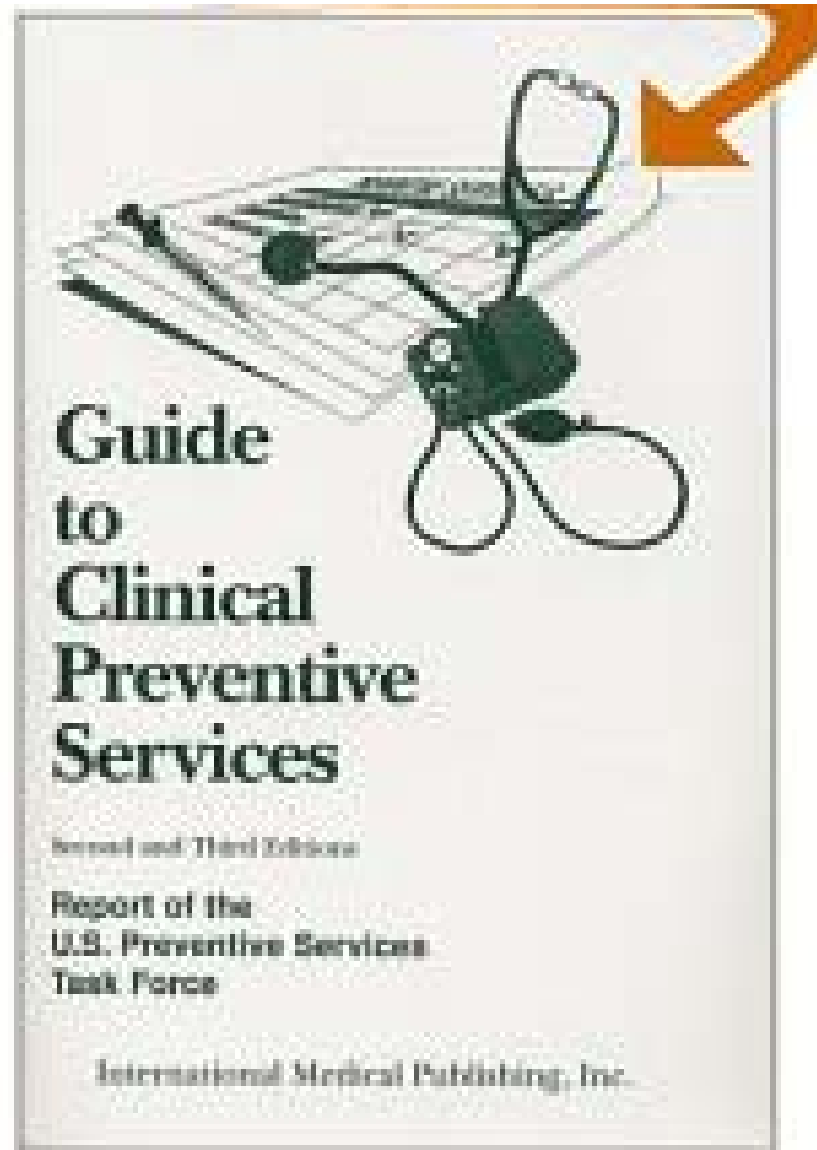


The Employer Case for Evidence Based Medicine and Comparative Effectiveness

EBM and Prevention



Comparative Effectiveness

- A rigorous evaluation of the impact of different treatment options (e.g., competing drugs, surgery vs. drug therapy) for a given medical condition for a particular set of patients.
- Focuses on the relative benefits and harms of each option so payers and providers, eventually patients can use the results to weigh both the costs and the benefits of those options. Most significant application for employers would be for Benefit design and Wellness Programs
- Other uses - Clinical decision making guidelines, quality improvement and metrics

The Problem Today

- Unsustainable cost trends.
- Evidence comparing the effectiveness of alternative treatments remains limited even though published studies have grown substantially in number ¹.
- When the benefits or harms, of a treatment are uncertain, it is difficult to determine the appropriate choice of treatment¹.
- Lack of good evidence creates significant variation patterns in use, outcomes and costs. For example, even after adjusting for age, sex, and race, there is a fourfold variation in Medicare enrollees receiving a coronary artery bypass graft; and those differences were not correlated with rates of heart attacks in each region².

1. CBO. **Research on the Comparative Effectiveness of Medical Treatments: Issues and Options for an Expanded Federal Role, December 2007**

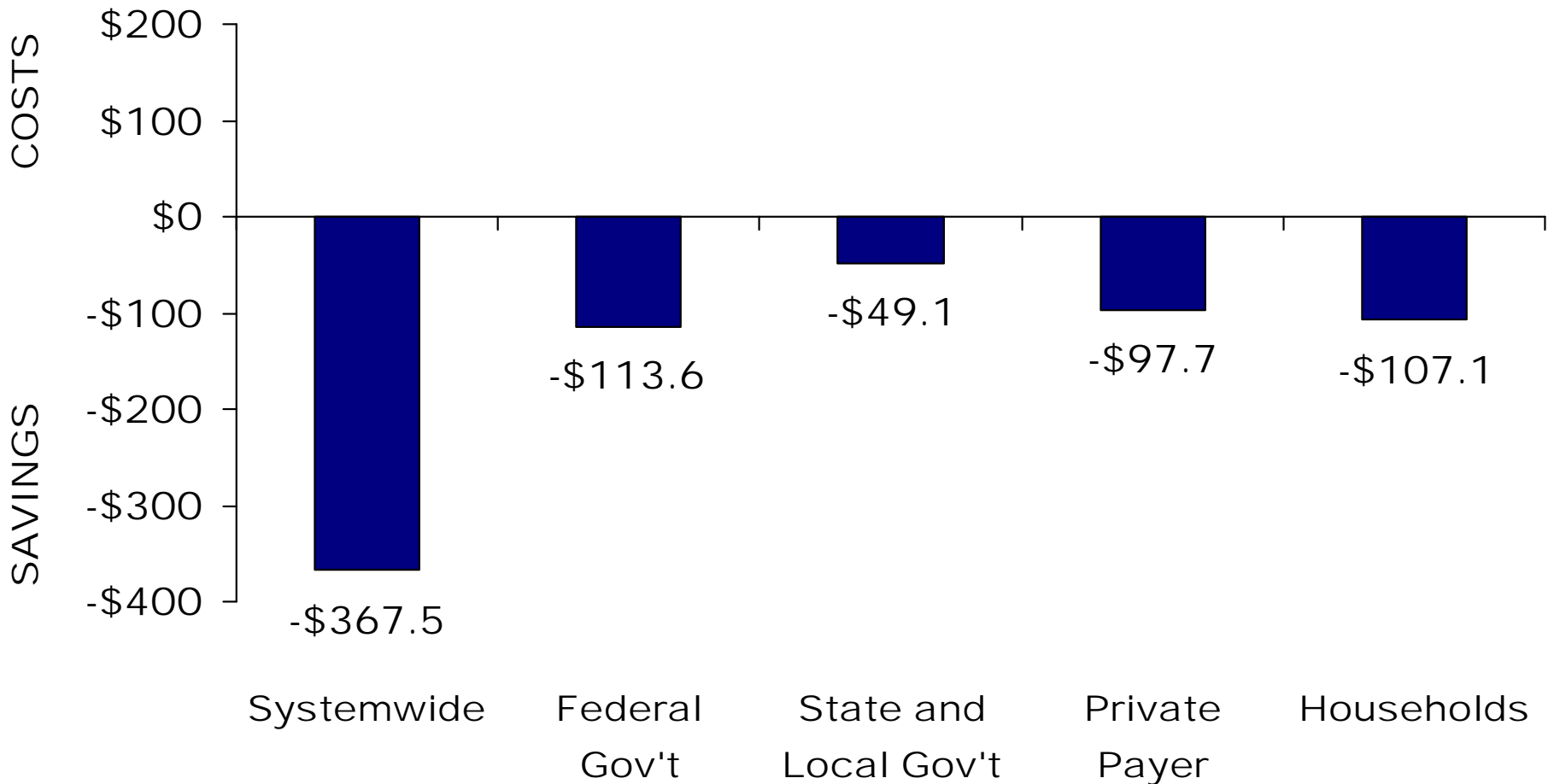
2. John E. Wennberg, Elliott S. Fisher, and Jonathan S. Skinner, "Geography and the Debate Over Medicare Reform," *Health Affairs*, Web Exclusive (February 13, 2002), pp. w96–w97.

The Benefits

- Reduce misuse and overuse
- Improve consistency (i.e., reduce unexplained variation in treatment)
- Improve outcomes and productivity
- Cost Savings
 - It is estimated that employers would accrue approximately \$97.7B (27%) of the anticipated ten year savings of \$367.5B¹.

Potential Savings by Sector

Dollars in billions



Source: Exhibit 9. Distribution of 10-Year Impact on Spending from Center for Medical Effectiveness and Health Care Decision-Making Based on estimates by The Lewin Group for The Commonwealth Fund, 2007.