

# Demystifying Cost-Utility Analysis

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Pharmaceutical Management Agency

## Which one?

A major breakthrough in treating bowel cancer for 50 people

A new diabetes treatment (20,000 people), less side effects than existing options

A new treatment for heart disease (200) with uncertain benefits after 5 years

## CUA helps with these decisions

An assessment tool

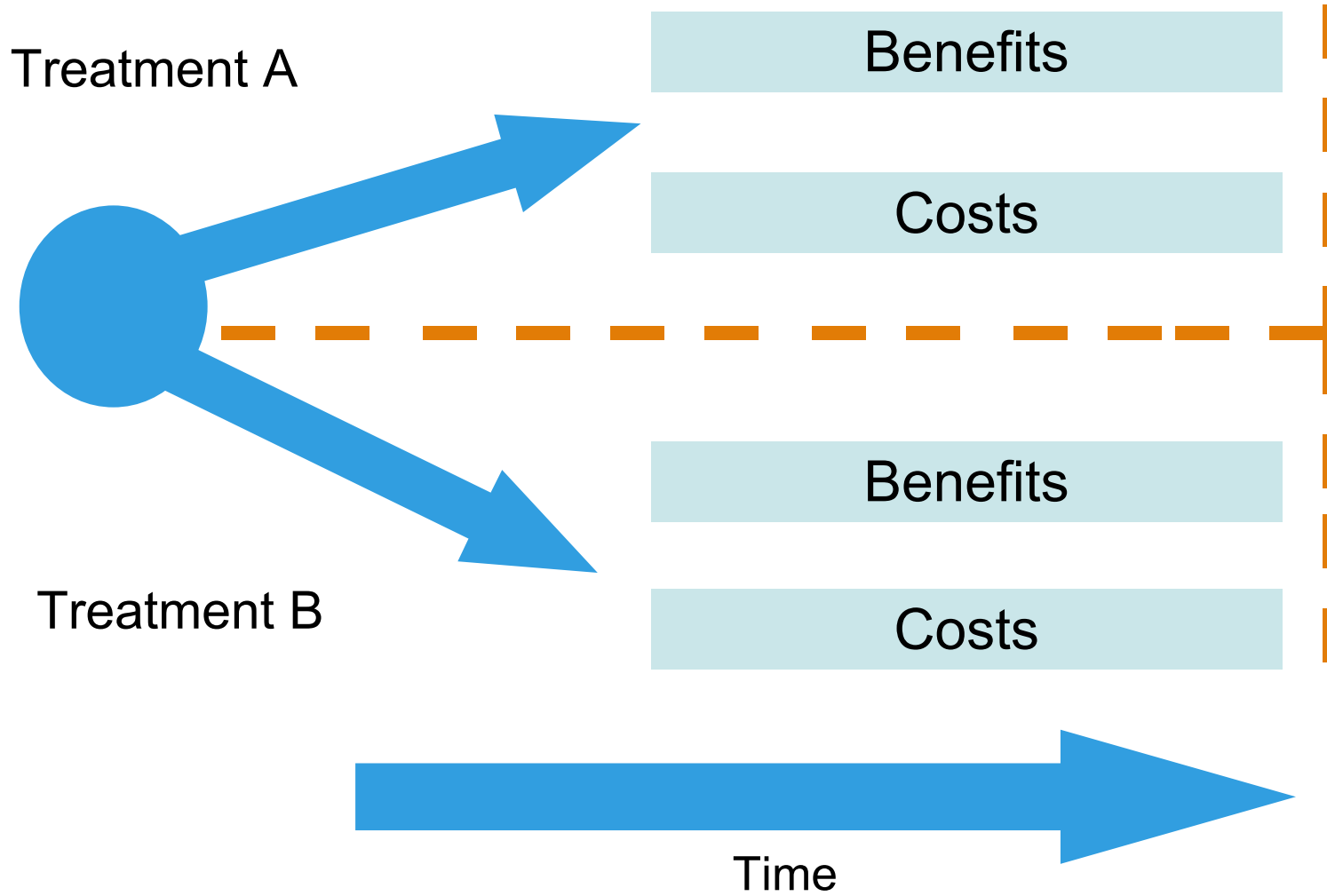
An input to decisions, not the answer

One part of our analysis (9 Decision Criteria are used)

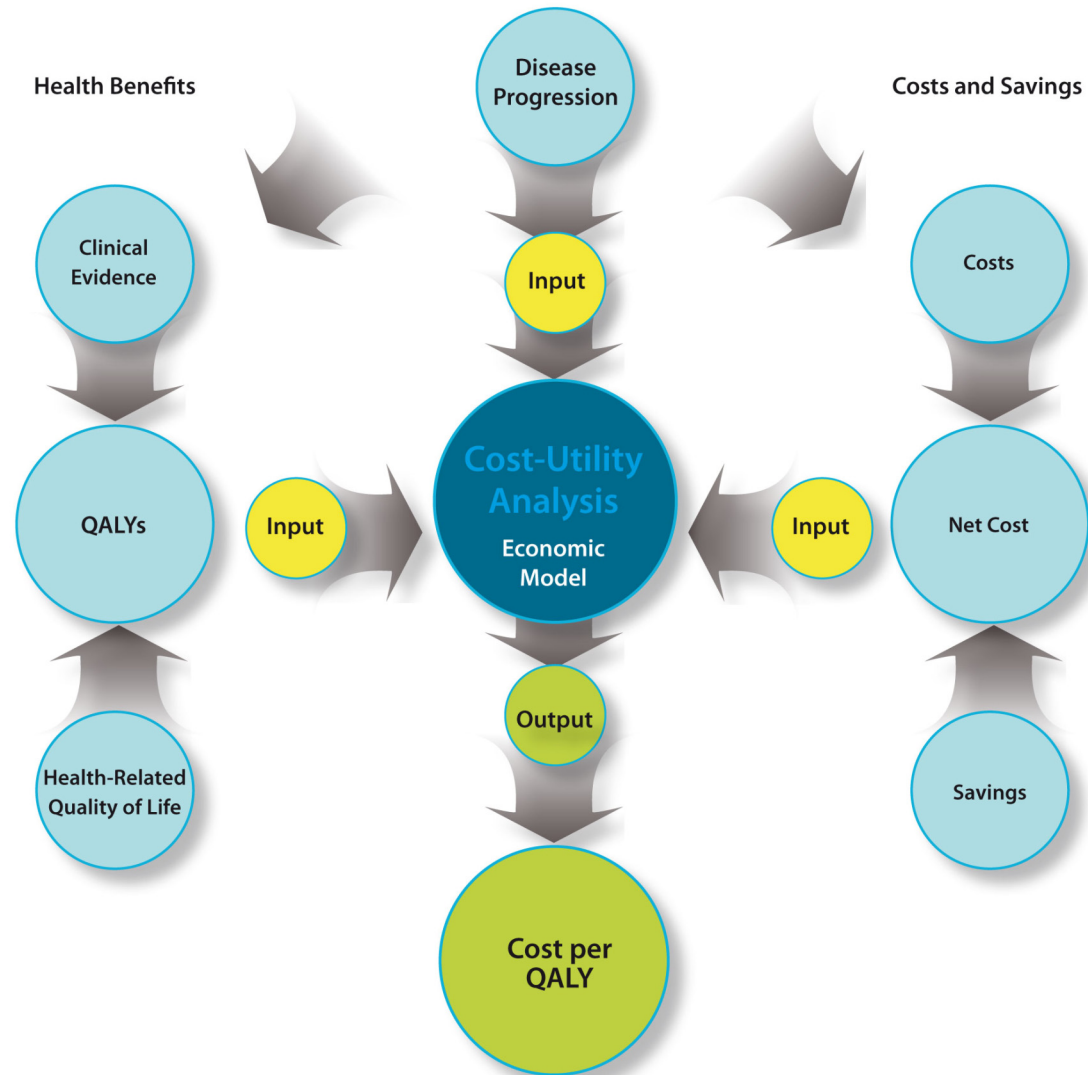
A way of looking at the benefits **and** costs of medicines

Allows us to compare the value of different funding options

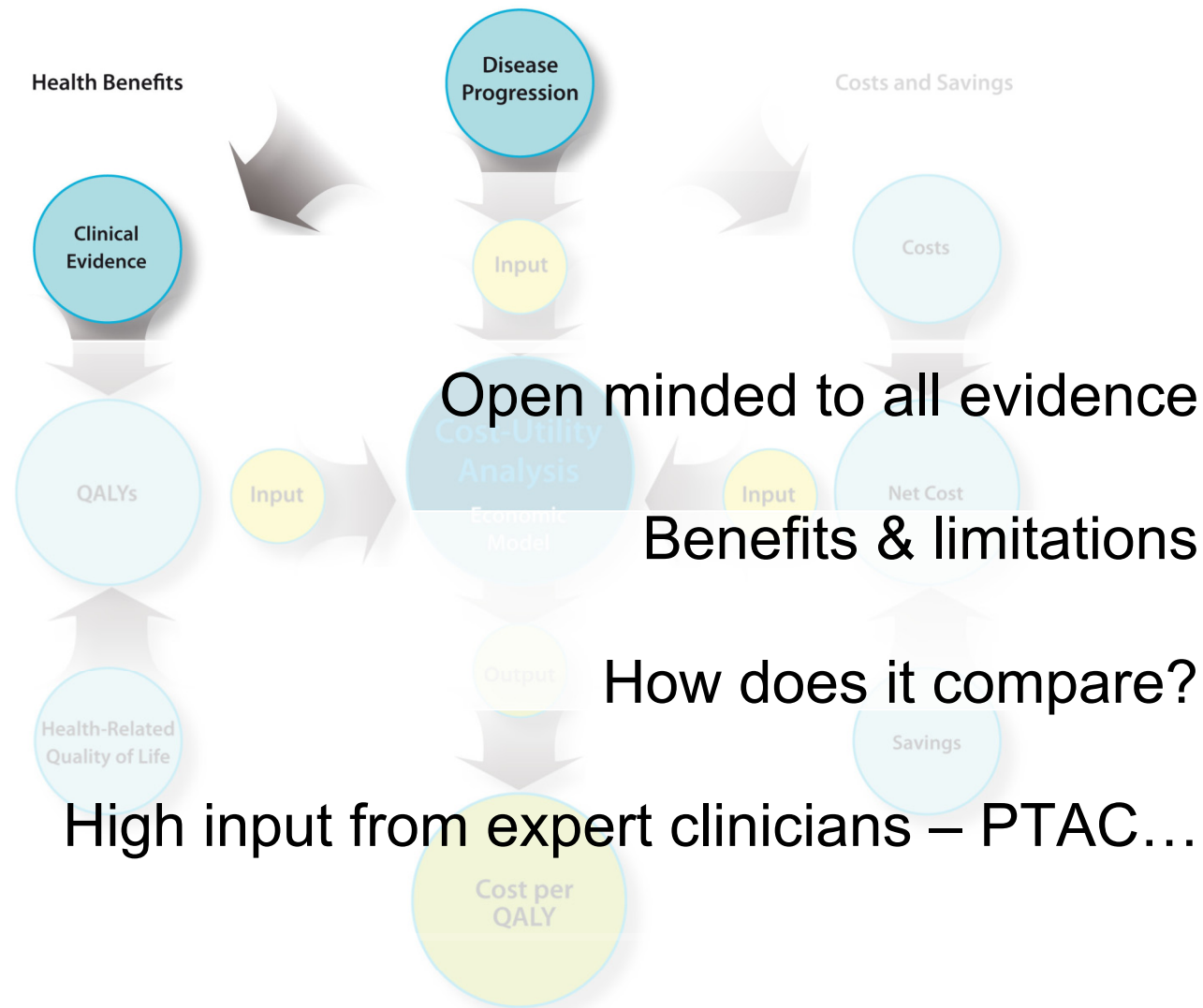
# Making careful choices



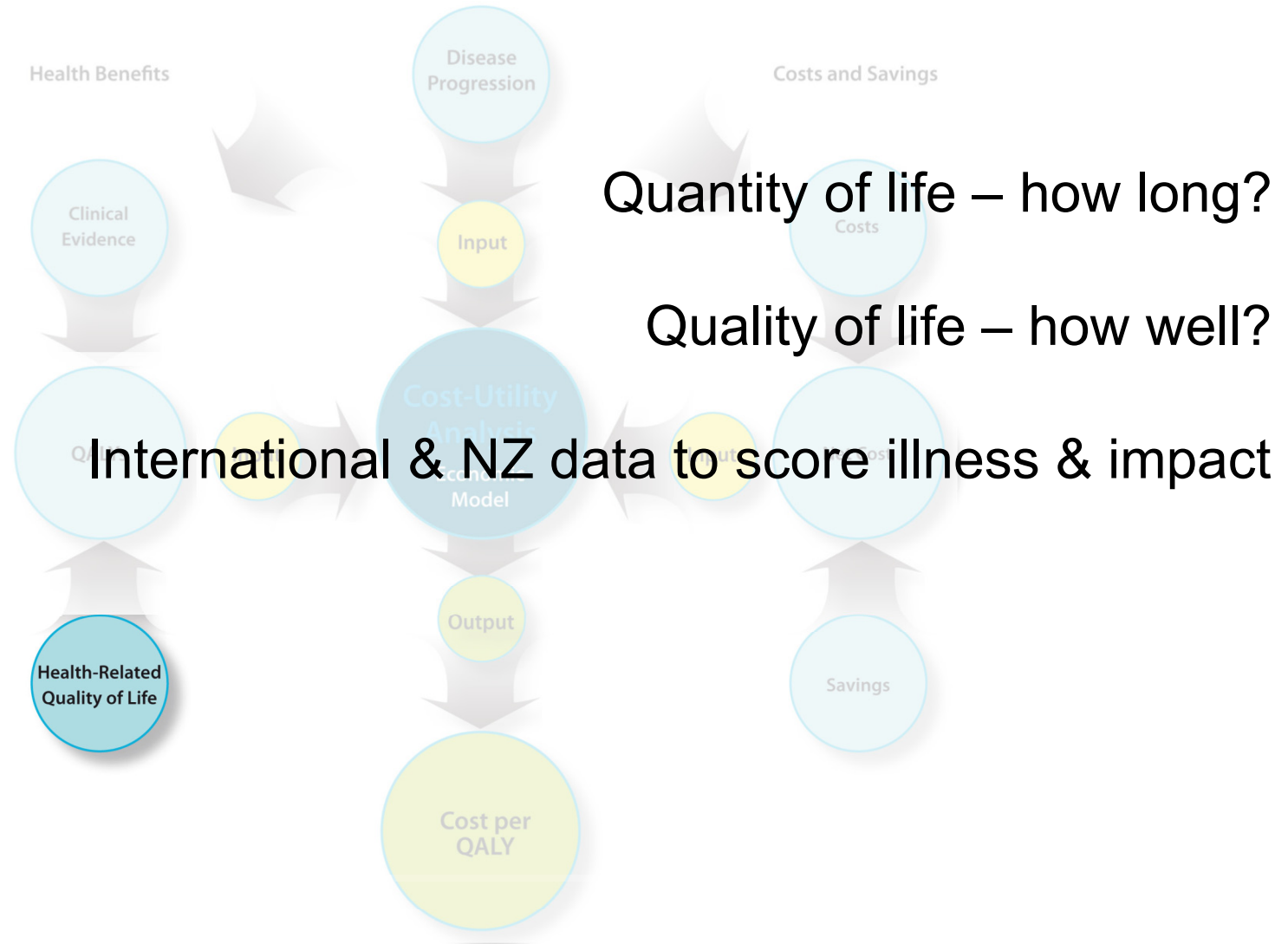
# The big picture



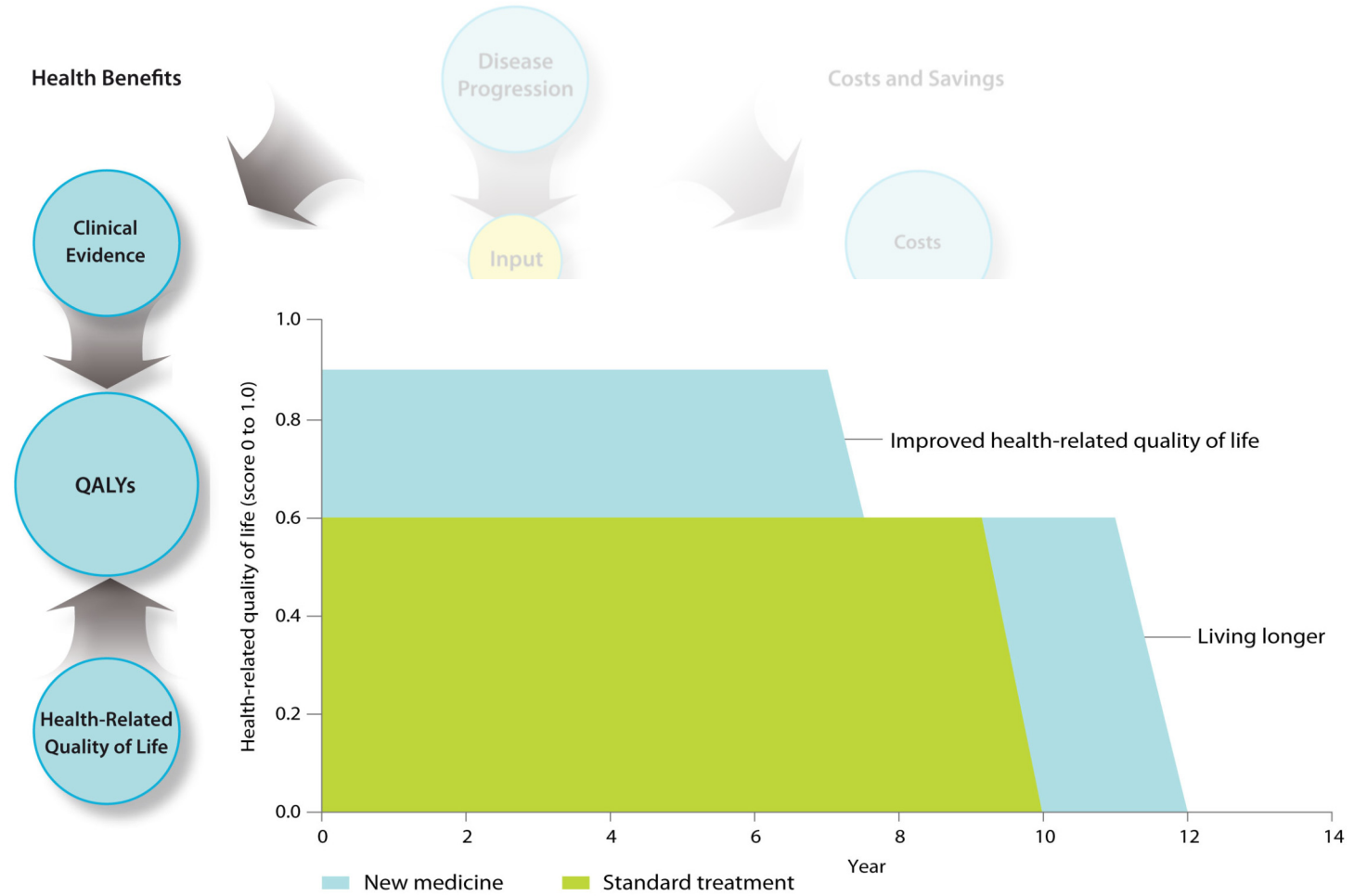
# Assessing health benefits



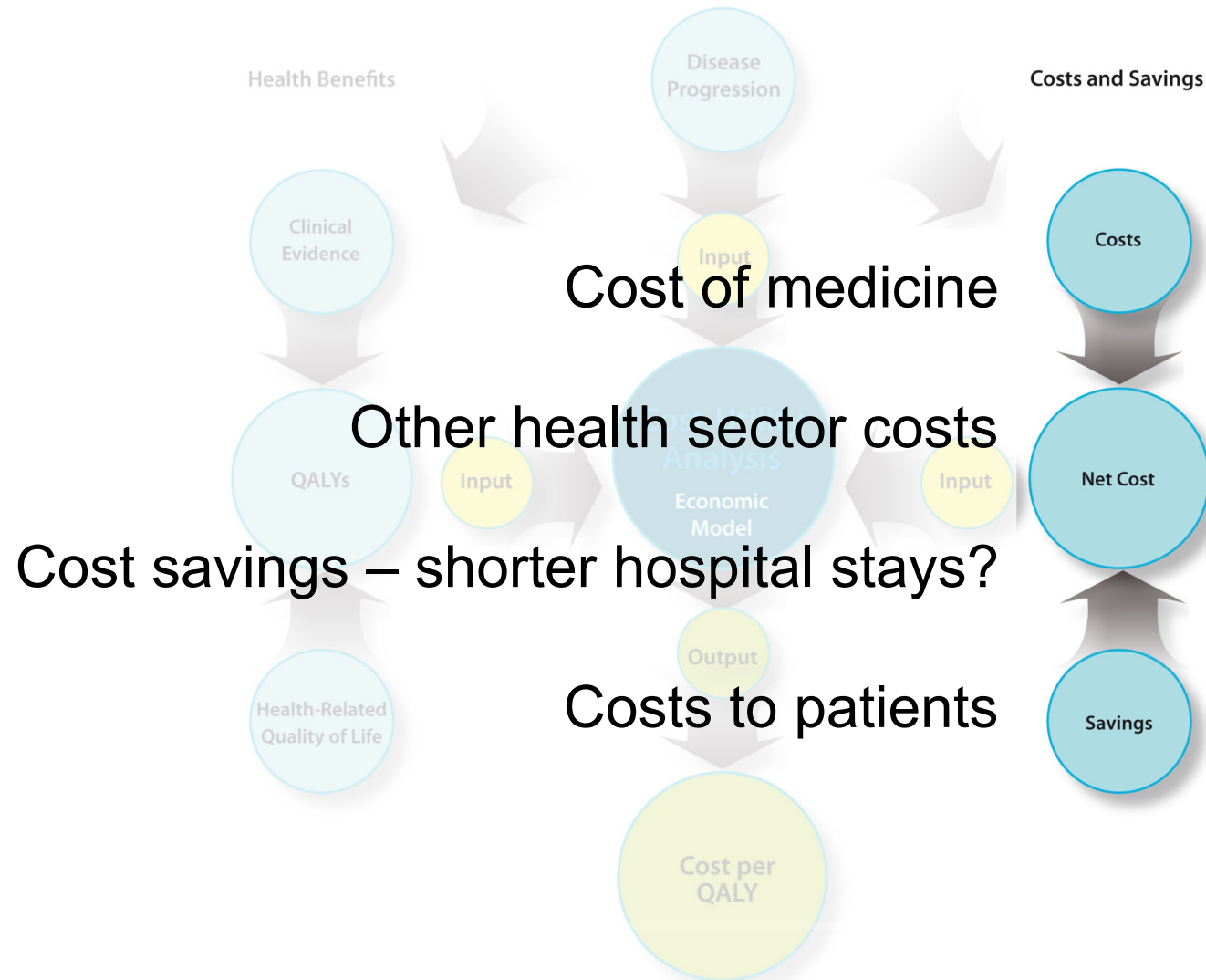
# Quality of life



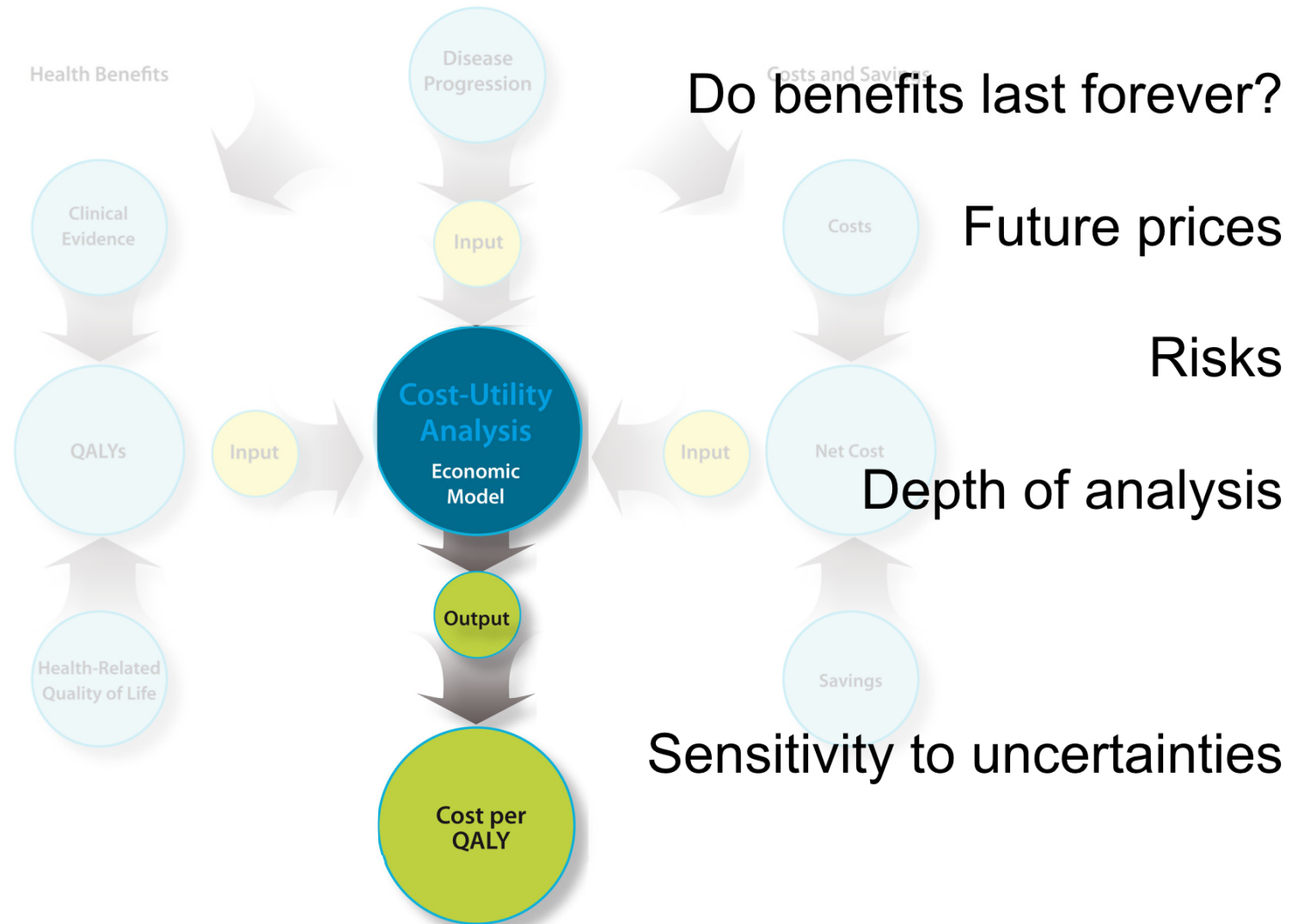
# QALY - a measure of changes in health



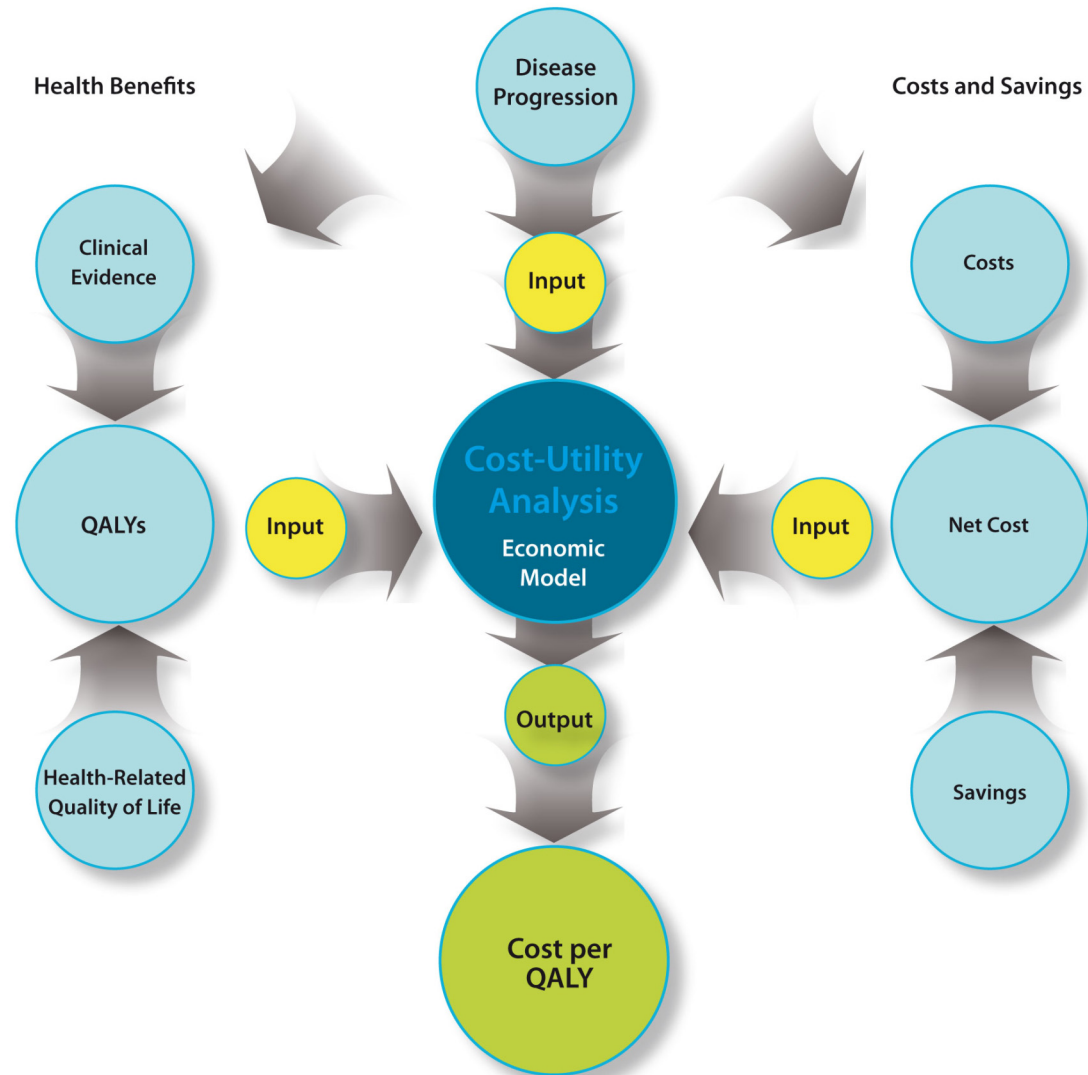
# Health sector costs & savings



# Putting it all together

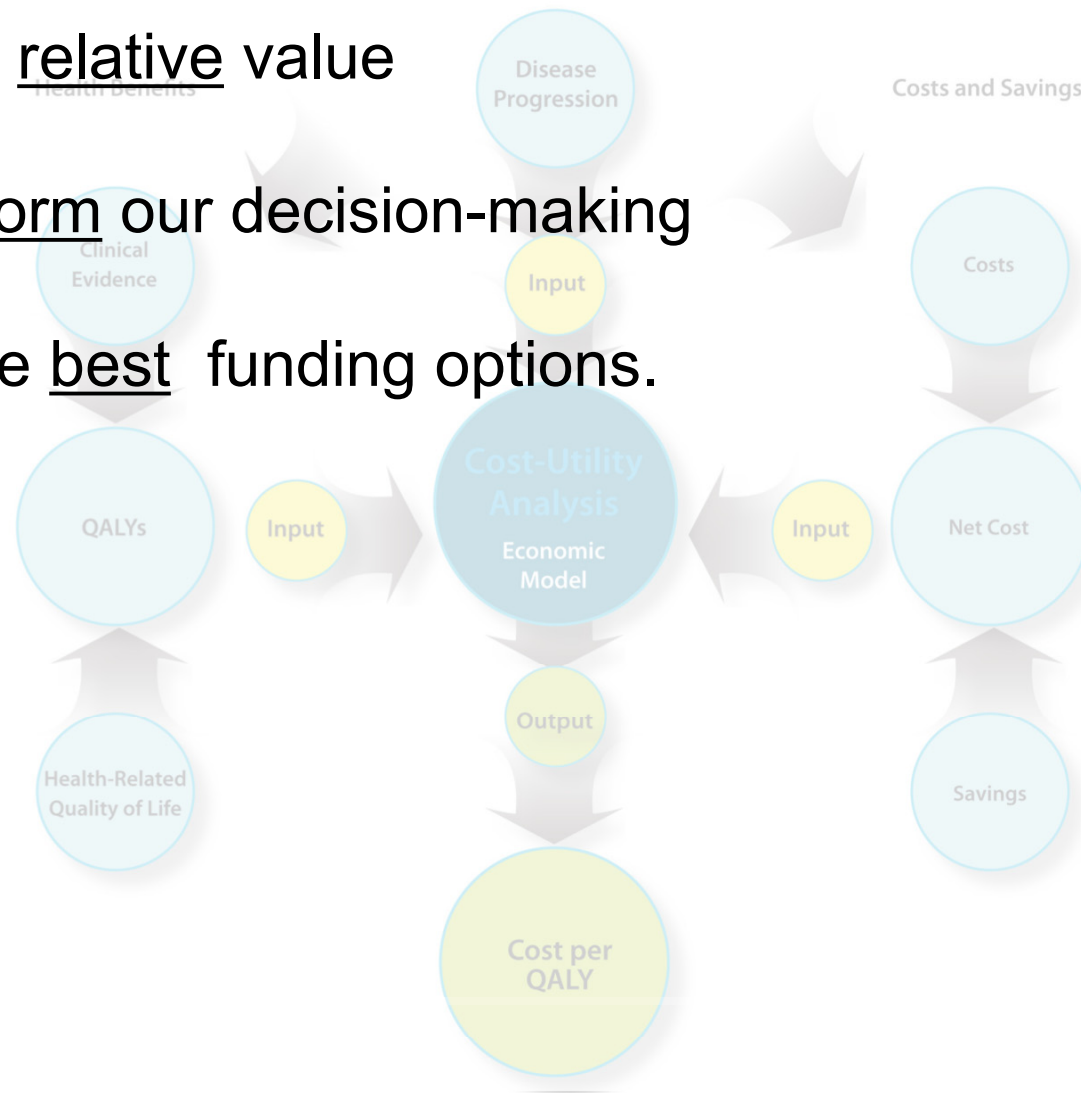


# The big picture



## In practice, CUA ...

Uses relative value  
to inform our decision-making  
on the best funding options.



## Some common questions

Do you consider savings to the health sector?

Do you consider 'return to work' benefits?

Is there a funding threshold?

Why do some effective medicines not get funded?

Are life-extending medicines favoured over life-improving medicines?

Does the population size for treatment matter?