

## Value of cancer drugs in nine countries

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Net value from expenditures on cancer drugs in selected North American, European, and Asian Pacific countries, 2004 and 2014

Country	Incidence-adjusted cost and effect <sup>a</sup>					Net value (\$)					
	Cost (\$)		Effect (YPLL)			Incidence-adjusted <sup>b,d</sup>			Society (billions) <sup>c,d</sup>		
	2004	2014	2004	2014	ICER (\$)	25%	50%	75%	25%	50%	75%
Australia	17,514.54	26,498.12	6.304	4.832	-6,102.50	27,819.28	64,622.14	101,425.00	3.6	8.3	13.1
Canada	14,527.00	27,074.40	6.736	5.209	-8,220.75	25,610.29	63,767.97	101,925.65	4.9	12.2	19.6
France	25,601.27	36,830.44	7.835	5.781	-5,468.52	40,106.37	91,441.91	142,777.46	14.9	34.0	53.1
Germany	16,638.13	35,787.83	6.482	4.441	-9,384.90	31,862.28	82,874.26	133,886.24	16.6	43.3	69.9
Italy	25,527.83	44,602.25	6.108	4.484	-11,744.85	21,527.26	62,128.94	102,730.62	8.1	23.4	38.7
Japan	21,578.21	33,336.63	6.824	4.347	-4,748.54	50,147.02	112,052.46	173,957.90	36.8	82.3	127.7
Sweden	15,101.39	25,433.75	5.395	4.698	-14,827.85	7,088.17	24,508.70	41,929.23	0.4	1.3	2.2
UK	15,460.92	32,614.71	7.193	5.553	-10,456.35	23,859.06	64,871.91	105,884.76	8.2	22.4	36.5
US	38,571.21	73,919.51	6.720	5.610	-31,861.53	-7,612.42	20,123.46	47,859.34	-12.4	32.6	77.6

Net value from expenditures on cancer drugs in selected North American, European, and Asian Pacific Countries, 2004 and 2014. Credit: ©2016 Health Affairs

The May issue of *Health Affairs* includes a study examining real-world cancer drug consumption in nine countries.

The authors, Sebastian Salas-Vega and Elias Mossialos, both with the London School of Economics and Political Science, compared the value in lives saved for cancer drug spending in Australia, Canada, France, Germany, Italy, Japan, Sweden, the United Kingdom and the United States, for the years 2004-14.

The authors found a wide variation in how cancer patients in the different countries benefited from their cancer drug care, with the



United States spending more than any of the other countries and witnessing one of the smallest improvements in cancer-related mortality. Assigning a conservative value for extended life-years, the authors calculated a \$32.6 billion net positive return from cancer drug care in the United States in 2014 under base-case assumptions.

While net returns from cancer drug care remain positive under most circumstances, the authors also found that the United States obtains a lower return per cancer drug dollar spent on individual patients than in the other countries analyzed.

"Net economic value derived from cancer drug expenditures appears to have remained positive," the authors concluded. "All nine countries—most notably France and Japan—witnessed an improvement in neoplasm-related years of potential life lost, which suggests that although the costs of drugs have risen, their therapeutic benefits have increased as well." The authors believe their findings suggest that there is an opportunity to improve value in the US oncology drug market.

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