Comparative Clinical Effectiveness Research –

Is it Rational or Rationing?

Alissa Craft, DO, MBA
Health Policy Fellowship 2010-2011

ABSTRACT

In 2010 Arizona stopped paying for certain types of organ transplants based on clinical effectiveness research (CCER) that indicated the procedures did not significantly prolong life. Arizona is not the first state to ration care. As Medicare and Medicaid enrollment increases and state budgets tighten, both federal and state programs are faced with attempting to meet a vast need with limited resources.

Of our nation’s $2.4 trillion annual investment in health care, less than 0.1 percent is devoted to evaluating the relative effectiveness of the various diagnostics, procedures, devices, pharmaceuticals, and other interventions in clinical practice. The Congressional Budget Office (CBO) points out that as much as 5% of the nation’s GDP—$700 billion per year—is spent on tests and procedures that do not improve health outcomes. More than half the treatments provided to patients lack clear evidence they are at all effective. Medicare spent over $264 billion on treatment lacking evidence of effectiveness in 2010 alone.

Treatments should be offered only when clear medical evidence exists that the treatment is effective for the diagnosed condition, that the benefits outweigh the medical risks, and that the course of action would be of benefit for most patients with a similar set of circumstances. Health plans need to be able to use CCER to make future coverage decisions in areas such as value-based benefits, formulary development, and prior authorization.