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QALY

As consumers, most of us are familiar with using ratios for determining the value of purchases. At the grocery store, the cost per dozen ears of corn or cost per gallon of milk helps us determine whether or not we are getting a good deal. Similarly with technology, we look at the cost for a 50" television screen, or cost for the memory capacity in a laptop's hard drive.

The quality-adjusted-life-year (QALY) is a measure that has become the most commonly used metric for determining the benefit of health care interventions or practices. One QALY (1.0) represents one year of "perfect" health whereas zero QALY (0.0) is death. If a chronic illness decreases quality of life by 15%, one year of life with that chronic illness would be represented as .85 QALY. The QALY is commonly used in cost-effectiveness studies. A treatment that costs $1,000,000 to add .5 QALYs for 10 individuals would have a cost of $200,000/QALY, whereas a treatment costing $500,000 to add one QALY for 25 individuals would have a cost of $20,000/QALY. These types of cost-effectiveness data are used by agencies to make health care recommendations and/or to determine what an insurance plan may cover. Recent recommendations regarding PSA screening for men and mammography for women involved consideration of such cost-effectiveness data.

Of course, health care perspectives and decisions vary greatly depending upon one's personal situation. If a screening test that costs $250,000/QALY finds a cancer at an early/treatable stage in a relative of mine, I would consider that test to be worth the cost. However, I may feel that spending

$250,000/QALY for a test or intervention that doesn't affect me or my family to be wasteful healthcare spending.

The Patient Protection and Affordable Care Act (ACA) has been a hot political topic for months, and just last week the Supreme Court issued a ruling on its constitutionality. What hasn't gotten much media attention is that the ACA created a Patient-Centered Outcomes Research Institute (PCORI) to conduct comparative-effectiveness research. Noteworthy is that the PCORI is specifically prohibited from using the QALY (or similar measures) to establish thresholds for determining what types of health care are cost effective or recommended. It is widely believed that this ban is a reaction to the use of cost-per-QALY thresholds in the British health care system to determine which services will be provided for citizens. (It should be noted that there is movement away from the use of cost-per-QALY in Britain and several other European health care systems.) Of course, the concern is that the cost-per-QALY metric becomes the basis for health care rationing. The irony here is that at a time when spiraling health care costs have become an economic crisis, governments are moving away from what has become the most standard metric in cost-effectiveness, and rationing necessarily occurs through less standardized means.

Whatever one's position on the ACA and/or the use of cost per QALY as a means to determine what screenings should be done or what services should be included in a health insurance plan, the cost per QALY metric has consistently pointed to the cost-effectiveness of lifestyle modification, both for the prevention of disease as well as for the management of chronic illness. It is much less expensive to prevent disease than it is to treat it. Interestingly, only 1-3% of health care expenditures go for prevention, while approximately 75% is spent on treating chronic illness. Our health care system has a treatment focus rather than a prevention emphasis. Obviously, prevention goes well beyond what physicians can do with counseling patients to quit smoking, exercise, and follow health diets, or with screening tests to catch disease in an early state. Prevention is a broader public health issue, because many facets of our environments (including media) influence our lifestyles.

My personal behavior and choices, as do yours, affect health economics, because individual and collective behavior affects the healthcare costs that all of us incur. Aside from

economics, I want to experience good health, because that contributes to my quality of life. I endeavor to have many full-value QALYs in my future.

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