



## **Societal Perspective - a benefit dilution effect?**

This newsletter asks whether the societal perspective should be routinely included in benefit assessment and value generation?

### **Perspectives**

The healthcare funder's perspective includes all direct medical costs for medical services, medications, and the patient's co-payment. The societal perspective encompasses a patient's state of health with all its impact on others e.g., i.a. caregiver time, loss of productivity [1], [2], [3], [4].

### **Minor Impact of the Societal Perspective**

Including the societal perspective often does not substantially change cost-effectiveness conclusion [1] which will be rather reinforced than changed [5]; the same holds true for rare diseases [6]. For example, the societal perspective changed conclusions between 4% for rare diseases up to 15% for multiple sclerosis [5]. However, the societal perspective may have a negative impact on cost-effectiveness in some cases, especially when a new intervention needs more informal care [5]. Of course, the societal perspective can play a key role which depends strongly on the diseases with high societal costs [5].

«The societal perspective often does not change the cost-effectiveness conclusion but helps to reinforce the claim »

### **So, what is wrong with the Societal Perspective?**

Several countries are recommending using the societal perspective (Sweden, France, The Netherlands) or using both the payer and societal perspective (Spain, Italy) [6]. The priority of the societal perspective is low and productivity impact and care time are only marginally tracked and recorded [1] as well as broader elements of societal non-health care [4]. In addition, most economic input factors for the societal perspective are not uniformly defined and are often controversial.

**«The societal perspective is often incomplete and adds additional uncertainties for Decision-Makers. »**

The societal perspective may revive biases e.g. individual willingness to pay [8]. Early market access for promising new health interventions is often granted based on limited evidence, and controlled market entry agreements are needed to adapt pricing to medical and economic uncertainties. In this situation, companies should think carefully about whether to include further societal uncertainties in the evaluation. The more decision-makers are confronted with uncertainties, the more difficult early market access and adequate pricing becomes. The societal perspective has often a low power to change P&R decisions but adds further uncertainty which may have a negative effect on P&R decisions.

### **When to use the Societal Perspective?**

Personally, I have always believed that the societal perspective should be routinely included in the benefit assessment.

**« Unthoughtful application of the societal perspective can reduce the perception of health care benefits ("value dilution" effect). »**

However, after a limited selective review, I concluded that the societal perspective should only be used in selected cases where societal costs and benefits are the key value driver as e.g., Alzheimer. Unthoughtful application of the societal perspective can reduce the perception of health care benefits ("value dilution" effect).

### **Conclusion**

**« The unreflected application of the societal perspective can reduce the perception of health services ("value dilution effect") - it should only be applied in selected cases where societal costs and benefits are the decisive value drivers. »**

### **Limitation**

This newsletter focuses on the societal perspective to judge new health care interventions based on a limited, selected literature research. Completeness and correctness are not claimed; Additions, corrections and comments are welcome.

## References

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