Trends in the use of cost-minimization analysis in economic assessments submitted to the SMC


Objectives

When launching a new product in the UK, many companies believe that cost-effectiveness analysis is always required. However, in certain circumstances, it is more appropriate to use a simple cost analysis. Unlike the National Institute of Health and Care Excellence (NICE), who always require cost-utility analysis, the Scottish Medicines Consortium (SMC) accept cost-minimization analysis (CMA). The recommended uses, illustrated in Figure 1, are in situations in which:

- therapeutically equivalent treatments have been established through non-inferiority studies
- indirect comparisons have shown statistically insignificant difference
- cost-utility analysis shows extremely small quality-adjusted life year (QALY) differences between treatments.

Methods

All analyses were based on a validated, longitudinal MAP BioPharma database of all recommendations from 2002 to 2014. SMC recommendations following full submissions and resubmissions were reviewed. Analysis of products by disease area was conducted by classification of guidance into British National Formulary (BNF) categories, in order to provide some insight into the considerations that companies should include in their strategic plans.

Results

Since 2010, there has been an increasing trend for the use of CMA with 35% of full submissions in 2014 using CMA, as well as 25% of resubmissions (Figure 3). Of the 68 submissions using CMA, 24 (35%) have received positive recommendation, 35 (51%) restricted and 9 (13%) not recommended. Recommendation rates were high in 2012 and 2013 but reduced in 2014 (Figure 4). Resubmissions that use CMA have a lower recommendation rate than full submissions. CMA has been used in the greatest proportion of respiratory submissions (47% of submissions, 88% recommended) and infections (43% of submissions, all recommended) but most submissions with CMA are for endocrine treatments and the recommendation rate is high (91%) (Figure 2). The recommendation rates per BNF category vary greatly with no distinct category having greater success.

Conclusions

Products are most likely to gain a restricted recommendation when submitting CMA. Recommendation rates following CMA are higher in full submissions than resubmissions. There is no distinct disease type that has a greater chance of success using CMA but historically endocrine products have been most frequently evaluated using CMA. We conclude that CMA is a simple, reliable method for presenting an economic case to the SMC for a product that is clinically similar to comparators and does not pose a large cost impact. To recommend with CMA, the SMC must be certain that the comparators are appropriate and efficacy is comparable, thus well-conducted studies with relevant Scottish comparators are required. Although the SMC state they will recommend the cheapest product resulting from a CMA,2 our research has found that where the cost difference is minimal, strategies are interpreted as being cost-effective. This indicates that CMA can result in recommendation of a product even when it is not the absolute cheapest.

References:

6. SMC recommendations obtained from the SMC-website: https://www.scottishmedicines.org.uk/SMC_Advice/Advice_Directory

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