

NATIONAL INSTITUTE FOR HEALTH AND CARE EXCELLENCE

Cost comparison

Addendum to the Guide to the methods of technology appraisal

1 Introduction

- 1.1 This document provides a statement about the methods to be used when a cost comparison case is made. It builds on the methods outlined in NICE's [guide to the methods of technology appraisal](#). It should be read alongside the guide.
- 1.2 A cost comparison case can be made if a health technology is likely to provide similar or greater health benefits at similar or lower cost than technologies recommended in published NICE technology appraisal guidance for the same indication.

2 Clinical and cost-effectiveness analysis

- 2.1 The methods for the cost comparison case follow the requirements outlined in the existing [methods guide](#) (including the reference case; for the exceptions related to cost effectiveness see sections 3.3 and 3.4 of this document):

Clinical effectiveness

- 2.2 The clinical effectiveness evidence requirements are consistent with those specified in the existing [methods guide](#).

Cost effectiveness

- 2.3 A cost-utility analysis and aspects of the reference case that apply to cost-utility analyses are not needed when a cost-comparison analysis is used:

- Cost-comparison analysis comprises an analysis of the costs and resource use associated with the intervention compared with that of the comparator(s). The effects of the intervention and comparator(s) on health outcomes are captured in the clinical-effectiveness evidence, and are not included in the cost-comparison analysis.
- The cost-comparison analysis should capture the relevant cost differences between the intervention and comparator(s) over a time horizon that is long enough to reflect materially important differences between the technologies being compared:
 - As a minimum, this must include acquisition costs of the technologies. If other relevant differences in costs or resource use are identified, these may also be included (for example, drug administration, monitoring and healthcare appointments).
 - Costs should be based on use in line with the summary of product characteristics for the new technology (if available).
 - Whenever possible and appropriate, cost data and data sources should be consistent with any corresponding data and sources that were considered appropriate in the published NICE guidance for the comparator(s) for the same indication.
 - If there are relevant differences in health outcomes that affect resource use (for example, managing adverse events), these must be included in the cost-comparison analysis. Substantial differences between technologies in costs directly relating to health outcomes (such as adverse events) indicate that the intervention and comparator(s) may not provide similar overall health benefits, so any such cost differences must be clearly justified.

2.4 A systematic review of published, relevant evidence on the cost effectiveness of the technology is not needed.

Exploring similarity

- 2.5 For the acceptance of a cost comparison case, evidence in support of similarity between the intervention and comparator technologies, in terms of overall health outcomes, must be presented in the company's evidence submission.

Cost-comparison sensitivity analysis

- 2.6 Appropriate sensitivity analysis will, in general, include clinically relevant scenario analyses and univariate sensitivity analyses to identify parameters that may have a substantial impact on the cost-comparison. A probabilistic sensitivity analysis is not needed.

Impact on the NHS

- 2.7 Information on the net budget impact of implementing the health technology in the NHS (and personal and social services, when appropriate) is needed, including impacts on cost, resource use and service delivery (see sections 5.12 of NICE's [guide to the methods of technology appraisal](#))

3 Structured decision-making

Appraisal of the evidence

Structured decision-making: clinical effectiveness

- 3.1 Decision-making follows the [methods guide](#), with the exceptions detailed in sections 4.2 and 4.3 of this document.
- 3.2 The appraisal committee's judgements on clinical similarity in a cost comparison case take account of:
- the nature and quality of the evidence in the company's submission.
 - evidence that the new technology provides similar or greater overall health benefits than the comparator(s), taking into account relevant outcomes (for example, clinical effectiveness outcomes and adverse effects), and specifically:

- evidence that the clinical effectiveness of the intervention is the same or greater than the comparator(s)
- if relevant, whether apparent differences in effectiveness are clinically meaningful
- the degree of clinical or biological plausibility of similarities in health benefits
- consideration of the evidence submitted for licensing and, if available effectiveness in clinical practice.

Structured decision-making: cost-comparison analyses

3.3 In a cost-comparison the appraisal committee considers the intervention relative to its comparator(s). The committee's judgements on the cost-comparison analysis take account of:

- the robustness and appropriateness of the approach to cost comparison.
- the results from relevant cost-comparison scenario and univariate sensitivity analyses.
- the committee's preferred analysis, taking into account all of the cost-comparison evidence submitted.

Decision-making

3.4 The appraisal committee's main considerations when developing recommendations in a cost-comparison case are, on balance whether:

- the technology is likely to provide similar or greater overall health benefits to patients than technologies recommended by NICE for the same indication, measured by relevant outcomes
- the use of the technology is likely to result in similar or reduced overall costs to the NHS than technologies recommended by NICE for the same indication.

Table 1: Committee recommendations in case of a cost-comparison

Decision	Type of recommendation
Technology provides similar or greater benefits at a similar or lower overall costs than the comparator(s)	Recommended as an option
Technology provides less health benefit at a similar or greater cost <i>or</i> Technology provides similar health benefits at a greater cost	Not recommended