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Canadian Healthcare Association
Association canadienne des soins de santé
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Policy Positions Regarding Issues addressed by the National Pharmaceuticals Strategy

IMPROVING COST-EFFECTIVENESS ANALYSIS OF DRUGS

(Approved by Board of Directors, June 2006)

In September 2004, Canada's First Ministers agreed to establish a ministerial task force to develop and implement a National Pharmaceuticals Strategy (NPS) and to report on their progress by June 30, 2006. The ninth action of the National Pharmaceuticals Strategy is to enhance analysis of cost drivers and cost-effectiveness, including best practices in drug plan policies. CHA defines improving cost-effectiveness analysis of drugs as *measures based on economic research and analysis that evaluate the value of drug treatment compared to alternate treatments.*

Policy Positions

- The federal government and industry should encourage and support the development of cost-effectiveness research.
- Federal, provincial, and territorial governments and industry should commit human and financial resources to support the development of unbiased, evidence-based cost-effectiveness analysis.
- Health system funders, managers, and health providers (including physicians, nurse practitioners, and pharmacists) should incorporate cost-effectiveness analysis in their decision-making, while optimizing outcomes and sustainability across the system.

Background

- Cost-effectiveness analysis has the potential to improve the quality of decision-making by providing an evidence base for making cost and utilization decisions.

- Cost-effectiveness analysis is not well understood and is underutilized as a decision-making tool.
- The Health Council of Canada encourages pharmaceutical decision-making based on rigorous, evidence-based evaluations, along with policies using multiple approaches (2005).

References

- *Health Care Renewal in Canada: Accelerating Change*. Health Council of Canada, January 2005.

The Canadian Healthcare Association is a leader in developing, and advocating for, health policy solutions that meet the needs of Canadians.

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