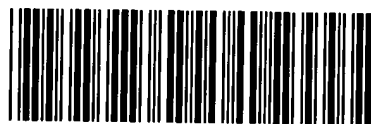


Registered number: 09848965
Charity number: 1170829

THE OFFICE OF HEALTH ECONOMICS
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

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THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Trustees

Prof B Jonsson, Trustee
Prof M Drummond, Trustee
Mr H Ahmad, Trustee
Ms A Charlesworth, Trustee
Ms L Timlin, Trustee
Ms C Fox, Trustee (resigned 29 April 2020)
Dr R D Torbett, Trustee (appointed 1 January 2020)
Mr U K Bose, Trustee (appointed 1 May 2020)

Company registered number

09848965

Charity registered number

1170829

Registered office

7th Floor, Southside
105 Victoria Street
London
SW1E 6QT

Company secretary

R Hollingsworth

Chief executive officer

Prof G Cookson

Independent auditors

BDO LLP
Statutory Auditor & Chartered Accountants
2 City Place
Beehive Ring Road
Gatwick
West Sussex
United Kingdom
RH6 0PA

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees, who are also directors for the purposes of company law, present their report together with the audited consolidated financial statements of the group and the company, 'The Office of Health Economics' ("OHE", "the charitable company", "the charity" or "the company") (registered in England and Wales), and its subsidiary undertaking OHE Consulting Limited (registered in England and Wales) (collectively "the group") for year ended 31 December 2020.

The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

As stated in Note 17 to the financial statements the ultimate parent company of OHE is considered to be the Association of the British Pharmaceutical Industry ("the ABPI"). The ABPI provides a research grant to OHE to enable it to independently progress its charitable purpose and objectives as summarised below.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) ("Charities SORP FRS 102").

Objectives and Activities

The Office of Health Economics' objectives are to advance the education of the public in general/health care payers/policy makers, particularly patients and healthcare professionals, on the subject of health economics and healthcare policy.

Activities in furtherance of this include, in particular, but not exclusively:

- the promotion of evidence based health care policy, by carrying out research on the economics of health, health care systems and the life sciences industry; and
- the promotion of effective and efficient use of health care resources, by advancing the use of economic approaches to support decision making; and
- the facilitation of decision making and awareness of health care policy issues, by encouraging debate and dissemination of relevant health economics research.

The term "health economics" means the application of economic theory, models and empirical techniques to the analysis of decisions making by people, health care providers and governments with respect to health and health care.

In planning the activities of the charity, the Trustees have had regard to the Charity Commission's guidance on public benefit. They consider the information which follows in this annual report, about the company's aims, activities and achievements in the areas of interest that the company supports demonstrates the benefit to its beneficiaries and through them to the public.

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

OHE has once again undertaken an ambitious programme of original research, generating findings published in high quality peer reviewed journals, and via its own publication series, on the economics of health technology appraisal, the economics of health care systems and the economics of the life sciences industry. OHE's work has direct relevance to policy, and evidence from our research programme informs health care decision making and health care policy. OHE also contributes directly to the development and promotion of excellence in the field of health economics via our seminars, lectures, leadership roles in professional societies, and other academic activities. OHE's consulting arm has produced authoritative analyses for our clients and a financial surplus from which it contributes to the financial sustainability of OHE as a research charity.

The company and group have continued to perform successfully this year. Internal and external funding has continued to be provided to finance a wide range of research projects and consultancy advice provided to the life sciences industry, public sector organisations and the ABPI.

The key performance indicators are external research funding targets, consultancy income targets and operating expenditure targets. In 2020, research funding was 63% of target and consultancy income was 113% of target. Operating expenditure in 2020 was 101% of the budget target. The resulting operating profit has allowed the company to further build its own financial reserves, in line with the reserves policy.

Financial review

a. Going concern

After making appropriate enquiries, and getting confirmation of on-going support from ABPI (Note 17), the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

The Trustees are aware that the operational and financial implications of Covid-19 have been considered by the Governance Committee of OHE's ultimate parent company the ABPI. The Governance Committee have concluded that the ABPI has sufficient financial reserves, income and expenditure controls to avoid any liquidity issues for at least 12 months from the approval of these financial statements.

b. Reserves policy

The Trustees have examined the charitable company's requirement for resources in light of the main risks to the company and have no outstanding commitments or cash demand which are not adequately covered by existing resources.

The group's reserves policy continues to ensure that the company has adequate cash and reserves to meet current and future needs, and this is reviewed annually as part of the budget process. The Trustees have agreed with the ABPI that the research grant will in principle be a fixed amount each year, to help enable OHE to record an operating profit each year and build its own financial reserves.

The policy will seek to balance the goal of sustainability with the needs to be efficient as a not for profit organisation. Research funding and consultancy contracts are always agreed before making any expenditure commitments.

c. Work programmes and funding

The company's current work programme is supported by research grants and consultancy revenues from a wide range of UK and international sources including the ABPI and other commercial clients, the Health Foundation, the EuroQol Foundation, and a number of charitable and other organisations.

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

d. Results for the year

OHE Consulting Limited, the company's wholly owned subsidiary, made an operating profit of £294,234 (2019 - £593,202) and made a gift aid payment for this amount to its parent company, the OHE.

The company made an operating loss of £275,384 (2019 - £329,026) prior to the gift aid payment received from OHE Consulting Limited, and therefore overall the group realised a profit for 2020 of £18,850 (2019 - £264,176).

e. Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable would be presented in our accounts as "voluntary income" and includes legacies and grants.

Structure, governance and management

a. Constitution and legal structure

The company is registered as a charitable company limited by guarantee (charity number 1170829) and was set up by a Memorandum of Association on 29 October 2015.

The company has a wholly owned subsidiary, OHE Consulting Limited, a company limited by shares. This company provides health economic consultancy services to the life sciences industry. The legal structure enables the research activities of the charitable company to be kept separate to the commercial consultancy activity. Both companies share the same directors and key management personnel.

b. Method of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

The ABPI, as the sole member of the charity, has the sole right to appoint Trustees to the Board of the charity.

c. Policies adopted for the induction and training of Trustees

As part of their training, Trustees are provided a comprehensive 'operating' manual, which includes the charitable company's Memorandum of Association and Charity Commission guidance on trustee responsibility. All Trustees are aware of their legal duties and obligations in respect of the management of the charitable company, including in relation to the protection of its assets.

d. Pay policy for senior staff

Three Trustees received fees for services during the period. Details of Trustees' fees, expenses and related party transactions are disclosed in Note 8 to the financial statements.

The company uses benchmark data from other research and consultancy organisations to help set pay and remuneration for key staff. Annual pay reviews are then linked to performance against agreed objectives, inflation rates and market trends.

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

e. Organisational structure and decision making

The company is governed by the Board of Trustees. The Trustees during the period were as follows:

Prof B Jonsson, Trustee
Prof M Drummond, Trustee
Mr H Ahmad, Trustee
Ms A Charlesworth, Trustee
Ms L Timlin, Trustee
Ms C Fox, Trustee (resigned 29 April 2020)
Dr R D Torbett, Trustee (appointed 1 January 2020)
Mr U K Bose, Trustee (appointed 1 May 2020)

In addition to the Board of Trustees, the company is managed by the Executive Management Team, and advised by both an Editorial Committee and a Research and Policy Committee.

The Executive Management Team during the period were as follows:

Prof G Cookson (Director)
Prof L Steuten (Vice President of Consulting)
Prof M Jofre-Bonet (Vice President of Research)

f. Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to manage the exposure to the major risks.

The principal risks facing the company and group are a reduction in research funding or consultancy income together with the loss of key staff. Funding and income wins and proposals are closely monitored against budget expectations by the Executive Management Team and if necessary cost savings are identified to cover any income shortfall. A competitive remuneration package, development through work experience and succession planning are used to attract and retain high calibre staff.

Plans for future periods

OHE will continue to develop its programme of original research, supported by a wide range of research funders in the UK and internationally. OHE will continue to expand the focus of our work beyond the UK, and to focus effort on maximising the impact of our research on improving health care decision making both in the UK and further afield. In its role as a newly-established charity, OHE will be developing evidence-based policy positions, which it will advocate by engaging with a wide range of stakeholders via events, media commentaries, and publications.

Trustees' responsibilities statement

The Trustees (who are also directors of OHE for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company and group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company and group's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2016 relating to small companies.

This report was approved by the Trustees, and signed on their behalf by:

Trustee 

Date: 26 JULY 2021

Trustee 

Date: 29 JULY 2021

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OFFICE OF HEALTH ECONOMICS

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 December 2020 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Office of Health Economics ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the consolidated and parent charitable company balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OFFICE OF HEALTH ECONOMICS (CONTINUED)

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which is included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OFFICE OF HEALTH ECONOMICS (CONTINUED)

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be relevant Companies Acts and Charities Acts in the UK. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error. We also considered financial performance, key drivers for bonus or other performance targets. We also considered the risks of non-compliance with other requirements imposed by the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

In addition, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law and data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Those Charged with Governance and other management and inspection of regulatory and legal correspondence if any.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries of the Governance Committee and management, and a review of minutes of meetings of those charged with governance. We made enquiries regarding any matters identified as a Serious Incident as reportable to the Charity regulators. We also performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

We challenged assumptions made by management in their significant accounting estimates in particular in relation to the impairment of trade and other debtors, and the level of accrued and deferred income (and the associated estimate of the stage of completion of the underlying contracts).

We did not identify any matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals including those which potentially impact remuneration and other performance targets and evaluating whether there was evidence of bias by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OFFICE OF HEALTH ECONOMICS
(CONTINUED)**

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Phil Cliftlands (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick

Date:

16 August 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Note			
Income from:			
Donations - research grants	763,300	763,300	714,660
Charitable activities	574,747	574,747	643,086
Other trading activities	2,338,995	2,338,995	2,360,980
Interest receivable	<u>617</u>	<u>617</u>	<u>1,057</u>
Total income	<u>3,677,659</u>	<u>3,677,659</u>	<u>3,719,783</u>
Expenditure on:			
Costs of other trading activities	4 2,045,148	2,045,148	1,768,342
Charitable activities	4 <u>1,613,661</u>	<u>1,613,661</u>	<u>1,687,265</u>
Total expenditure	<u>3,658,809</u>	<u>3,658,809</u>	<u>3,455,607</u>
Net income before other recognised gains and losses	18,850	18,850	264,176
Net movement in funds	18,850	18,850	264,176
Reconciliation of funds:			
Total funds brought forward	<u>342,790</u>	<u>342,790</u>	<u>78,614</u>
Total funds carried forward	<u>361,640</u>	<u>361,640</u>	<u>342,790</u>

The notes on pages 15 to 24 form part of these financial statements.

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)
REGISTERED NUMBER: 09848965

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	9		4,532		6,747
Current assets					
Debtors	10	1,097,261		1,050,340	
Cash at bank and in hand	14	<u>483,415</u>		<u>327,227</u>	
		1,580,676		1,377,567	
Creditors: amounts falling due within one year	11	<u>(1,223,568)</u>		<u>(1,041,524)</u>	
Net current assets			<u>357,108</u>		<u>336,043</u>
Net assets			<u>361,640</u>		<u>342,790</u>
Charity Funds					
Unrestricted funds			<u>361,640</u>		<u>342,790</u>
Total funds			<u>361,640</u>		<u>342,790</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Trustee 

Date: 26 JULY 2021

Trustee 

Date: 29 JULY 2021

The notes on pages 15 to 24 form part of these financial statements.

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)
REGISTERED NUMBER: 09848965

**COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	9		4,532		6,747
Investments			<u>1</u>		<u>1</u>
			4,533		6,748
Current assets					
Debtors	10	808,202		969,031	
Cash at bank	14	<u>135,573</u>		<u>145,407</u>	
		943,775		1,114,438	
Creditors: amounts falling due within one year	11	<u>(586,668)</u>		<u>(778,396)</u>	
Net current assets			<u>357,107</u>		<u>336,042</u>
Net assets			<u>361,640</u>		<u>342,790</u>
Charity Funds					
Unrestricted funds			<u>361,640</u>		<u>342,790</u>
Total funds			<u>361,640</u>		<u>342,790</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The profit after tax after gift aid of the parent Company for the year was £18,850 (2019 - £264,176).

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Trustee 

Date: 26 JULY 2021

Trustee 

Date: 29 JULY 2021

The notes on pages 15 to 24 form part of these financial statements.

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	13	<u>156,188</u>	<u>55,614</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>-</u>	<u>(8,860)</u>
Net cash used in investing activities		<u>-</u>	<u>(8,860)</u>
Change in cash and cash equivalents in the year		156,188	46,754
Cash and cash equivalents brought forward		<u>327,227</u>	<u>280,473</u>
Cash and cash equivalents carried forward	14	<u>483,415</u>	<u>327,227</u>

The notes on pages 15 to 24 form part of these financial statements.

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Office of Health Economics ("the company") meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

The net income and expenditure for the period dealt with in the accounts of the parent company was £18,850 (2019 - £264,176).

In considering whether it continues to be appropriate to prepare financial statements on a going concern basis the Trustees have considered both the ongoing support from the ABPI and the evaluation of Covid-19 by the ABPI's Governance Committee which concludes that the ABPI has sufficient financial reserves, income and expenditure controls to avoid any liquidity issues for at least 12 months from the approval of these financial statements.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Consultancy project income is included to the extent that it has been earned in the period by reference to appropriate project milestones or project completion. Payments received in advance for consultancy projects are included in Creditors (Other Creditors) to the extent that these have not been earned in the period.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.6 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	- 25% straight line
-----------------------	---------------------

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)

1.8 Cash and Cash Equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Foreign currencies

The company's and group's functional and presentational currency is GBP.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Consolidated Statement of Financial Activities incorporating the income and expenditure account.

1.12 Pensions

Another group entity operates a defined contribution pension scheme and the pension charge represents the amounts which have been recharged by another group entity in respect of the staff pensions payable to the funds in respect of the year.

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.13 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

(a) Impairment of trade and other debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the credit rating of the debtor, ageing profile of the debtors and historical experience. See Note 10 for the net carrying amount of debtors.

(b) Accrued and deferred income

The group estimates the amount of any income generated but not invoiced to customers at the year-end, or vice versa, based on the extent of services provided and what is expected to be invoiced after the period end, or already been invoiced before the period end.

2. Charitable activities

	Unrestricted £	Total 2020 £	Total 2019 £
Direct charitable expenditure	1,450,656	1,450,656	1,532,722
Support costs – governance (Note 3)	32,810	32,810	30,598
Support costs – general (Note 3)	130,195	130,195	123,945
	<u>1,613,661</u>	<u>1,613,661</u>	<u>1,687,265</u>

Included within Direct charitable expenditure are staff costs totalling £945,164 (2019 - £882,549). A further £1,469,051 (2019 - £1,207,044) of staff costs are included within OHE Consulting Limited trading activities within Note 4. An analysis of total staff costs of £2,414,215 (2019 - £2,089,593), is provided in Note 6.

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Support costs

	Governance £	General £	Total 2020 £	Total 2019 £
Legal and professional related costs	5,877	-	5,877	6,018
Accountancy related costs	26,933	-	26,933	24,580
Human resources related costs	-	21,175	21,175	17,821
Facilities related costs	-	4,378	4,378	5,595
IT related costs	-	28,306	28,306	18,096
Other office support related costs	-	76,336	76,336	82,433
	<u>32,810</u>	<u>130,195</u>	<u>163,005</u>	<u>154,543</u>
<i>Total 2019</i>	<u>30,598</u>	<u>123,945</u>	<u>154,543</u>	

4. Analysis of Expenditure by expenditure type

	Other costs 2020 £	Other costs 2019 £
OHE Consulting trading activities	2,045,148	1,768,342
	<u>2,045,148</u>	<u>1,768,342</u>
Direct charitable expenditure	1,450,656	1,532,722
General support costs	130,195	123,945
	<u>1,580,851</u>	<u>1,656,667</u>
Charitable activities		
	<u>1,580,851</u>	<u>1,656,667</u>
Expenditure on governance	32,810	30,598
	<u>1,613,661</u>	<u>1,687,265</u>
Total Expenditure	<u>3,658,809</u>	<u>3,455,607</u>

5. Auditors' remuneration

	2020 £	2019 £
Fees payable to the company's auditor and its associates in respect of:		
Audit-related assurance services	<u>6,920</u>	<u>7,000</u>

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Staff costs

Staff costs, including key management personnel (see Note 7), were as follows:

	2020 £	2019 £
Wages and salaries	2,045,380	1,757,923
Social security costs	238,594	207,660
Cost of defined contribution scheme (Note 15)	<u>130,241</u>	<u>124,010</u>
Total	<u>2,414,215</u>	<u>2,089,593</u>

The average number of employees during the period was as follows:

	2020 No.	2019 No.
Executive management team	3	3
Administrative staff	<u>24</u>	<u>20</u>
	<u>27</u>	<u>23</u>

The number of higher paid employees was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	2	0
In the band £90,001 - £100,000	0	1
In the band £130,001 - £140,000	1	0
In the band £140,001 - £150,000	1	0
In the band £160,001 - £170,000	0	1
In the band £170,001 - £180,000	1	1
In the band £260,001 - £270,000	0	1
In the band £300,001 - £310,000	<u>1</u>	<u>0</u>

The above bandings include salary, performance related bonus and any cash allowances.

7. Key management personnel

	2020 £	2019 £
Wages and salaries	634,845	527,391
Social security costs	82,271	67,762
Cost of defined contribution scheme (Note 15)	<u>22,204</u>	<u>31,711</u>
Total	<u>739,320</u>	<u>626,864</u>

In addition to the Board of Trustees, there were 3 (2019 - 3) key management personnel, 2 (2019 - 3) of which accrued benefits under another group entity's defined contribution pension scheme during the period.

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

8. Trustees' fees

	2020 £	2019 £
Fees for services provided and reimbursed expenses	<u>34,880</u>	<u>22,392</u>

The highest paid Trustee received remuneration of £NIL (2019 - £NIL).

B Jonsson, Trustee, received fees for services provided during the period, of £2,350 (2019 - £4,888).

M Drummond, Trustee, received fees for services provided during the period, of £16,690 (2019 - £15,084).

A Charlesworth, Trustee, received fees for services provided during the period, of £15,840 (2019 - £2,420).

The fees and expenses paid to the three Trustees noted above during the period related to the provision of consultancy and advisory services in respect of direct charitable activities. This directly contributed to the company achieving its' objectives.

The services provided by the Trustees relates to advice in respect of specialist areas within health economics and healthcare policy and hence it would have proven difficult to obtain these services from a third party.

No Trustees received fees for being Trustees and no other remuneration or expenses were paid to the Trustees during the period.

The above payments were made in line with the authority contained within the Charity's memorandum and articles of association.

9. Tangible fixed assets

	Fixtures and fittings £
Group and Company	
Cost	
At 1 January 2019	8,860
Additions	<u>-</u>
At 31 December 2020	<u>8,860</u>
Depreciation	
At 1 January 2020	2,113
Charge for the year	<u>2,215</u>
At 31 December 2020	<u>4,328</u>
Net book value	
At 31 December 2020	<u>4,532</u>
At 31 December 2019	<u>6,747</u>

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Debtors

	<u>Group</u>		<u>Company</u>	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	760,069	481,852	142,193	41,626
Amounts owed by group undertakings	128,549	91,129	565,398	787,223
Other debtors	1,240	643	1,240	643
Prepayments and accrued income	207,403	476,716	99,371	139,539
	<u>1,097,261</u>	<u>1,050,340</u>	<u>808,202</u>	<u>969,031</u>

11. Creditors: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	28,025	21,772	15,383	20,894
Amounts owed to parent company	375,717	386,114	375,717	386,114
Other creditors	35,671	-	2,909	-
Accruals and deferred income	784,155	633,638	192,659	371,388
	<u>1,223,568</u>	<u>1,041,524</u>	<u>586,668</u>	<u>778,396</u>

12. Financial instruments

	2020	<i>As restated *</i> 2019
	£	£
Financial assets measured at fair value through income and expenditure	483,415	327,227
Financial assets measured at amortised cost	<u>1,071,967</u>	<u>1,042,840</u>
	<u>1,555,382</u>	<u>1,370,067</u>
Financial liabilities measured at cost less impairment	<u>668,477</u>	<u>691,577</u>

Financial assets measured at fair value through income and expenditure comprise of cash and cash equivalents.

Financial assets measured at amortised cost comprise of debtors falling due within one year, excluding prepayments.

Financial liabilities measured at cost less impairment comprise of creditors falling due within one year, excluding deferred income.

* The restatement relates solely to the calculation of Financial assets measured at amortised cost for the prior year which previously excluded amounts in respect of accrued income in error, totalling £469,216.

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Reconciliation of net movement in funds to net cash flow from operating activities

	<u>Group</u>	
	<u>2020</u>	<u>2019</u>
	<u>£</u>	<u>£</u>
Net income for the year (as per Statement of Financial Activities)	18,850	264,176
Adjustment for:		
Depreciation charges	2,215	2,113
(Increase)/decrease in debtors	(46,921)	(441,501)
Increase/(decrease) in creditors	182,044	230,826
Net cash provided by/(used in) operating activities	<u>156,188</u>	<u>55,614</u>

14. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cash at bank and in hand	483,415	327,227	135,573	145,407
	<u>483,415</u>	<u>327,227</u>	<u>135,573</u>	<u>145,407</u>

15. Pension commitments

The ultimate parent entity operates a defined benefit contribution pension scheme. The pensions cost charge represents contributions which were payable to the fund; and were recharged by another group entity for staff undertaking work on behalf of the OHE Group, and amounted to £130,241 (2019 - £124,010).

16. Related party transactions

During the period three Trustees received fees for services totalling £34,880 (2019 - £22,392) (refer to Note 8 for details). At the balance sheet date, no amount (2019 - £Nil) of this was outstanding.

During the period the company received research grants totalling £763,300 (2019 - £714,660) from the ABPI (refer to Note 17 below).

During the period, the group and company incurred support costs totalling £413,300 and £163,006 respectively (2019 - £364,660 and £154,543), which were recharged by the ABPI (refer to Note 17 below).

During the current and comparative period, the company received a transfer of profits from OHE Consulting Limited, which were transferred via Gift Aid (refer to Note 18 below).

THE OFFICE OF HEALTH ECONOMICS

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is considered to be the Association of the British Pharmaceutical Industry Limited ("the ABPI"), registered in England and Wales 09826787, by virtue of it being the sole member of the company. The Association represents innovative research based biopharmaceutical companies, large, medium and small, leading an exciting era of bioscience in the UK. This company prepares consolidated financial statements. These are available to the public and may be obtained from 7th Floor, Southside, 105 Victoria Street, London, SW1E 6QT.

18. Principal subsidiaries

OHE Consulting Limited

Company name	Country of incorporation	Percentage Shareholding	Description
OHE Consulting Limited	United Kingdom	100 %	Provision of policy and strategic expertise on healthcare and related matters.

During the period, OHE Consulting Limited, registered company number 09853113, generated income totalling £2,338,995 (2019 - £2,360,980), and incurred expenditure totalling £2,045,148 (2019 - £1,768,342), generating profits for the period of £294,234 (2019 - £593,202). OHE Consulting Limited elected to transfer its profits, by Gift Aid, to the company leaving aggregated assets in OHE Consulting Limited of £Nil at the period end.

19. Post balance sheet events

There have been no significant events affecting the group since the year-end.



OHE Annual Report to the Charity Commission for the year 2020



OCTOBER 2021

Mireia Jofre-Bonet
Office of Health Economics, London

SEPTEMBER 2021

OHE Annual Report to the Charity Commission for the year 2020

Mireia Jofre-Bonet

Office of Health Economics, London

Graham Cookson

Office of Health Economics, London

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About OHE

OHE'S MISSION STATEMENT

Support better health care policies by providing insightful economic and statistical analyses of critical issues.

HOW WE ARE ORGANISED

OHE is a charity with registered charity number 1170829. A senior management team manages OHE. Its governance is the responsibility of its Board of Trustees. The Board of Trustees has three sub-committees with advisory roles: a Research Committee, which provides advice and guidance to OHE on its research programme; a Policy Committee, which advises OHE on engaging with policymaking and to meeting its Charitable Objects; and a Management Committee, which assists OHE with its operational and business planning.

The company's ultimate parent undertaking party is The Association of the British Pharmaceutical Industry Limited ("the ABPI"), registered in England and Wales 09826787, the company's sole member.

OHE's consulting work is carried out by OHE Consulting Limited, a for-profit company with registered company number 09853113. The Office of Health Economics wholly owns OHE Consulting Limited. For consulting projects, the client has a proprietary right to any intellectual property arising from work, distinct from research projects where OHE retains the intellectual property.

WHO WE ARE, HOW AND WHERE WE WORK

By the end of 2020, the OHE team comprised 1 CEO, one Vice-President Head of Consulting; one Vice-President Head of Research, one Emeritus Director & Senior Research Fellow; one Director, two Associate Directors; three Senior Principal Economists, one Principal Economist, nine Senior Economists, one Business Intelligence Specialist, four Economists, and three Administrative Support staff. Also, in 2020 OHE had nine Honorary Research Fellows.

We emphasise projects that tackle impactful policy and strategic issues with current and future significance. Our work involves stakeholders, clients, and external experts to obtain crucial new policy insights and identify strategies and optimal choices.

Although OHE is based in London, we undertake projects both in the UK and internationally. We work collaboratively with a wide network of academics and other partners across the world.

HOW WE ARE FUNDED

OHE's work programme is supported by research grants and consultancy revenues from many UK and international sources. OHE receives an annual research grant from the Association of the British Pharmaceutical Industry (ABPI) and undertakes consulting work for ABPI and other commercial clients. Any surplus from OHE Consulting is used to self-fund research projects identified as priorities.

Our research programme is also funded by grants obtained from UK research councils and other national and international research funders, including the National Institute for Health Research (NIHR), the Health Foundation, the Cancer Research UK, the EuroQoL Research Foundation, and a number of charitable and other organisations.

1 Our Year in Numbers



2 Administrative information

Trustees and Directors

H Ahmad Trustee
 U Bose Trustee (from 1/05/2020)
 A Charlesworth Trustee
 C Fox Trustee (until 28/04/2020)
 B Jönsson Trustee
 M Drummond Trustee
 L Timlin Trustee
 R Torbett Trustee

Registered Office

7th Floor, Southside
 105 Victoria Street
 London SW1E 6QT

Charity number: 1170829
Company number: 09848965

Auditor

BDO LLP
 Statutory Auditor & Chartered
 Accountants
 2 City Place
 Beehive Ring Road
 Gatwick
 West Sussex RH6 0PA

Bankers

National Westminster Bank Plc
 PO Box 113
 Cavell House
 2A Charing Cross Road
 London

Senior Management

Chief Executive Officer
 Prof Graham Cookson
Head of Research and Vice President
 Prof Mireia Jofre-Bonet
Head of Consultancy and Vice President Prof Lotte Steuten
Director:
 Martina Garau
Associate Directors:
 Grace Hampson
 Chris Skedgel

3 Introduction

This is the fourth report to the Charity Commission for England and Wales since becoming a registered charity in December 2016.

This year's **Charity Report for 2020** includes the current document highlighting our work and the required financial information. The complementary **Research Summary of 2020 for the Charity Report**, based on the report submitted to the Research Committee in March of 2021, provides OHE's research activity for 2020 in detail.

The **Charity Report for 2020** shows that, despite the circumstances, OHE remains committed to its charitable objects of *advancing the education of the public in general/health care payers/policymakers on the subject of health economics and health care policy. Further, OHE uses health economics methods to produce evidence-based health policy and healthcare management, contributing to a more efficient and effective health care system.*

Beyond OHE's charitable objects at OHE, we also support:

- the advancement of evidence-based health care policy by engaging in research on the economics of health, health care systems and the life sciences industry;
- research for the effective and efficient use of health care resources, by advancing the use of economic approaches to support decision making; and
- decision making and awareness of health care policy issues by promoting debate and disseminating relevant health economics research.¹

OHE was awarded **Independent Research Organisation** status in February 2020. This award is granted by UK Research and Innovation (UKRI) which – through the seven Research Councils, Innovate UK and Research England – allocates more than £7 billion in research funding, primarily from the Science Budget of the Department for Business, Energy and Industrial Strategy (BEIS). IRO status recognises OHE's high quality of independent research and places us on equal footing with the UK's Higher Education Institutions, making us eligible to apply for UKRI funding on the same terms to fulfil our charitable aims better. In obtaining IRO status, OHE joined a highly selective list of organisations researching health economics (and related areas), namely: the Institute for Fiscal Studies (IFS); the National Centre for Social Research (NatCen); the National Institute of Economic and Social Research (NIESR); Nesta; the Overseas Development Institute (ODI); Rand Europe; and the Wellcome Trust Sanger Institute. Across the UK, there are currently only 64 IROs in total across all research fields, including areas as diverse as medicine, defence studies, history, and oceanography.

¹ The term *health economics* shall mean the application of economic theory, models and empirical techniques to the analysis of decision making by people, health care providers and governments with respect to health and health care.

4 Activities Undertaken in 2020 in fulfilment of our charitable objects

In this section, we highlight examples of how OHE fulfilled charitable objects in 2020. A more detailed account of our activity is in the attached **Research Summary of 2020 for the Charity Report 2020**. The report covers all OHE's research activities undertaken during 2020, i.e., all articles published in peer-reviewed journals, OHE peer-reviewed articles, consultancy reports, blogs on salient health economics issues and relevant events. It also highlights selected examples of our work for their impact and citations and conferences attended by OHE staff, presentations at other fora, research collaborations, OHE's lunchtime seminar series, brown bag seminars and a summary of the 2020 OHE Annual Lecture. Finally, the report lists the honorary positions other pro-bono activities that OHE staff hold, in line with OHE's charitable objects. As in 2019, the research summary demonstrates that OHE's research promotes the effective and efficient use of health care resources by improving the application of the economic methodology to sustain health care decision making.

The charitable object of ***using health economics methods to produce evidence-based health policy and health care management that contributes to a more efficient and effective health care system*** is mainly accomplished through research activities. As in previous years, OHE research output comprises articles that emerge from a research project and/or were originally supported by our core grant. Some of those outputs become peer-reviewed articles or OHE publications.

The charitable object of ***advancing the education of the public in general/health care payers/policymakers on the subject of health economics and health care policy*** is mostly fulfilled through our dissemination activities beyond publications, including the broadcasting of our findings in more general fora, thereby educating and informing health care decision-makers, patients and the general public.

2020 presented some unexpected challenges for workshops involving healthcare system stakeholders with different perspectives, events, teaching and attending conferences due to the disruption caused by the COVID-19 pandemic. Thus, similarly to other organisations, OHE modified our modus operandi and relied exclusively on virtual workshops, events, conference attendance, and teaching activities.

The **Research Summary of 2020 for the Charity Report 2020** contains numerous examples of work that had a theoretical and/or practical impact and thus contributed to the knowledge transfer of health economics and how to improve the population's health and wellbeing. Below, we present some of OHE's work as examples of research that has resonated in the health policy debate and has helped spread health economics knowledge.

- OHE's research work has been cited frequently in reports produced by **NICE** as part of its ongoing **methods review**. Whilst these reports are confidential, they will inform the consultation and the proposed changes. This provides an example of OHE research influencing the guidelines of HTA within the UK.
- We have maintained our position as a leading voice in research on **cost-effectiveness thresholds and allocative efficiency**. Mikel Berdud was invited to join a meeting to discuss approaches to

the identification of a cost-effectiveness threshold for Canada, hosted by the Institute of Health Economics. Our position as an expert in this area directly relates to our charitable object of using health economics methods to contribute to a more efficient and effective healthcare system.

- **Presentations** delivered have also been a satisfactory number and a good indicator of the relevant research and policy areas. Even in pandemic times, the OHE team has managed to present its outputs and areas of expertise at various virtual events. These include presentations in conferences (e.g., ISPOR), the OHE annual lecture, universities (e.g., University of London) or other international institutions and forums (e.g., ICER, CGD, renew Europe). The presentations have focused on issues such as price transparency, payment models for COVID-19 vaccines, AMR, the optimal level of cost-effectiveness thresholds, and pricing or pull incentives in pandemic times. Through lectures and speaking at prestigious events such as those mentioned above, we are fulfilling our charitable objects of advancing the education of the public.
- In November, an OHE Research Paper titled **"Drop Dead: Is Anchoring at 'Dead' a Theoretical Requirement in Health State Valuation?"** (Authors: Chris Sampson, David Parkin, Nancy Devlin) was published and received considerable attention on social media platforms. The paper challenges the assumption that anchoring health state values at 'dead = 0' is necessary for values to be used in quality-adjusted life-year (QALY) estimation, considering five propositions supporting their argument. The paper concludes that the use of dead as an anchor is unnecessary and undesirable because of the methodological and conceptual issues it causes. Publications like these that gain traction within the community and challenge health economics practice fulfil our objective of advancing health policy makers' education on health economics and healthcare policy.
- The 2020 Annual Lecture **"How should the World pay for a COVID-19 Vaccine?"** was given by Professor Adrian Towse, Director Emeritus of the Office of Health Economics. The 2020 Annual Lecture - presented virtually due to COVID-19 - reflected on the scientific and commercial challenges such as development timelines, uncertainty in anticipated demand as well as financial risks faced by companies with substantial investments. Professor Towse set out the options for funding development and manufacture for vaccines and their strengths and weaknesses, including what is likely to happen if there is no regional or global collaboration on the way forward. He also put this in the context of the work of The Vaccine Alliance (Gavi) and others to build a sustainable vaccine market that can deliver for the populations of the world over time. About 300 registered to the virtual conference, and the actual attendance was over 200. Through the Annual Lecture series, we actively engage in the dissemination of health economics knowledge.
- 2020 has also been a highly prolific year regarding the number of research proposals submitted for the **policy, incentives and organisation in health systems** research theme. OHE submitted a total of six proposals (one of which already won) for research over the next three-four years, for a total (potential) value of about £1.2 million. Of note, this potential value is above the income that other OHE research themes generate from funded research. The research proposals of 2020 to date have targeted a variety of prestigious funders (e.g., the Health Foundation, UK Research and Innovation, the Nuffield Foundation, Cancer Research UK), and many of them have been submitted as part of a multi-disciplinary research team, often involving external collaborators. The latter may be seen as a positive sign of OHE developing connections that can generate additional future collaboration opportunities. Among the proposals submitted, a significant number includes a central or partial focus on COVID-19.
- **Pro bono activities:** The attached research summary for 2020 shows that OHE staff have been engaged in a wide variety of *pro bono* activities, including membership on advisory panels,

boards and committees and eleven associations with Universities. Pro bono activities also include prestigious think-tanks, participation on advisory boards, serving on committees, supervising student placements, examining doctoral research theses, and undertaking reviews.

- **Other research and dissemination outputs:** In terms of outputs, OHE staff produced 20 external publications (17 peer-reviewed), 2 lunchtime seminars, 1 Annual Lecture, 6 Webinars and Roundtables, 74 external presentations, 3 brown-bag presentations, 48 external presentations, and 41 blogs.
- **Research awards from prestigious funders and funded research projects:**

During 2020, OHE responded to a large number of research funding calls from high-ranking funding bodies (National Institute of Health Research; Cancer Research UK; Nuffield Foundation; Health Foundation; Medical Research Council; Diabetes UK; Newton UKRI; EuroQoL; etc.) and bid for research projects from a significant number of private companies.

Nevertheless, we consider that, in 2020, our success rate was disappointing. Thus, we have completed an exercise of reflecting on which factors may have played to produce the low success rate. We gathered feedback from the institutions to which we applied and from particular members of the research committee. We have identified several reasons why some of our research grant applications did not succeed:

- 1) The project may not have been considered broad enough by the funder because it focused on a particular geographical area.
- 2) We might have applied to funders whose research interests historically do not overlap with the interests of OHE (in terms of clinical versus health economics research).
- 3) Our applications might not have ensured ticking all the boxes of the call, or we might have gone too far from our research comfort zone and proposed research in areas in which our expertise is not established.
- 4) Finally, one institution argued that the interlinkage of the research packages was not well explained.

Besides these reasons, other external factors might have influenced the success rate of our grant applications:

- 1) With the irruption of the COVID-19 pandemic, the focus of the research funded by UK institutions shifted dramatically. Calls were very focused on COVID-19 related projects.
- 2) The number of applications received by our target funders was much larger than usual. The disruption of teaching activities in universities and/or government funding in certain areas (e.g., global health) was vastly reduced.

Nevertheless, as a demonstration of OHE reputation and independence, it is worth noting that in 2020, OHE was awarded an extension of grants from the Health Foundation and Cancer Research UK. In 2020, we won four funded research projects and three extensions to existing funded research projects. These amounted to a value of £0.132m.

5 Financial review

5.1 OHE's financial structure

In 2020, OHE remained an organisation that undertakes research and related activities according to its charitable objectives.

As reported last year, OHE owns the sole share in OHE Consulting Limited with the purpose of:

- Enabling OHE to employ a larger staff team than would be possible using research income alone.
- Allowing staff to gain knowledge, skills and experience undertaking consulting projects that can be carried across into research and research-related projects.
- Investing the profits generated from consultancy work as Gift Aided to OHE, subject to the agreement of the Directors of OHE Consulting Limited. This source continued to be essential for OHE's income in 2020.

During 2020, OHE employed an average of 24 staff.

5.2 OHE's financial performance in 2019

The financial statements of OHE comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) ("Charities SORP FRS 102").

OHE's consolidated turnover (i.e., combining both OHE and OHE Consulting Limited) in 2020 was **£3.67m**. The expenditure totalled **£3.65m**, which left a net income of **£18,850**, smaller than that of 2019.

Of the £3.65m expenditure, staff costs in 2019 amounted to **£2.41m**, i.e., 66%.

Support services for the consolidated businesses accounted for **£0.41m**.

The consolidated accounts for OHE are included as an Annex to this report.

5.3 Sources of funding

The sources of funding for OHE are summarised below. More detail about OHE income and expenditure are provided in the financial reports attached.

The consolidated income of £3.03m comprises:	£000
Donations – research grants	763.300
Income from charitable (research) activities	574.747
Interest	0.61
Total research income	1,319.01
OHE Consulting Income	2,338.99
Total Income	3,658.89

Donations are from the ABPI and are for two distinct purposes:	£000
Support for core research activities	350.00
Grant towards financing of support activities	413.30
Total	763.33

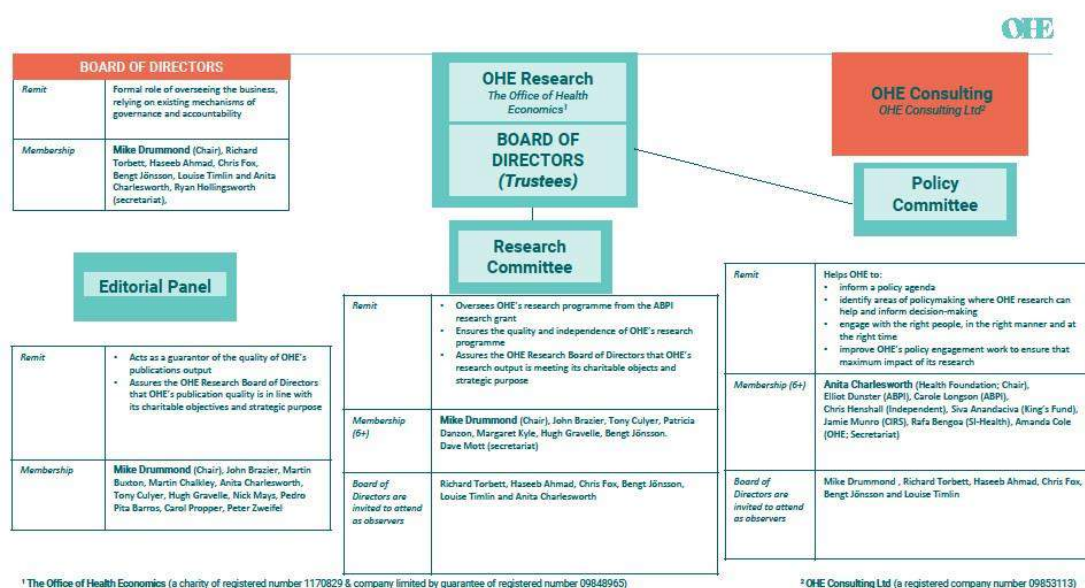
Income from charitable (research) activities came from several sources. Major research projects and funders included:

- o Cancer Research UK
- o Health Foundation, the Cancer Research UK
- o EuroQol Research Foundation

6 Structure, governance, and management in 2020

Figure 1 reflects the OHE governance structure by the end of 2020. At the top of the structure sits the OHE Board of Trustees. The Board is supported by the **Policy Committee** and the **Research Committee**. The purpose of the Policy Committee is to provide advice to OHE on engaging with policymaking and ensuring that OHE meets its Charitable Objects in this respect. OHE's work has been informing health care and pharmaceutical decision-makers and healthcare payers for decades, building its reputation on producing independent, academically strong research. Instead, the Research Committee guides OHE on research methods, oversees the core research grant programme, and ensures the quality and independence of OHE's research output. Thus, this committee ultimately assures the OHE Board of Directors that OHE's research meets its charitable objectives.

Figure 1: Organigram by the end of 2020



List of acronyms

ABPI	Association of the British Pharmaceutical Industry	NICE	National Institute for Health and Care Excellence
CART	Chimeric Antigen Receptor T-Cell	NIHR	National Institute for Health Research
CEO	Chief Executive Officer	OHE	Office of Health Economics
CQUIN	Commissioning for Quality and Innovation	PI	Principal Investigator
DOI	Digital Object Identifier	PRO	Patient-Reported Outcome
DIF	Differential Item Functioning	PROM	Patient-Reported Outcome Measure
EQ-5D	EuroQol Five-Dimension	QALY	Quality-Adjusted Life Year
EQ-5D-3L	EuroQol Five-Dimension Three-Level	REF	Research Excellence Framework
EQ-5D-5L	EuroQol Five-Dimension Five-Level	SPSS	Statistical Package for the Social Sciences
EQ-5D-Y	EuroQol Five-Dimension Youth	SAS	Statistical Analysis System
EU	European Union	TTO	Time Trade-Off
FDA	Food and Drug Administration	UK	United Kingdom (of Great Britain and Northern Ireland)
FTE	Full-Time Equivalent	US	United States (of America)
GDP	Gross Domestic Product		
HESG	Health Economists' Study Group		
HEHTA	Health Economics and Health Technology Assessment (University of Glasgow)		
HTA	Health Technology Assessment		
HTAi	Health Technology Assessment International		
ICER	Institute for Clinical and Economic Review [can also denote Incremental Cost-Effectiveness Ratio]		
ISPOR	International Society for Pharmacoeconomics and Outcomes Research		
MCDA	Multi-Criteria Decision Analysis		
MGHA	Melbourne Genomics Health Alliance		
MID	Minimally Important Difference		
MRC	Medical Research Council		
NHS	National Health Service		



About us

Founded in 1962 by the Association of the British Pharmaceutical Society, the Office of Health Economics (OHE) is not only the world's oldest health economics research group, but also one of the most prestigious and influential.

OHE provides market-leading insights and in-depth analyses into health economics & health policy. Our pioneering work informs health care and pharmaceutical decision-making across the globe, enabling clients to think differently and to find alternative solutions to the industry's most complex problems.

Our mission is to guide and inform the healthcare industry through today's era of unprecedented change and evolution. We are dedicated to helping policy makers and the pharmaceutical industry make better decisions that ultimately benefit patients, the industry and society as a whole.

OHE. For better healthcare decisions.

Areas of expertise

- Evaluation of health care policy
- The economics of health care systems
- Health technology assessment (HTA) methodology and approaches
- HTA's impact on decision making, health care spending and the delivery of care
- Pricing and reimbursement for biologics and pharmaceuticals, including value-based pricing, risk sharing and biosimilars market competition
- The costs of treating, or failing to treat, specific diseases and conditions
- Drivers of, and incentives for, the uptake of pharmaceuticals and prescription medicines
- Competition and incentives for improving the quality and efficiency of health care
- Incentives, disincentives, regulation and the costs of R&D for pharmaceuticals and innovation in medicine
- Capturing preferences using patient-reported outcomes measures (PROMs) and time trade-off (TTO) methodology
- Roles of the private and charity sectors in health care and research
- Health and health care statistics

RESEARCH REPORT
SEPTEMBER 2020

ohe.org



Research Summary for the Charity Report 2020

RESEARCH SUMMARY FOR THE CHARITY REPORT
2020

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Honorary Visiting Professor in Economics at City, University of
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1. Introduction

This document summarises OHE's research activity during the year 2020 to supplement the Charity Report of 2020. The first sections provide a detailed report of all the research output. The last sections reflect the activities, challenges and plans of OHE's four research themes: Value, affordability, decision-making, Economics of innovation, Policy, organisation, and incentives in health systems, and Measuring and valuing outcomes.

2. Research Output

Activities 2020 – Present: Infographics



2.1. External peer-reviewed journal articles

NO.	JOURNAL REFERENCE	SUPPORTED BY CORE RESEARCH GRANT?	NUMBER OF CITATIONS SO FAR
1	Fenwick, E., Steuten, L. , Knies, S., Ghabri, S., Basu, A., Murray, J.F., Koffijberg, H.E. Strong, M., Sanders Schmidler, G.D. and Rothery, C. 2020. Value of Information Analysis for Research Decisions-An Introduction: Report 1 of the ISPOR Value of Information Analysis Emerging Good Practices Task Force. <i>Value in Health</i> . DOI: 10.1016/j.jval.2020.01.001	No	31
2	Garrison, L., Zamora, B. , Li, M., and Towse, A. 2020. Augmenting Cost-Effectiveness Analysis for Uncertainty: The Implications for Value Assessment—Rationale and Empirical Support. <i>Journal of Managed Care & Specialty Pharmacy</i> . 26(4):400-406. DOI:10.18553/jmcp.2020.26.4.400	Yes	10
3	Herdman, M., Kerr, C., Pavesi, M., Garside, J., Lloyd, A., Cubi-Molla, P. and Devlin, N. 2020. Testing the validity and responsiveness of a new cancer-specific health utility measure (FACT-8D) in relapsed/refractory mantle cell lymphoma, and comparison to EQ-5D-5L. <i>Journal of Patient-Reported Outcomes</i> . 4: 22.DOI: 10.1186/s41687-020-0185-3	No	2
4	Hilari, K., Behn, N., Marshall, J., Shirley, S., Northcott, S., Flood, C., Jofre-Bonet, M. , et al. 2020. Adjustment with Aphasia after Stroke: Study Protocol for a Pilot Feasibility Randomised Controlled Trial for Supporting Wellbeing through PEEr Befriending (SUPERB). <i>Pilot and Feasibility Studies</i> . 5:14. https://doi.org/10.1186/s40814-019-0397-6 .	No	7
5	Costa-Font, J. and Jofre-Bonet, M. 2020. Is the Intergenerational Transmission of Overweight' Gender Assortative'? <i>Economics & Human Biology</i> . 39. doi: 10.1016/j.ehb.2020.100907100907.	No	3
6	Lorgelly, P., Pollard, J., Cubi-Molla, P. , Cole, A. , Sim, D. and Sussex, J. 2020. Outcome-Based Payment Schemes: What Outcomes Do Patients with Cancer Value? <i>The Patient-Patient-Centered Outcomes Research</i> . 13, 599–610. doi.org/10.1007/s40271-020-00430-x	Yes	1
7	Mott, D.J. , Chami, N. and Tervonen, T. 2020. Reporting Quality of Marginal Rates of Substitution in Discrete Choice Experiments That Elicit Patient Preferences. <i>Value in Health</i> . 23 (8), 979–984. doi.org/10.1016/j.jval.2020.04.1831	Yes	4
8	Mott, D.J. , Hampson, G. , Llewelyn, M.J., Mestre-Ferrandiz, J. and Hopkins, M.M. 2020. Authors' Reply to Hays: 'A Multinational	Yes	0

NO.	JOURNAL REFERENCE	SUPPORTED BY CORE RESEARCH GRANT?	NUMBER OF CITATIONS SO FAR
	European Study of Patient Preferences for Novel Diagnostics to Manage Antimicrobial Resistance'. <i>Applied Health Economics and Health Policy</i> . doi.org/10.1007/s40258-020-00573-w		
9	Rothery, C., Strong, M., Koffijberg, H.E., Basu, A., Ghabri, S., Knies, S., Murray, J.F., Sanders Schmidler, G.D., Steuten, L. and Fenwick, E. 2020. Value of Information Analytical Methods: Report 2 of the ISPOR Value of Information Analysis Emerging Good Practices Task Force. <i>Value in Health</i> . doi:10.1016/j.jval.2020.01.004.	No	27
10	Shaikh, M., Del Giudice, P. and Kourouklis, D. 2020. Revisiting the Relationship Between Price Regulation and Pharmaceutical R&D Investment. <i>Applied Health Economics and Health Policy</i> . doi.org/10.1007/s40258-020-00601-9	No	3
11	DeVolder, R., Serra-Sastre, V. and Zamora, B. 2020. Examining the variation across acute trusts in patient delayed discharge. <i>Health Policy</i> . doi.org/10.1016/j.healthpol.2020.06.017	Yes	3
12	Chalkidou, K., Towse, A. , Silverman, R., Garau, M. and Ramakrishnan, G. 2020. Market-driven, value-based, advance commitment (MVAC): accelerating the development of a pathbreaking universal drug regimen to end TB. <i>BMJ Global Health</i> . dx.doi.org/10.1136/bmjgh-2019-002061	No	4
13	Berdud, M. , Drummond, M., and Towse, A. 2020. Establishing a reasonable price for an orphan drug. <i>Cost Eff Resour Alloc</i> https://doi.org/10.1186/s12962-020-00223-x	Yes	5
14	Costa-Font, J., Jofre-Bonet, M. and Legrand, J. 2020 Vertical Transmission of Overweight: Evidence from a sample of English Adoptees, forthcoming <i>Food Policy</i> . doi.org/10.1016/j.foodpol.2020.101972	No	6
15	El-Shal, A., Cubi-Molla, P. and Jofre-Bonet, M. 2020. Accreditation as a quality-improving policy tool: family planning, maternal health, and child health in Egypt. <i>The European Journal of Health Economics</i> . DOI:10.1007/s10198-020-01240-6	No	1
16	Serra-Sastre, V., Bianchi, S., Mestre-Ferrandiz, J. and O'Neill, P. 2020. Does NICE influence the adoption and uptake of generics in the UK? <i>The European Journal of Health Economics</i> . doi 10.1007/s10198-020-01245-1	No	11
17	Bogosian, A., Hurt, C.S., Hindle, J.V., McCracken, L.M., Vasconcelos e Sa, D.A., Axell, S., Tapper, K., Stevens, J., Hirani, S., Salhab M, Ye W. and Cubi-Molla, P. 2021 Acceptability and Feasibility of a Mindfulness Intervention Delivered via	No	0

NO.	JOURNAL REFERENCE	SUPPORTED BY CORE RESEARCH GRANT?	NUMBER OF CITATIONS SO FAR
	Videoconferencing for People With Parkinson's. <i>Journal of Geriatric Psychiatry and Neurology</i> . First Published 28th January, 2021. DOI: 10.1177/0891988720988901		
18	Sampson, C. , Zhang, K., Parkin, D. and Hampson, G. 2021. Exclusive human milk diet for very preterm babies in England: protocol for a cost-effectiveness and budget impact analysis. <i>F1000Research</i> , 10:21 https://f1000research.com/articles/10-21/v1	No	0
19	Kourouklis, D. 2021. Public subsidies for R&D and public sector pharmaceutical innovation. <i>Applied Economics</i> . DOI: 10.1080/00036846.2021.1885614	No	0
20	Costa-Font, J., Jofre-Bonet, M. and Le Grand, J. 2020. Burden of child and adolescent obesity on health services in England., KR Fontaine, HT Robertson, ... <i>Adoption & Fostering</i> . DOI: 10.1136/archdischild-2017-313009	No	6

Note: citations relate from the date of journal article publication to September 2021. Journal references for 2020 papers are updated as previously these were recorded as online early access first in 2020 but are now correctly listed and referenced as they are in 2021.

2.2. OHE Publications

Below, we list the number of reports published on the OHE website. These publications are all reviewed by a member of our Editorial Panel before publication. The number of downloads of publications in 2020 was over 1,450, which gives a measure of the impact of OHE's research.

1. Shah, K.K., Ramos-Goñi, J.M., Kreimeier, S. and **Devlin, N.J.** 2020. [Anchoring Latent Scale Values for the EQ-5D-Y at 0 = Dead](#). OHE Research Paper.
2. **Henderson N., Errea M., Skedgel C.** and **Jofre-Bonet, M.** 2020. [Ethical and Economics issues in the Appraisal of Medicines for Ultra-Rare Conditions](#). OHE Consulting Report.
3. **Cubi-Molla, P., Errea, M., Zhang, K.** and **Garau, M.** 2020. [Are Cost-Effectiveness Thresholds fit for Purpose for Real-World Decision Making](#). OHE Consulting Report.
4. Hernandez-Villafuerte, K., Shah, K., **Herdman, M.**, and Lorgelly, P. 2020. [Meningococcal Vaccines: An International Comparison of Decision-Making Processes, Frameworks and Methodologies. Are Values Missing?](#) OHE Consulting Report.
5. **Cole, A., Towse, A., Zamora, B.** 2020. [Indication-Based Pricing \(IBP\) Consultation Report](#). OHE Consulting Report.
6. **Zhang, K., Garau, M.** 2020. [International Cost- Effectiveness Thresholds and Modifiers for HTA Decision Making](#). OHE Consulting Report.
7. **Brassel, S. and Cookson, G.** 2020. [Delivering the 2.4 Percent: Unlocking UK Pharma R&D Investment through Evidence-Based Policies](#). OHE Consulting Report.

8. **Bulut, M., O'Neill, P. and Cole, A.** 2020. [NICE 'Optimised' Decisions: What is the Recommended Level of Patient Access?](#) OHE Consulting Report.
9. **Berdud, M., Ferraro, J. and Towse, A.** 2020. [A Bargaining Approach: A Theory on ICER Pricing and Optimal Level of Cost-Effectiveness Threshold?](#) OHE Consulting Report.
10. **Brassel, S., Neri, M., O'Neill, P. and Steuten, L.**, 2020. [Realising the Broader Value of Vaccines in the UK](#). OHE Consulting Report.
11. **Rodes Sanchez, M., Henderson, N. and Steuten, L.** 2020. [Bridging the Gap: Pathways for Regulatory and Health Technology Assessment of Histology Independent Therapies](#). OHE Consulting Report.
12. **Brassel, S. and Steuten, L.** 2020. [The Broader Value of Vaccines: The Return on Investment From a Governmental Perspective](#) .OHE Consulting Report
13. **Bell, E., Neri, M., Steuten, L.** [The Brave Initiative. The Brave Narrative for Broad Recognition Of Value In Vaccines Engagement](#). OHE Research Paper.
14. **Pearson, S., Lowe, M., Towse, A., K., Segel, C.** 2020. [Cornerstones of "Fair" Drug Coverage: Appropriate Cost - Sharing and Utilization Management Policies for Pharmaceuticals](#) OHE Research Paper.
15. **Errea, M., Skedgel, C., Zamora, B., G, Hampson., R, Althin., Hofmarcher, T., Lindgren, P., and Cookson, G.** [Opportunities to Increase Efficiency in Healthcare](#) OHE Consulting Report
16. **McKenna, I.** [How do we Measure the "Value" in Value-Based care?](#) OHE Seminar Briefing
17. **Sampson, C., Parkin, D. and Devlin, N.** [Drop Dead: Is Anchoring at 'Dead' a Theoretical Requirement in Health State Valuation?](#) OHE Research Paper.

2.3. OHE events

OHE runs a lunchtime seminars series, a more informal brown-bag lunch seminar series, specialised webinars and roundtables, and an annual lecture. This section provides an update on all four during the year 2020.

OHE LUNCHTIME SEMINARS

The lead for the lunchtime seminar programme is now Bernarda Zamora, who took over from Mikel Berdud.

In the early months of 2020, the OHE held a lunchtime seminar, the programme being subsequently interrupted by the COVID-19 lockdown. We hope to hold a lunchtime seminar in the last quarter of 2020.

1. Personalised medicine: is it an oil-rush or oil-spill?

Event date: Monday, 3rd February 2020

Presenter: Professor Alistair McGuire, London School of Economics.

2. The Challenges of De-Adoption of Low-Value Surgical Procedures in the NHS

Event Date: 8th December 2020

Presenter: Will Hollingworth, University of Bristol

The English National Health Service (NHS) is under intense pressure following a decade of austerity and the challenges of caring for a growing and ageing population. During this period, elective surgery activity has increased substantially. Evidence suggests that some surgical procedures which have become embedded in clinical practice are of 'low value'. 'Low-value' care refers to healthcare with risks or costs that outweigh its benefits, comprising care that is harmful, ineffective, or not cost-effective. Stopping or reducing (i.e., de-adoption) such surgical procedures is essential for the long-term sustainability of NHS care.

BROWN-BAG SEMINARS

Much like the lunchtime seminar programme, the brown bag programme has also been affected by COVID-19.

1. Thursday, 27th January 2020: Nasuh Buyukkaramikli presented the session titled: "A MEA is a MEA is a MEA"
2. Monday, 4th March 2020: Toni Mora gave a talk on his work on "Risky Behaviours Amongst Catalan Children With ADHD"
3. Wednesday, 12th February 2020: Paul Batcheler presented HE Dentistry to the Office of Health Economics

WEBINARS AND ROUNDTABLES

1. Date: 26th May 2020: Amanda Cole / Lotte Steuten / Adrian Towse presented the **OHE Cures Webinar**, exploring more effective ways to provide access to the most needed treatments. Presenters also discussed the financial sustainability of the healthcare system whilst increasing access to cutting-edge therapies and fuelling greater innovation.
2. Date: 28th – 29th May 2020: Lotte Steuten / Eleanor Bell / Margherita Neri hosted a **Roundtable** even as part of the BRAVE Initiative. Guidelines from authoritative academic groups such as the WHO and ISPOR Good Practices for Outcomes Research Task Force have argued that vaccinations generate substantial health and economic externalities. While evidence of these externalities is increasingly collected for vaccinations undergoing HTA, there is ongoing debate about whether and how to incorporate this in value assessment processes. The aim of the roundtable is to initiate the development of practical approaches which can increase recognition of the broader value of vaccines in the short-and medium-term.
3. Date: 21st July 2020: Adrian Towse presented the **Price Transparency Webinar**. Adrian discussed the economics, politics, and public policy of international drug pricing, focusing on the importance of confidential net pricing as well as opposing views. Within the presentation, he discussed rising healthcare costs, fuelled by a changing political perspective on drug pricing regulation and negotiation in many countries, most notably in the US; and the issue of price transparency and the existential threat it may pose to innovation in life sciences.
4. Date: 17th September 2020: Simon Brassel, Margherita Neri and Lotte Steuten presented the **Webinar** titled: **Assessing the productivity value of Vaccines in HTA: Worth a Shot?** The webinar discussed the potential impact of not considering productivity costs in the evaluation of vaccination programmes in the UK. Presenters argue that excluding productivity value from current value assessment methods can lead to the undervaluation of immunisation programmes. In the long-term, this may have negative consequences on R&D incentives for vaccines and their inclusion in national immunisation programmes, with detrimental effects on the UK's population health and economic performance as a consequence.

5. Date: 20th October 2020: Eleanor Bell, Simon Brassel and Patricia Cubi-Molla presented at the OHE training course on digital health technologies for Oxford AHSN on the paper **"Health Economics for Digital Health Technologies, Devices and Diagnostics"** by Eleanor bell, Simon Brassel, Patricia Cubi-Molla, Adrian Towse and Chris Sampson.
Research Themes: Value, Affordability, and Decision Making, Measuring and Valuing Outcomes
6. **Date: 10th December 2020: OHE's end of the year webinar**
In the OHE's final webinar Martina Garau, Lotte Steuten, Graham Cookson, Adrian Towse, Mireia Jofre-Bonet and Chris Skedgel wrapped up the main research subjects in 2020 and discussed predictions for 2021. Key topics considered were "Beyond Covid-19 Vaccine", "Improving Health System Efficiency" and "Price Transparency", "Licensing, Procurement and Distribution of COVID's vaccine"; "The impact of Brexit", "Resilience of Healthcare systems", and "the new US presidency".

OHE ANNUAL LECTURE 2020

The 2020 Annual Lecture "How should the World pay for a COVID-19 Vaccine?" was given by Professor Adrian Towse, Director Emeritus of the Office of Health Economics. The 2020 Annual Lecture - presented virtually due to COVID-19 - reflected on the scientific and commercial challenges such as development timelines, uncertainty in anticipated demand as well as financial risks faced by companies with substantial investments. Professor Towse set out the options for funding development and manufacture for vaccines and their strengths and weaknesses, including what is likely to happen if there is no regional or global collaboration on the way forward. He also put this in the context of the work of The Vaccine Alliance (Gavi) and others to build a sustainable vaccine market that can deliver for the populations of the world over time. About 300 registered to the virtual conference, and the actual attendance was over 200.

2.4. External presentations

No.	Details
1	Date: 6-8th January 2020 Presenter: David Mott Event: Health Economists' Study Group (HESG) Meeting: Winter 2020 Location: Newcastle upon Tyne, UK Presentation: Paper discussed by Katherine Carr: "Uncertainty in patient trade-offs: issues in the reporting of marginal rates of substitution in discrete choice experiments" by Mott et al. Research Theme(s): Measuring and valuing outcomes
2	Date: 6-8th January 2020 Presenter: David Mott Event: Health Economists' Study Group (HESG) Meeting: Winter 2020 Location: Newcastle upon Tyne, UK Presentation: Paper discussed by David Mott: "Empirical comparison of capability instruments in mental health research: OxCAP-MH vs. ICECAP-A in schizophrenic patients with depression" by Helter et al. Research Theme(s): Measuring and valuing outcomes
3	Date: 6-8th January 2020 Presenter: Mireia Jofre-Bonet Event: Health Economists' Study Group (HESG) Meeting: Winter 2020 Location: Newcastle Upon Tyne, UK Presentation: Paper discussed by Mireia Jofre-Bonet: "The Impact of Hosting a Major International Sporting Event on Health and Health-related Behaviour" Research Theme(s): Value, affordability, and decision making

No.	Details
4	<p>Date: 5th February 2020 Presenter: Bernarda Zamora Event: International Centre for Parliamentary Studies Location: London, UK Presentation: Course on Strategic Health Planning Health Financing Lecture on health financing strategies and monitoring of Universal Health Coverage Research Theme(s): Value, affordability, and decision making;</p>
5	<p>Date: 14th February 2020 Presenter: Simon Brassel Event: Career Day at City, University of London Location: London, UK Presentation: Placement opportunities at the OHE in 2020 .Simon presented the OHE and our placement opportunities to the current MSc cohort at City. Research Theme(s): All</p>
6	<p>Date: 26th March 2020 Presenter: Lotte Steuten (Mehmet Bulut prepared recorded lecture) Event: Lecture to MSc in Economic Evaluation in Healthcare and the MSc in Health Economics of City, University of London Location: Virtual Presentation: The Market Medicines – from R&D to pricing issues Research Theme(s): Economics of Innovation</p>
7	<p>Date: 13th May 2020 Presenter: Martina Garau Event: Alternative Approaches to Innovative Drug Pricing Location: Virtual Presentation: Merits and shortfall of decision-making rules for medicines adoption: Learnings from current practice Research Theme(s): Judging Value for Money and Improving Decision Making</p>
8	<p>Date: 14th May 2020 Presenter: Chris Sampson Event: Boehringer Ingelheim Global HEOR & Access team meeting Location: Virtual Presentation: EQ-5D-5L bolt-ons for cognition and vision: development and testing Research Theme(s): Measuring and valuing outcomes</p>
9	<p>Date: 30th June 2020 Presenter: Bernarda Zamora Event: Bridging Conference European Alliance for Personalised Medicine Location: Virtual Presentation: Maintaining Public Trust in use of Digital Health for health Science in a COVID 19 and Post COVID 19 World Research Theme(s): Policy, organisation, and incentives in health systems</p>
10	<p>Date: 17th - 23rd July 2020 Presenter: David Mott Event: European Association of Urology 2020 Annual Congress Location: Virtual Presentation: Pain outcomes in patients with metastatic castration-resistant prostate cancer receiving enzalutamide in a real-world setting: PREMISE Research Theme(s): Measuring Value and Outcomes</p>
11	<p>Date: 7th August 2020 Presenter: Adrian Towse Event: ICER Colloquium Series, Pricing in a Pandemic, Session Three: Monetary Prizes, Compulsory Licensing, Advanced Market Commitments Location: Virtual</p>

No.	Details
	<p>Presentation: The Role for Advance Market Commitments</p> <p>Research Theme(s): Economics of Innovation Value, Affordability, and Decision Making</p>
12	<p>Date: 4th September 2020</p> <p>Presenter: Adrian Towse</p> <p>Event: Social Outcomes Conference organised by The Government Outcomes Lab, Blavatnik School of Government, University of Oxford</p> <p>Location: Virtual</p> <p>Presentation: Pricing 'value': where to draw a line between incentive alignment and commoditisation?</p> <p>Research Theme(s): Value, Affordability, and Decision Making</p> <p>Policy, Organisation and Incentives in Health Systems</p>
13	<p>Date: 23rd September 2020</p> <p>Presenter: David Mott</p> <p>Event: EuroQol Descriptive Systems Working Group meeting</p> <p>Location: Virtual</p> <p>Presentation: Paper discussed by David Mott: "Is there a case for adding cancer treatment-related symptoms bolt-on items to the EQ-5D?" by Bennett et al.</p> <p>Research Theme(s): Measuring value and outcomes</p>
14	<p>Date: 23rd September 2020</p> <p>Presenter: Chris Sampson</p> <p>Event: EuroQol Descriptive System Working Group meeting</p> <p>Location: Virtual</p> <p>Presentation: Paper discussed by Yaling Yang: "Candidate bolt-ons for cognition and vision: qualitative findings from a development programme"</p> <p>Research Theme(s): Measuring and valuing outcomes</p>
15	<p>Date: 24th September 2020</p> <p>Presenter: Chris Sampson</p> <p>Event: ISPOR Educational Webinar</p> <p>Location: Virtual</p> <p>Presentation: Open Source Models in HEOR: Benefits, Challenges, and ISPOR Members' Perceptions</p> <p>Research Theme(s): Value, Affordability, and Decision-Making</p>
16	<p>Date: 29th September 2020</p> <p>Presenter: Chris Sampson</p> <p>Event: Spreading digital innovation in the NHS - a Sleepio case study</p> <p>Location: Virtual</p> <p>Presentation: This webinar was to support the dissemination of findings from our evaluation of Sleepio. It was aimed at researchers, commissioners, and innovators in the UK with an interest in digital health.</p> <p>Research Theme(s): Value, Affordability, and Decision-Making</p>
17	<p>Date: 8th October 2020</p> <p>Presenter: Graham Cookson</p> <p>Event: EuHEA 2020 Seminar Series</p> <p>Location: Virtual</p> <p>Presentation: Labour Productivity and Skill Mix in Maternity Services: Evidence from the English NHS</p> <p>Research Theme(s): Incentivising Quality</p>
18	<p>Date: 16th October 2020</p> <p>Presenter: Adrian Towse</p> <p>Event: Virtual Forum on Combating Antimicrobial Resistance in Taiwan organised by The Business Council for International Understanding (BCIU)</p> <p>Location: Virtual Event</p>

No.	Details
	<p>Presentation: New approaches to antibiotic reimbursement to support access to novel antibiotics</p> <p>Research Theme(s): Value, Affordability, and Decision Making, Economics of Innovation</p>
19	<p>Date: 17th October 2020</p> <p>Presenter: Adrian Towse</p> <p>Event: Virtual Forum on Combating Antimicrobial Resistance in Vietnam organised by The Business Council for International Understanding (BCIU)</p> <p>Location: Virtual Event</p> <p>Presentation: New approaches to antibiotic reimbursement to support access to novel antibiotics</p> <p>Research Theme(s): Value, Affordability, and Decision Making, Economics of Innovation</p>
20	<p>Date: 20th October 2020</p> <p>Presenter: Eleanor Bell, Simon Brassel, Patricia Cubi Molla</p> <p>Event: Training course on digital health technologies for Oxford AHSN</p> <p>Location: Virtual</p> <p>Presentation: One day training course: Health Economics for Digital Health Technologies, Devices and Diagnostics</p> <p>Authors: Eleanor bell, Simon Brassel, Patricia Cubi-Molla, Adrian Towse, Chris Sampson</p> <p>Research Theme(s): Value, Affordability, and Decision Making, Measuring and Valuing Outcomes</p>
21	<p>Date: 22nd October 2020</p> <p>Presenter: Lotte Steuten</p> <p>Event: ISOQOL Virtual Annual Conference Value-based Healthcare Plenary "Live"</p> <p>Location: Virtual Presentation</p> <p>Presentation: "It's not about the money, money, money": Or is it? The future of value-based healthcare and outcome-based pricing.</p> <p>Authors: Lotte Steuten</p> <p>Research Theme(s): Measuring and Valuing Outcomes, Value, Affordability, and Decision Making, Policy, Organisation and Incentives in Health Systems</p>
22	<p>Date: 26th October 2020</p> <p>Presenter: Grace Hampson</p> <p>Event: Gene Therapies for Rare Disorders Europe Conference</p> <p>Location: Virtual Presentation</p> <p>Presentation: Value assessment of Gene Therapies</p> <p>Authors: Grace Hampson</p> <p>Research Theme(s): Value, Affordability, and Decision Making</p>
23.	<p>Date: 28th October 2020</p> <p>Presenter: Mireia Jofre-Bonet</p> <p>Event: Expert Programme on Health Policy and Health Economics</p> <p>Location: Virtual</p> <p>Presentation: British perspective on the evolution of the pharmaceutical sector</p> <p>This Expert Programme is organised yearly by the Universitat Pompeu Fabra – CRES to discuss specific health policy and health economics questions. That year's title was 'How analysis can help decision making'. The annual series receives funding from Novartis.</p> <p>Research Theme(s): Policy, Organisation and Incentives in Health Systems</p>
24	<p>Date: 2nd November 2020</p> <p>Presenter: Chris Skedgel</p> <p>Event: ISPOR Europe 2020</p> <p>Location: Virtual</p>

No.	Details
	<p>Presentation: A longer life or a quality death? A DCE to estimate the relative importance of different aspects of end-of-life care</p> <p>Authors: C Skedgel, A Robinson</p> <p>Research Theme(s): Measuring and Valuing Outcomes</p>
25	<p>Date: 11th November 2020</p> <p>Presenter: Chris Skedgel</p> <p>Event: ISPOR European Congress Location:</p> <p>Location: Virtual Presentation</p> <p>Presentation: A longer life or a quality death? A DCE to estimate the relative importance of different aspects of end-of-life care</p> <p>Authors: Chris Skedgel, Angela Robinson (UEA)</p> <p>Research Theme(s): Measuring and Valuing Outcomes</p>
26	<p>Date: 12th November 2020</p> <p>Presenter: Adrian Towse</p> <p>Event: ISPOR and the Innovation and Value Initiative (IVI) Fifth webinar in the series Value Assessment in the Age of COVID-19: Meeting the Challenges</p> <p>Location: Virtual</p> <p>Presentation: Using VA/HTA in Pursuing Innovation and Access in a Pandemic</p> <p>Authors: Adrian Towse</p> <p>Research Theme(s): "Economics of Innovation", "Value, Affordability, and Decision Making"</p>
27	<p>Date: 13th November 2020</p> <p>Presenter: Mikel Berdud</p> <p>Event: Virtual ISPOR Europe 2020</p> <p>Location: Virtual Presentation</p> <p>Presentation: Issue Panel presentation: Value-Based Pricing and Market Allocative Efficiency: How Should Cost-Effectiveness Thresholds be Set to "Optimally" Distribute Value between Payers and Developers? <i>In the session the panel discussed the implications of setting CETs for value distribution between payers (consumers) and developers (producers). They debated how CETs should be determined and Nancy Devlin introduced the issue and moderated the panel, ensuring debate and audience participation.</i></p> <p>Presentation: A theory on ICER pricing and optimal level of cost-effectiveness thresholds</p> <p>Authors: Mikel Berdud, Jimena Ferraro, Adrian Towse</p> <p>Research Theme(s): "Economics of Innovation", "Value, Affordability, and Decision Making", "Policy, Organisation and Incentives in Health Systems"</p>
28	<p>Date: 13th November 2020</p> <p>Presenter: Mikel Berdud</p> <p>Event: Virtual ISPOR Europe 2020</p> <p>Location: Virtual Presentation</p> <p>Presentation: A theory on ICER pricing and optimal level of cost-effectiveness thresholds</p> <p>Authors: Mikel Berdud, Jimena Ferraro, Adrian Towse</p> <p>Research Theme(s): "Economics of Innovation", "Value, Affordability, and Decision Making", "Policy, Organisation and Incentives in Health Systems"</p>
29	<p>Date 16th November 2020</p> <p>Presenter Bernarda Zamora</p> <p>Event: The Value of Diagnostic Information in Heart Failure</p> <p>Location: virtual</p> <p>Presentation: A Virtual Panel Discussion with Experts Across Europe</p> <p>Research Theme(s): "Economics of Innovation", "Value, Affordability, and Decision Making"</p>
30	<p>Date: 16-19th November 2020, pre-recorded session, available on demand</p> <p>Presenter: Marina Rodes Sanchez</p> <p>Event: ISPOR Europe 2020</p>

No.	Details
	<p>Location: Online Presentation</p> <p>Presentation: Adaptive Pathways for Tumour Agnostic Medicines in Various Developed Markets</p> <p>Authors: Marina Rodes Sanchez, Lotte Stueten and Nadine Henderson</p> <p>Research Theme(s): "Value, Affordability, and Decision Making"</p>
31	<p>Date: 16-19th November 2020</p> <p>Presenter: David Mott</p> <p>Event: ISPOR Europe 2020</p> <p>Location: Virtual</p> <p>Presentation: Impact of Including Caregiver Information in Time Trade-Off Tasks- Results from a Pilot Study Note: this was a poster presentation</p> <p>Authors: Mott DJ, Scheuer N, Leslie I, Shah K, Rowell J</p> <p>Research Theme(s): Measuring and Valuing Outcomes</p>
32	<p>Date: 18th November 2020</p> <p>Presenter: Lotte Steuten</p> <p>Event: ISPOR Europe</p> <p>Location: Virtual</p> <p>Presentation: Virtual Bridging the Gap: Pathways for Regulatory and Health Technology Assessment of Histology Independent Therapies</p> <p>Authors: Marina Rodes-Sanchez, Nadine Henderson, Lotte Steuten</p> <p>Research Theme(s): "Value, Affordability, and Decision Making"</p>
33	<p>Date: 18th November 2020</p> <p>Presenter: Adrian Towse</p> <p>Event: Virtual ISPOR Asia</p> <p>Location: Virtual event</p> <p>Presentation: PBRsAs: Theory and Incentive. ISPOR Short Course on Performance Based Risk Sharing Arrangement. Research Theme(s): Value, Affordability, and Decision Making, Economics of Innovation</p>
34	<p>Date: 18th November 2020</p> <p>Presenter: Graham Cookson</p> <p>Event: World Economic Forum Virtual event</p> <p>Location: Online</p> <p>Presentation: Graham joined a forum discussion on the subject of Health systems resilience in a pandemic crisis.</p> <p>Research Theme(s): Measuring and Valuing Outcomes ", "Policy, Organisation and Incentives in Health Systems", "Economics of Innovation</p>
35	<p>Date: 19th November 2020</p> <p>Presenter: Patricia Cubi-Molla</p> <p>Event: Invited Lecture for the module "Introduction to Economic Evaluation in Health Care", for MSc Health Economics and MSc Economic Evaluation in Health Care, at City, University of London</p> <p>Location: Virtual</p> <p>Presentation: Health valuations, age, and experience</p> <p>Authors: Patricia Cubi-Molla</p> <p>Research Theme(s): Measuring and Valuing Outcomes</p>
36	<p>Date: 19th November 2020</p> <p>Presenter: Adrian Towse</p> <p>Event: ISPOR SA Chapter Virtual Conference 2020, Webinar 3: Alternative Reimbursement</p> <p>Location: Virtual</p> <p>Presentation: Pricing: Alternatives to a Transparent Single List Price</p> <p>Authors: Adrian Towse</p>

No.	Details
	Research Theme(s): "Economics of Innovation", "Value, Affordability, and Decision Making"
37	<p>Date: 23rd November 2020 Presenter: Patricia Cubi-Molla Event: Invited speaker as part of the "Patient-Reported Outcomes for Better Care, Better Research" HDRUK-TMRP Workshop Location: Virtual Presentation: Using ePROMs in Outcome-based payment schemes: are we there yet? Authors: Patricia Cubi-Molla Research Theme(s): Measuring and Valuing Outcomes</p>
38	<p>Date: 26th November 2020 Presenter: Simon Brassel Event: LSE Alumni Event Virtual Meeting "Meet the Alumni" Location: Online Presentation: about the OHE Research Theme(s): NA</p>
39	<p>Date: 27th November 2020 Presenter: Mikel Berdud Event: Webinar: Descifrando la vacuna de la COVID-19: Retos de acceso, ensayos clínicos, producción y distribución Location: Virtual Presentation: Factores clave sobre como adquirir, pagar, distribuir y utilizar las vacunas para la COVID-19: una perspectiva europea Authors: Mikel Berdud, Mireia Jofre-Bonet, Marina Rodes-Sánchez Research Theme(s): "Economics of Innovation", "Value, Affordability, and Decision Making", "Policy, Organisation and Incentives in Health Systems"</p>
40.	<p>Date: 30th November 2020 Presenter: Mireia Jofre-Bonet Event: Health Policy Series – University of Bath Location: Online Presentation: 'Health policy research fronts open by COVID-19: Some of the current projects at the Office in Health Economics'. This was an invited public lecture for the Health Policy Series organised by the Institute for Policy Research (IPR) and the Department of Economics of the University of Bath. Research Theme(s): Policy, Organisation and Incentives in Health Systems</p>
41	<p>Date: 30th November 2020 Presenter: Mireia Jofre-Bonet Event: Seminar Series in the Institute for Policy Research - University of Bath Location: Online Presentation: The fronts open by COVID-19: Current health policy projects at the OHE Research Theme(s): "Measuring and Valuing Outcomes", "Economics of Innovation", "Value, Affordability, and Decision Making", "Policy, Organisation and Incentives in Health Systems"</p>

2.5. Advisory roles of OHE members of staff

The number of advisory roles of OHE staff members has continued to grow, reflecting the excellent standing of OHE members in terms of impacting policy and our recognised contribution to the broader research and policy community. Having impact and helping steer health policy and decision making in health economics is an essential OHE charitable object.

OHE staff membership of advisory panels, boards and committees

1. NICE: Public Health Guidelines Standing Committee – Grace Hampson
2. NICE: Member of the Expert Advisers Panel for the Centre for Guidelines – Mireia Jofre-Bonet
3. UKRI/ESRC/MRC – Peer Review College – Mireia Jofre-Bonet
4. ISPOR: Member of the 'Value of Information' Task Force – Lotte Steuten
5. NIHR: Steering Committee Member for NIHR/HS&DR Project No. 8/17/1934 – Graham Cookson
6. NIHR – Member of a Study Steering Committee for the LOGiC – Long term Outcomes for Gender Identity in Children Study – funded by NIHR. Sites: Tavistock and Portman-NHS; UCL; U. Liverpool, U. Cambridge, UCLH – Mireia Jofre-Bonet
7. NIHR – Member of a Study Steering Committee for ADVANCE - National Addiction Centre Institute of Psychiatry, Psychology and Neuroscience - King's College London – Mireia Jofre-Bonet
8. NIHR – Member of a Study Steering Committee for the Supporting Wellbeing Through PEeR-Befriending (SUPERB) Trial – City, University of London, and UCLH, Kings College – Mireia Jofre-Bonet
9. Health Foundation – Member of the Steering Committee for NHS Workforce Retention Project – Graham Cookson
10. Member of the Steering Group of the Early Diagnosis Research Alliance – Bernarda Zamora
11. Scientific Experts and Methodologists Group (SEM) Delphi Panel Member of the IMPACT-HTA (WP7) project "Improved methods and actionable tools for enhancing HTA" – Martina Garau
12. Convenor of the Health Economics, Heads of Unit, UK – jointly with Joanne Coast, Mireia Jofre-Bonet
13. Editorial Board Member, Applied Health Economics and Health Policy Journal – Lotte Steuten
14. Pharmacoeconomics: Editorial Board Member – Chris Skedgel
15. Pharmacoeconomics – Open: Editorial Board Member – Chris Sampson
16. Member ISPOR Finance Committee – Adrian Towse
17. Chair ISPOR Governance Committee – Adrian Towse
18. Member ISPOR Health Science Policy Committee – Adrian Towse
19. Member ISPOR Nominations Committee – Adrian Towse
20. Senior Visiting Fellow, Health Economics Research Centre, Nuffield Department of Population Health, University of Oxford – Adrian Towse
21. Participant in the Efficient and Effective Reduction of Health Inequality Workshop #2, Centre for Health Economics, University of York, which was held via Zoom on Tuesday 10th November 2020 – Mireia Jofre-Bonet
22. Honorary Senior Researcher, Department of Economics, City, University of London – Patricia Cubi-Molla
23. Member of EuroQol Group Association – David Mott

Research interest groups

1. ISPOR: Statistical Methods in Health Economics and Outcomes Research Special Interest Group Member – Graham Cookson
2. ISPOR: Oncology Special Interest Group Member – Graham Cookson
3. ISPOR: Rare Disease Special Interest Group Member – Graham Cookson
4. ISPOR: Health Preference Research Group Member – David Mott
5. iHEA: Special interest group on the economics of obesity – Grace Hampson
6. iHEA: Member of the 'health systems' efficiency' interest group – Margherita Neri
7. EvaluAES (supported by the Spanish Health Economic Association): member of special interest group on the evaluation of health policies and health care services – Patricia Cubi-Mollá

8. EvaluAES (supported by the Spanish Health Economic Association): Member of special interest group on the evaluation of health policies and health care services – Maria Errea
9. UK Pharmacogenetics & Stratified Medicine Network: Member – Bernarda Zamora

Visiting positions for OHE staff

1. London School of Economics – Visiting Professor – Adrian Towse
2. Nuffield Department of Population Health, University of Oxford – Senior Visiting Fellow – Adrian Towse
3. Oxford University Hospitals NHS Trust – Honorary Health Economist – Amanda Cole
4. Oxford University Hospitals NHS Trust – Honorary Health Economist – Chris Sampson
5. Public University of Navarra – Visiting Researcher – Mikel Berdud
6. University of Surrey – Visiting Professor – Graham Cookson
7. Science Policy Research Unit, University of Sussex – Associate Faculty Member – Grace Hampson
8. City, University of London – Honorary Visiting Professor – Lotte Steuten
9. City, University of London – Honorary Visiting Professor – Graham Cookson
10. City, University of London – Professor, Department of Economics – Mireia Jofre-Bonet
11. City, University of London – Honorary Senior Research Fellow – Patricia Cubi-Mollá
12. Fred Hutch Cancer Research Center, University of Washington – Affiliate Investigator – Lotte Steuten
13. University of East Anglia – Honorary Senior Fellow – Chris Skedgel
14. Consulting firm – on behalf of a global healthcare client developing a molecule for use in rare diseases – to provide strategic advice regarding pricing strategy and the role of additional evidence – Amanda Cole
15. Chair-Elect, ISPOR Special Interest Group on Open Source Models – Chris Sampson
16. IMF - External Expert – Bernarda Zamora
17. PhD committee member. Student: Zuzana Spacirova; PhD supervisor: David Mark Epstein; University: University of Granada; Date: 22nd May 2020. Patricia Cubi-Mollá
18. UK Pharmacogenetics & Stratified Medicine Network: Member – Bernarda Zamora

2.6. External impact

Throughout 2020 OHE's work has continued to have a remarkable impact, and this continued into 2021. Below, we list a sample of those we have a detailed record of:

- OHE's research work has been cited frequently in reports produced by NICE as part of its ongoing methods review. Whilst these reports are confidential, they will inform the consultation and the proposed changes.
- The OHE Consulting Report 'Barriers to uptake of Minimal Access Surgery in the United Kingdom' was cited by media outlets such as Business Weekly, Dotmed, Cambridge Independent and Globe newswire.
- The OHE Consulting Report 'Public Health and Economic Implications of the United Kingdom exiting the EU and the Single Market' was referenced in a Brain Tumour Charity Article.
- The OHE Consulting Report 'Unlocking the 2.4 per cent: Unlocking UK Pharma R&D investment through Evidence-Based Policies' was quoted by National Health Executive in its web article.
- The OHE report by Amanda Cole and Adrian Towse 'Legal barriers to the better use of health data to deliver pharmaceutical innovation' was heavily cited in a consultation by the European Medicines Agency (EMA): 'The GDPR: Secondary use of data for medicines and public health purposes. Discussion Paper for medicines developers, data providers, research-performing and research-supporting infrastructures'. The report was also featured in a news article by GlobalData alongside an interview with Amanda Cole.
- The OHE Consulting Report 'Obstructive Sleep Apnoea: Health Economics Report' received a mention in an article by Bulletin Line and PR Newswire.

- OHE's Economic Evaluation of Sleepio was mentioned in articles by West Midlands AHSN, Oxford AHSN and HSJ.
- OHE was included in Financial Times Annual Leading Management Consultants list for 2020 within the Healthcare and Life Sciences category. OHE is mentioned in this prestigious list alongside 29 other consultancies.
- OHE Research report 'Comparing access to orphan medicinal products in Europe' was referenced in a Journal Article titled 'Assessing the preferences for criteria in multi-criteria decision analysis in treatments for rare diseases' and published by Public Health Journal.
- OHE Research Paper 'The value of International Volunteers' experience to the NHS' was referenced in a Journal Article published by Business, Theory and Practice Journal, titled 'The impact of emotional intelligence and intercultural competence on work productivity of volunteers in respect to age and length in volunteering.'
- In the Office of Health Economics Director Chris Skedgel's most recent podcast they asked him the question, "can a shared understanding of unmet medical needs support innovation?" which he discussed in 19 Conversations in the EFPIA Podcast Series
- The OHE's Research Paper, 'Resource Allocation In Public Sector Programmes: Does The Value Of A Life Differ Between Governmental Departments? ' was referenced in February 2021 by the King's Fund in their "Health Management and Policy Alert".

2.7. Social Media

We continued to have substantial activity on social media throughout 2020 to date. In summary, we published 28 regular blogs online and achieved the following social media presence:

- Number of Publication downloads: **14824**
- Number of Website visits/sessions: **151417**
- LinkedIn Followers: **5410**
- Twitter followers: **4916**

3. Theme Updates for 2020

In this section, we present summaries of the achievements in 2020.

3.1. Value, affordability, and decision making

THEME UPDATES

- In November, we secured a **large consulting project** on the societal value of cures, led by Martina Garau.
- We have maintained our position as a leading voice in research on cost-effectiveness thresholds and allocative efficiency. Mikel Berdud was recently invited to join a meeting to discuss approaches to identifying a cost-effectiveness **threshold for Canada**, hosted by the Institute of Health Economics.
- Our work on the broader value of vaccines in the UK has achieved good exposure following the publication of an **OHE Consulting Report** funded by the ABPI.
- We have conducted effective dissemination and engagement activities despite pandemic restrictions, including **blog posts** on value frameworks for combination treatments and the

NICE methods review consultation. We hosted a **webinar** delivered by Will Hollingworth on the de-adoption of low-value procedures and we led an educational session at **ISPOR Europe** on tumour agnostic therapies.

3.2. Economics of innovation

Theme lead: Mikel Berdud

UPDATE ON 2020

In February, we held the first quarterly meeting of the Economics of Innovation for 2021. The discussion went around the current position and challenges of the theme and the theme aims and goals for 2021. The theme research activity during 2020 was summarised as follows:

- The theme produced a long list of OHE publications during 2020 on a wide variety of relevant topics, including transparency of costs and price, value-based health care and innovation, COVID-19 relevant innovation, orphan drugs pricing, and competition, Intellectual Property Rights (IPR) and innovation among others.
- The theme's achievement in external publications was also remarkable publishing research articles in areas such as price regulations and pharmaceutical R&D, orphan drug pricing, pull incentives for R&D in the form of market-driven value-based advance commitments or **innovative payment models**.
- Blog posting activity (OHE) has also produced many entries in topics such as value-based pricing and market allocative efficiency, innovative pricing proposals for orphan drugs, payment models and incentives for COVID-19 related innovation, indication-based pricing, price transparency or new funding models for AMR, among others.
- Presentations delivered have also been a satisfactory number and a good indicator of the relevant research and policy areas. Even in pandemic times, the OHE team has managed to present on its outputs and areas of expertise at various virtual events. These include presentations in conferences (e.g., ISPOR), the OHE annual lecture, universities (e.g., University of London) or other international institutions and forums (e.g., ICER, CGD, renew Europe). The presentations have focused on issues such as price transparency, payment models for COVID-19 vaccines, AMR, optimal level of cost-effectiveness thresholds, and pricing or pull incentives in pandemic times.
- The project pipeline reflects what the current demand is asking the OHE to produce. Out of the 12 potentials, 10 are consulting projects for private sector clients and only one is an ongoing funded research proposal. Consulting pipeline projects also make up 97% of all risk-adjusted funding. The size of projects is on average appropriate, being >£100k.
- The project portfolio confirms this bias towards consulting work. From all ongoing work, 9 out of 14 projects are consulting, and in terms of funding, they make up 100% of total funding sources. There is no live externally funded research project, and there are five projects funded with the core research grant. The average size of projects (£106k) is also appropriate.
- We grade the theme's performance as satisfactory, despite recognising that some challenges will help define the 2021 objectives and guide the strategy. When reflecting on challenges and aims for 2021, we come up with the following conclusions:

- The theme is responding to the demand when producing research outputs. This is reflected in the topics that are being researched e.g., price transparency, COVID-19 and innovation, indication-based pricing, optimal cost-effectiveness thresholds and ICER-pricing.
- To balance all the above, we need to follow the advice of Research Committee in 2020 on the need to start research programmes in areas of high relevance (but not of high interest of the private funders) such as empirical work on the cost and returns of R&D, measure the societal benefits of pharmaceutical innovation, competition and concentration, mergers and acquisitions or public-/private funding of biomedical R&D.
- Profile: although in 2020 we produced an extraordinary amount of work as a theme, the impact is less than proportional to it. Nevertheless, we have published OHE and journal articles, posted OHE blogs (e.g., research outputs, the content of current interest) and produced some (minor) social media activity
- Engagement and collaborations: at the theme level, there is a need to develop collaborative relationships with academics, academic groups, universities, agencies and institutions, organisations, charities and/or prestigious research funders.

3.3. Policy, organisation, and incentives in health systems

Theme lead: Margherita Neri

UPDATE AND REFLECTIONS ON 2020

- 2020 was a prolific year for this theme in terms of applying for funded research work. OHE submitted seven proposals, although only one of these was successful. The growing interest and collaboration from the members of the OHE team is, however, a promising sign for this theme to be able to grow in the future.
- The funding stream generated by consulting work has continued to be relatively small compared to other themes. OHE should continue to seek opportunities for diversifying the theme's pipeline. Going forward, expanding the research grants will also be beneficial, as some of the existing research projects are ending, and others have progressed in the second stage of the funding period.

3.4. Measuring and valuing outcomes

Theme lead: David Mott

THEME UPDATES

- In November, an **OHE Research Paper** titled *"Drop Dead: Is Anchoring at 'Dead' a Theoretical Requirement in Health State Valuation?"* (Authors: Chris Sampson, David Parkin, Nancy Devlin) was published and received considerable attention on social media platforms.
- In December, it was confirmed that OHE had been **awarded a research grant** from the EuroQol Research Foundation: *"Development and testing of EQ-5D-5L bolt-on descriptors for hearing"* (PI: Chris Sampson). OHE is now leading the development of three bolt-ons for EQ-5D-5L (cognition, vision, and hearing).
- As of January, David Mott became the **new theme lead**, taking over from Patricia Cubi-Molla. Patricia remains at OHE and will continue to contribute to MVO-related research.
- In February, it was confirmed that David Mott has been awarded **membership of the EuroQol Group Association**. Further applications from OHE staff may be submitted later this year.

4. Research Funding Calls 2020

During 2020, OHE managed to respond to a large number of research funding calls from high-ranking funding bodies (National Institute of Health Research; Cancer Research UK; Nuffield Foundation; Health Foundation; Medical Research Council; Diabetes UK; Newton UKRI; EuroQoL; etc.) and to bid for research projects from a significant number of private companies. The name and logos of the funders we applied to are shown in the figure below:

Figure 1



We consider that, especially in 2020, our success rate was not satisfactory. Thus, we have started 2021 by reflecting on which factors may have played in producing the subsided success rate.

EXERCISE OF REFLECTING ON FACTORS BEHIND THE UNSATISFACTORY SUCCESS RATE:

We gathered feedback from the institutions to which we applied and from members of the research committee. We identified several reasons why some of our research grant applications failed:

- 1) The funder may not have considered the project broad enough because it focused on a particular geographical area.
- 2) Related to the above, we may have applied to funders whose **research interests** historically do not overlap with the interests of OHE (in terms of clinical versus health economics research).
- 3) Our applications may not have ensured **ticking all the boxes of the call**, or we may have gone too far from our research comfort zone and proposed research in areas in which our expertise is not established.
- 4) Finally, one institution argued that the **interlinkage of the research packages** was not well explained.

Besides these reasons, other external factors might have influenced the success rate of our grant applications:

- 1) With **the irruption of the COVID-19** pandemic, the **focus** of the research funded by UK institutions shifted dramatically.
 - Many calls were very focused on **COVID-19 related projects**.
- 2) The **number of applications** received by our target funders was much larger than usual.
 - Reasons behind the increased number of applicants per call might be related to the disruption of teaching activities in universities and/or that government funding in certain areas (e.g., global health) was vastly reduced.



About us

Founded in 1962 by the Association of the British Pharmaceutical Society, the Office of Health Economics (OHE) is not only the world's oldest health economics research group, but also one of the most prestigious and influential.

OHE provides market-leading insights and in-depth analyses into health economics & health policy. Our pioneering work informs health care and pharmaceutical decision-making across the globe, enabling clients to think differently and to find alternative solutions to the industry's most complex problems.

Our mission is to guide and inform the healthcare industry through today's era of unprecedented change and evolution. We are dedicated to helping policy makers and the pharmaceutical industry make better decisions that ultimately benefit patients, the industry and society as a whole.

OHE. For better healthcare decisions.

Areas of expertise

- Evaluation of health care policy
- The economics of health care systems
- Health technology assessment (HTA) methodology and approaches
- HTA's impact on decision making, health care spending and the delivery of care
- Pricing and reimbursement for biologics and pharmaceuticals, including value-based pricing, risk sharing and biosimilars market competition
- The costs of treating, or failing to treat, specific diseases and conditions
- Drivers of, and incentives for, the uptake of pharmaceuticals and prescription medicines
- Competition and incentives for improving the quality and efficiency of health care
- Incentives, disincentives, regulation and the costs of R&D for pharmaceuticals and innovation in medicine
- Capturing preferences using patient-reported outcomes measures (PROMs) and time trade-off (TTO) methodology
- Roles of the private and charity sectors in health care and research
- Health and health care statistics

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