Comparative effectiveness research impacts patient access to cancer drugs

Tufts CSDD study compares access to cancer drugs in the U.S. and Australia

- Oncology drug approvals in the U.S. outpaced Australian approvals by more than 60%.
- Regulatory approval in Australia does not necessarily lead to reimbursement, as the threshold for reimbursement is higher, i.e., it is based on comparative effectiveness evidence.
- Australia imposes greater restrictions than the U.S. on reimbursement of oncology drugs.
- Patient cost sharing is significantly lower in Australia than the U.S.
- Oncology drug prices in Australia average 30% less than in the U.S., due in part to value-based pricing, which is linked to comparative effectiveness research.
- Australia, the first country to adopt a formal set of regulatory procedures to make coverage decisions based partly on cost-effectiveness, has been emulated by others.

Comparative effectiveness research (CER), which provides information on the relative strengths and weaknesses of various medical interventions, is gaining ground in the United States, and could help close the gap between what is known and what is done in pharmaceutical care. A new Tufts CSDD study, summarized here, points to a possible trade-off in market access to oncology drugs.

There are two sides to the CER story. On the one hand, based on the Australian experience, CER severely restricts access to drugs not deemed cost-effective. On the other hand, CER creates conditions for a more affordable, equitable system of access. Although more oncology drugs are available in the U.S., and a higher percentage of them are covered, the evidence-based approach adopted by Australia has led to lower prices, improving the affordability of those medications considered cost-effective by the reimbursement authority for payers and patients. While reimbursement decision-making depends on interpretation of clinical and economic evidence, it also reflects differences in priorities. The U.S. system favors immediate access, wide latitude in decision-making, and pluralism, while the Australian system favors a top-down, societal, evidence-based reimbursement decision-making process.