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The Concept of a Federal Health Board: Learning from Britain's Experience

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Tom Daschle, President-elect Barack Obama's pick for secretary of health and human services, has recently advocated the creation of an independent "Federal Health Board."[1] This board would bypass Congress and make key health care decisions, such as determining the cost-effectiveness of treatments and choosing which services public insurance programs would cover.[2] He has also suggested expanding such a board's powers to private health plans.

Great Britain has a similar institution, the National Institute for Health and Clinical Excellence (known by its acronym, "NICE"). Britain's experience with NICE offers insight into how such an institution operates in practice.

The Federal Health Board. Daschle's health board would be modeled on the Federal Reserve and would be similarly insulated from the political process. Neither Congress nor the White House would have to approve the health board decisions; a group of President-appointed "experts" would run it.

Congress would commission the health board to conduct research determining which drugs and procedures were "cost-effective" and which were not. Based on its findings, the health board would issue recommendations about which treatments should be used and how new technologies should be deployed.

In Daschle's words, the health board "would have teeth." All federal health programs would have to abide by the health board's "recommendations," and the health board would determine which treatments government insurance programs covered.

The health board would also regulate private insurance plans operating in a new national health insurance exchange. Daschle anticipates a spillover effect whereby private plans would adopt coverage standards similar to those the health board would set for public plans. Moreover, Daschle suggests that Congress could make the employer tax exclusion for health insurance contingent on private insurers' compliance with the health board's recommendations.

British Patient Experiences. In Great Britain, NICE has broadly the same responsibilities that would be delegated to the U.S. health board. In fact, Daschle has cited scholars touting the use of NICE as a model.[3]

NICE sets a threshold for cost-effectiveness that it applies uniformly: It has decided that Britain should spend the same amount saving or improving the life of a 75-year-old smoker as it would a five-year-old.[4] If a treatment is found to cost more than about $30,000-$45,000 per "quality-adjusted life-year," it is rarely covered.[5] This approach has led to the denial of valuable care:

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- NICE restricted access to two drugs for Age-Related Macular Degeneration, Britain's leading cause of blindness.[6] The first drug, Macugen, was completely blocked, while the second, Lucentis, was limited to the approximately one in five disease sufferers who have a specific type of the disorder.[7] Even then, Lucentis was restricted to patients with that type of the disorder in both eyes—and could only be used in the less-diseased eye. In the words of Tom Bremridge, chief executive of the Macular Disease Society, "allowing one eye to go blind before treating the second eye is cruel and totally unacceptable." Winfried Amoaku of the Royal College of Ophthalmologists explained, "There are differences in action between these two drugs, which may be important in individual cases, and so we do not wish to be limited in our treatment options in this way."
- NICE limited several Alzheimer's drugs to use in patients whose disease had advanced from early to middle-stage. Even though doctors argued that starting treatment at the onset of dementia would be most effective in slowing the progression of the disease,[8] NICE decided that patients would have to wait until they became sick enough for the treatments to meet the cost-effectiveness threshold. A charity has taken legal action, accusing NICE of "ignoring totally the proven benefits of the drugs for careers of those with mild symptoms, and grossly underestimating the savings they bring to the state by enabling suffers to remain in their own homes longer. [The charity] accused NICE of implying careers are far better off when the condition of their sick relative deteriorates so much that they are forced to move into a residential home."[9]
- NICE blocked access to Glivec, a leukemia treatment. Ann Tittley, a 55-year-old patient, was being treated for breast cancer when she was diagnosed with leukemia. After realizing she would be denied access to Glivec even though her physician had recommended she start it immediately, Ms. Tittley wrote a letter to then-

1. Tom Daschle, Scott S. Greenberger, and Jeanne M. Lambrew, *Critical: What We Can Do About The Health-Care Crisis* (New York, N.Y.: Thomas Dunne Books, 2008), especially part 4 (pp. 139-180).Versions of a health board have been included in other prominent proposals. See U.S. Senator Max Baucus, "Call to Action: Health Care Reform 2009," November 12, 2008, at *http://finance.senate.gov/healthreform2009/finalwhitepaper.pdf* (December 3, 2008), especially chapter 2 (pp. 13-35); Ezekiel Emanuel and Victor Fuchs, "A Comprehensive Cure: Universal Health Care Vouchers," Brookings Institution, July 2007, at *http://www.brookings.edu/~/media/Files/rc/papers/2007/07useconomics_emanuel/200707emanuel_fuchs.pdf* (December 3, 2008), especially chapter 2 (pp. 7-11).
2. For additional discussion of the health board, see Stuart Butler, "Life or Death? Ask U.S. Health Board," *The Washington Times*, September 18, 2008, at *http://www.washingtontimes.com/news/2008/sep/18/life-or-death-ask-us-health-board* (December 3, 2008). For discussion of the implications of comparative effectiveness analysis for drug development, see Anupam B. Jena and Tomas J. Philipson, *Innovation and Technology Adoption in Health Care Markets* (Washington, D.C.: AEI Press, 2008), at *http://www.aei.org/docLib/20081023_InnovationandTechnology.pdf* (December 3, 2008).
3. Daschle, Greenberger and Lambrew, *Critical*, p. 173.
4. Gardiner Harris, "British Balance Gain Against the Cost of the Latest Drugs," *The New York Times*, December 3, 2008, at *http://www.nytimes.com/2008/12/03/health/03nice.html?hp* (December 3, 2008).
5. National Institute for Health and Clinical Excellence, "Measuring Effectiveness and Cost Effectiveness: The QALY," 2007, at *http://www.nice.org.uk/newsevents/infocus/MeasuringeffectivenessandcosteffectivenesstheQALY.jsp* (December 3, 2008).
6. Emma Bowler, "Ouch Q&A #11: NICE Decision on Sight-Saving Drugs, *BBC*, June 22, 2007, at *http://www.bbc.co.uk/ouch/fact/ouch_q_a_11_nice_decision_on_sight_saving_drugs.shtml* (December 3, 2008).
7. A study in the *New England Journal of Medicine* found that Lucentis slowed vision loss in 90 percent of tested patients and improved vision in about a third, "Anger over Blindness Drugs Ruling," *BBC*, June 13, 2007, at *http://news.bbc.co.uk/2/hi/health/6749351.stm* (December 3, 2008).
8. Peter Pallot, "Experts Under Pressure over Alzheimer's Drugs Ruling," *Telegraph*, June 21, 2006, at *http://www.telegraph.co.uk/global/main.jhtml?xml=/global/2006/06/21/he4alzheimer.xml* (December 3, 2008).
9. Rosemary Bennett, "NICE Challenged over Alzheimer's Drugs," *Times Online*, June 25, 2007, at *http://www.timesonline.co.uk/tol/news/uk/health/article1984137.ece* (December 3, 2008).

Prime Minister Tony Blair. "Glivec was my lifeline, at least it would give me a chance of beating this disease," wrote Ms. Tittley. "Life is precious.… I appreciate that cost is important, but to deny patients this potentially life-saving treatment on this basis is totally unforgivable and criminal."[10]

Health Care by Committee. In creating a Federal Health Board, Americans would trust that remote, unelected bureaucrats isolated from public influence could make health care decisions that would be right for every citizen. The British experience with such policy should give lawmakers pause. As Anthony Young, president of the British Association of Endocrine Surgeons, has said, "There can be no guidelines that are always right, always achievable, and always appropriate. Those of NICE are no exception."[11]

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10. Glivec has an 86 percent success rate. See "Why can't I have cancer drug?," *BBC*, June 12, 2002, at *http://news.bbc.co.uk/2/hi/uk_news/england/2040736.stm* (December 3, 2008).
11. Anthony E. Young, "Cost of NICE-approved drugs," *The Times*, September 12, 2005, at *http://www.timesonline.co.uk/tol/comment/letters/article565464.ece* (December 3, 2008).