

Review of clinical and cost-effectiveness analyses

ISSUE: Policymakers are looking for ways to use Medicare’s resources more efficiently. Cost-effectiveness analysis may offer Medicare opportunities to promote care that is cost efficient and higher quality.

KEY POINTS: The aim of cost-effectiveness analysis is to relate the clinical effectiveness and health outcomes of services to the net resource costs associated with their use. In MedPAC’s June 2005 report, the Commission concluded that before Medicare could routinely use cost-effectiveness analysis, policymakers will need to address valid concerns about its methods, such as how to measure outcomes and costs.

On behalf of the Commission, Peter Neumann reviewed the methodologies and assumptions used in cost-effectiveness studies for two Medicare covered services—screening for colorectal cancer and implantable cardioverter defibrillators. The results of Dr. Neumann’s analysis will be presented during this meeting.

ACTION: Commissioners should provide input on future work in this area.

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