with TNO and others for health technology assessments (HTA) to guide coverage decisions<br>Reports to government about the benefits package and insurance premiums<br>Works with the National Society of Private Healthcare Insurers regarding reimbursement decisions |
| **National Society of Private Healthcare Insurers** | Represents private insurers<br>Works with the Health Insurance Council<br>Negotiates contracts with providers and establishes the benefit package for privately insured clients |
| **Health Council**<br><br>160 appointed members<br>40 – 50 ad hoc committees with 10 members plus invited experts on each | Conducts HTA for hospital services and provides assessments to government<br>Reviews assessments after four years<br>Produces clinical practice guidelines and provides them to government<br>Advises government on emerging issues<br>Works with the Royal Dutch Academy of Sciences to facilitate research |
| **Health Council Secretariat**<br><br>Small, flexible number of staff | Coordinates activities and provides support to the Health Council |
| **TNO**<br><br>Large, international private consulting agency | Conducts assessments of pharmaceuticals, health technologies, medical devices, safety issues, etc.<br>Reports assessments to government and insurers<br>Represents industrial stakeholders<br>Posts some assessments on a website for the public |
| **Council for Health Research**<br><br>    Advisory body | Provides horizon scanning for government |
| **Royal Dutch Academy of Sciences**<br><br>Medical and scientific professional organization | Provides information on emerging and current health care issues to government<br>Monitors the quality of research and research institutes<br>Facilitates the research process for the Health Council |

**Table 4. Comparison and evaluation of U.K., Australian and Dutch systems**

| Criterion | UK | Australia | Netherlands |
|---|---|---|---|
| **Transparency** | **Excellent**<br>▪ Process clear and detailed<br>▪ Explicit templates and requirements at every stage | **Excellent**<br>▪ Process clear and detailed<br>▪ Explicit templates and requirements at every stage | **Fair**<br>▪ Process laid out but not easily accessed |
| **Rigor** | **Good**<br>▪ Uses current best HTA methods<br>▪ No fiscal screen<br>▪ Corresponding Clinical Practice Guidelines (CPGs) prepared<br>▪ Explicit review cycle | **Good**<br>▪ Uses current best HTA methods<br>▪ No fiscal screen<br>▪ CPGs prepared by parallel surgical body<br>▪ No explicit review cycle | **Excellent**<br>▪ Uses current best HTA methods<br>▪ Uses fiscal screen<br>▪ Corresponding CPGs produced<br>▪ Considers ethical, social and legal issues<br>▪ Explicit review cycle |
| **Openness** | **Excellent**<br>▪ All interested parties consulted<br>▪ Decisions posted on website | **Good**<br>▪ Applicant consulted<br>▪ Other interested parties may not be consulted<br>▪ Decisions posted on website | **Fair**<br>▪ No external application process<br>▪ Stakeholders consulted<br>▪ Limited information for public on website |
| **Timeliness** | **Excellent**<br>▪ Explicit published timelines<br>▪ All reviews completed in about 12 months | **Unknown** | **Good**<br>▪ Market driven approach<br>▪ Corresponds to budget-setting process |

**Table 5. Alberta. Proposed roles and responsibilities of groups involved with appraisal process**

| Group | Roles and responsibilities |
|---|---|
| **Government** | Funds the Board <br> Sets fiscal targets <br> Appoints Board members <br> Initiates requests for appraisals of new and currently funded services to the Board <br> Receives recommendations from the Board <br> Makes decisions and develops implementation plans <br> Identifies potential for interprovincial cooperation on implementation <br> Conducts horizon scanning |
| **Board** <br><br> Small board of 5 eminent people: <br>     2 public members <br>     3 health care experts <br><br> Members appointed for a fixed term <br><br> Board meets monthly | Governs the appraisal process <br> Hires and supervises the CEO <br> Accountable to the Minister and the public <br> Receives requests for appraisals from government and stakeholders <br> Sets criteria and establishes priorities for reviews <br> Appoints, refers questions to and receives recommendations from the Appraisal Committee <br> Hears appeals from stakeholders if required on two grounds: <br>   ▪  Findings of the process are perverse <br>   ▪  Process was not followed <br> Makes recommendations to government <br> Reports its recommendations to the healthcare community and the public <br> Identifies areas where primary research is needed and conveys needs to government and research agencies <br> Identifies areas where clinical practice guidelines are needed |
| **Staff** <br><br> 12 people including: <br><br> 3 senior executives – CEO, clinical and communications <br><br> Technical and administrative support | Provides administrative support to the Board, Appraisals Committee and stakeholders <br> Manages the appraisal process <br> Receives applications from stakeholders and conducts pre-appraisals of applications <br> Refers applications to the Board for prioritization along with pre-appraisals <br> Coordinates communication and dissemination activities <br> Liaises with Board, government, stakeholders, and public <br> Liaises with HTA groups, Canadian Coordinating Agency for Health Technology Assessment (CCOHTA), and International Network of Agencies for Health Technology Assessment (INAHTA) <br> Liaises with government and Alberta Heritage Foundation for Medical Research (AHFMR) on needs for primary research <br> Liaises with professional organizations responsible for developing clinical practice guidelines <br> Liaises with regional health authorities. |

**Table 5. Alberta. Proposed roles and responsibilities of groups involved with appraisal process (continued)**

| Group | Roles and responsibilities |
|---|---|
| **Appraisal Committee**<br><br>Includes 5 expert members<br><br>Brings in "experts for the day" – people with specific expertise needed for the appraisal<br><br>Meets bi-weekly and is not a full-time body<br><br>Appointed by the Board for a fixed term | Receives requests for appraisals from the Board<br>Defines the scope of the question to be addressed in consultation with stakeholders and assessors<br>Commissions assessments from independent assessors for the technical and the social and economic screens<br>Reviews the outcomes of the assessment of the technical and the social and economic screens<br>Applies the fiscal screen<br>Receives comments from stakeholders on the outcomes of the assessments<br>Makes recommendations to the Board<br>Recommends schedule for review and audit<br>Identifies potential areas for regional and/or interprovincial coordination |
| **Assessors**<br><br>Independent academic/research centres with expertise in HTA, including the AHFMR | Undertake the technical and the social and economic assessments for the Appraisal Committee<br>Meet with Appraisal Committee and stakeholders as required<br>Report to Appraisal Committee |
| **Stakeholders**<br><br>Clinicians, researchers, regional health authorities, industry, patient groups, and public | Submit applications for appraisals<br>Participate in process to determine the scope of the question<br>Consult with Appraisal Committee and assessors during appraisal process<br>Appeal recommendations to the Board<br>Aid in dissemination process<br>Facilitate development and dissemination of clinical practice guidelines with professional groups and the public |

# Alberta Proposal

**GOVERNMENT**

**BOARD**
GOVERNANCE

**STAFF**
MANAGEMENT

**APPRAISAL
COMMITTEE**
PROFESSIONAL BODY

**STAKEHOLDERS**
PROVIDERS, PUBLIC,
RHAs, INDUSTRY

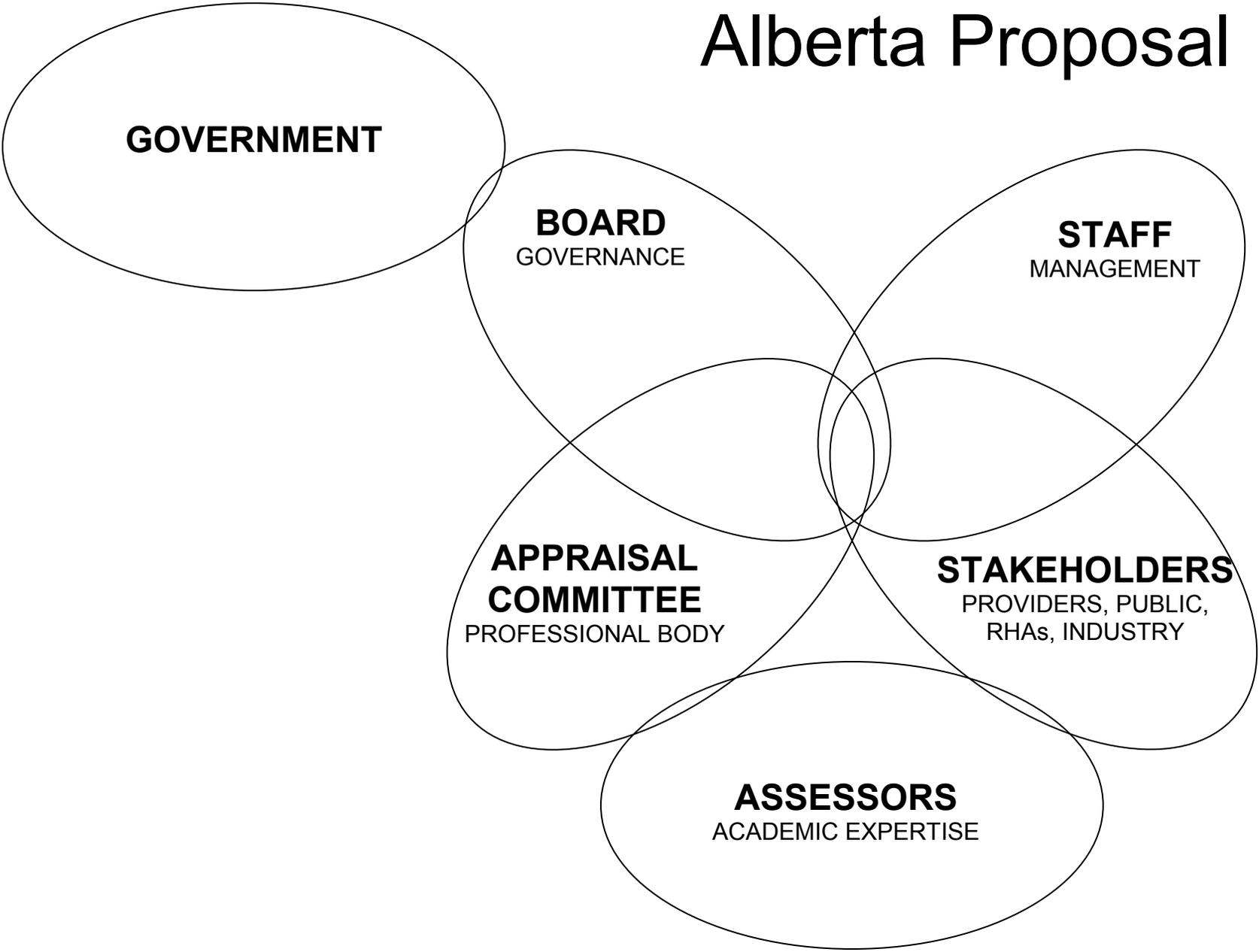**ASSESSORS**
ACADEMIC EXPERTISE

Figure 1.  Alberta.  Proposed relationships of groups involved in the appraisal process

# Appendix

# Three-Screen Process (TSP)

A → **Is it safe?** —Yes→ **Effective for this condition?** —Yes→ **Most cost-effective for this condition?** —Yes→ **What criteria for use? Well integrated with other services?** —→ B

- Is it safe? —No→
- Effective for this condition? —No→
- Most cost-effective for this condition? —No→
- What criteria for use? Well integrated with other services? —No→

→ **Recommend against funding or continue experiment**

B → **Important for redistribution? i.e. access, catastrophic?** —or→ **Specific populations: Independence? Minority ethical views?** —or→ **No other service options?** —or→ **No other insurance/pmt options?** —or→ **Alignment with health reform, CHA and other provinces?** —Yes→ C

No → **Recommend against funding or partial funding**

C → **Affordable in current budget?** —→ **Affordable with elimination of existing less-cost-effective treatment?** —→ **Affordable only with new revenue?** —Option 3→ **Recommend against funding**

- Affordable in current budget? —Yes→ **Recommend funding**
- Affordable with elimination of existing less-cost-effective treatment? —Yes→ **Recommend elimination of existing treatment + funding of new**
- Affordable only with new revenue? —Option 1→ **Recommend funding with higher premiums**
- —Option 2→ **Recommend partial funding if affordable**

→ **Evaluate impacts**

**Institute for Public Economics
University of Alberta**