

Speech making the ISPOR 2015 Donabedian Award to Professor A.J. (Tony) Culyer, Milan 3rd November 2015

Adrian Towse, ISPOR Past President, Visiting Professor LSE, Director of the Office of Health Economics

It is a particular pleasure for me to present this award to Tony, as I have a great deal personally to thank Tony for.

In just a few minutes I want to comment briefly on three aspects of Tony's contribution.

The first relates to his teaching, mentoring and advising roles.

Tony's teaching, mentoring and advising roles

I begin with my Office of Health Economics (OHE) colleague and fellow ISPOR Board member, Professor Nancy Devlin. She has, in her office at OHE, a dog eared copy of one of Tony's many early text book contributions to the literature – *The Political Economy of Social Policy* - kept in her possession since it was published 1980 – 35 years ago.

I turn next to another leading academic, very well known to ISPOR members, Professor Karl Claxton, University of York, who told me:

"The bottom line is I would not have an academic career without Tony"

Another of Tony's former students is Adam Wagstaff, the intellectual leader of the health economics research at the World Bank, formerly Professor of Economics at the University of Sussex, and an associate editor of the Journal of Health Economics for 20 years. His comment was:

"Tony is an inspirational teacher and mentor whose influence went well beyond health economics, and who made learning fun!"

Turning to the Tony as advisor, I have a quote from Professor Mike Rawlins, himself a recipient of ISPOR's Donabedian Award. He was the founding Chair of the UK's National Institute for Health and Care Excellence (NICE), which he chaired for 12 years, and is now Chairman of the UK medicines regulator, the MHRA. He said:

"I learned everything I know about health economics from Tony"

Dr Kalipso Chalkidou, Director of NICE International, and a co-editor of Value in Health, told me that:

"Tony is an invaluable source of intellectual challenge, common sense advice, and strong encouragement..."

Oh, and she also said:

".....and an incorrigible pedant..."

I want to turn now to the second of my three aspects of Tony – his contribution to public policy making and to academic institutions.

Tony's contribution to public policy making and academic institutions

Tony received his CBE ("Commander of the Order of the British Empire" for those of you not familiar with the British Honours System) for his work on "The Culyer Report", strictly the 1994 Report of the Research and Development Task Force (Culyer 1994). This report stated:

- Firstly, that spending on R&D was a core health system activity and had to be centrally top sliced from the NHS budget, held and allocated separately from the budgets devolved to local health bodies for them to purchasing health services for their populations;
- Secondly, R&D spending had only to be given to institutions who *delivered* good quality research. It was not a subsidy for inefficient teaching hospitals or birth right funding for once noble institutions.

This report paved the way for the current UK NHS National Institute for Health Research (NIHR).

Perhaps Tony's most important contribution to putting health economics into policy practice has been his role as the founding Vice Chair of NICE working with Mike Rawlins as Chairman. As Tony puts it himself in the forthcoming "A Short History of NICE" (Timmins, Rawlins, and Appleby, forthcoming):

"Those early days were just huge fun – inventing NICE. Mike would get on the train at Newcastle I would get on the same train as it passed through York and we would sit right up in the front of the first class puffing away on our Hamlet cigars inventing NICE. And we had to invent pretty much everything."

And Tony continues to offer advice and support to NICE as the Chair of NICE International's Advisory Group – hence the quote from Kalipso!

The next institution I want to highlight is the University of York. Tony served as Head of the Economics Department for many years before becoming University Pro Vice Chancellor and then Deputy Chancellor. He built a world class economics department, and made sure it worked with the Centre for Health Economics, a strength in economics which still provides the foundation of the strength of health economics at York. This reflects Tony's view that health economics is good economics applied to problems in health and health care.

The final institution I want to refer to is my organisation, the Office of Health Economics (OHE). Tony chaired its key Policy Board for more than ten years. OHE doubled in size over that period and enhanced its reputation for independent high quality economic analysis to support policy development. He continues to serve on its Board for which I am very grateful.

I could talk about so much more: Tony's work in Canada, as – at various times - Ontario Chair in Health Policy and System Design at the University of Toronto, Chief Scientist at the Institute for Work and Health, and a member of the Board of CADTH; his work for the BMGF, notably in reviewing the University of Washington Institute for Health Metrics and Evaluation; his Honorary Membership of the UK Royal College of Physicians; and his role as a Founding Fellow of the UK Academy of Medical Sciences.

Tony's contribution to economics

I want to move on to Tony's contribution to economics. In 1981 Tony set up (with Havard University's Joe Newhouse) *The Journal of Health Economics*, the world's first academic journal in the area. Last year the *Elsevier Encyclopaedia of Health Economics* was published, edited by Tony, also available on-line. A major achievement.

In between those two dates is so much more. I add in only his role as a founding member of the UK Health Economics Study Group, and editing the two volume (Volumes 1A and 1B) of the Handbook of Health Economics, (Culyer and Newhouse, 2000) a bible for many of us for many years.

I want to turn finally (and again, sadly, very briefly) to the most important aspect of Tony's contribution to health economics, and why he is so well qualified to receive this lifetime achievement award. This is his personal intellectual contribution to health economics. I draw from *The Humble Economist*, (Cookson and Claxton eds. 2012) a collection of his essays. I look at four major areas:

Extra-welfarism

Firstly extra-welfarism. Tony's greatest intellectual contribution has been in developing Amartya Sen's capabilities approach and combining it with Lancaster's revisions to demand theory, so we do not jump in a "welfarist" way from a good or service (like health care) to consumer "utility". Instead we can journey from goods and services to their characteristics (as per Lancaster) and then to the characteristics of *people*, and how that good or service impacts them by changing these

characteristics – for example by improving their health. Estimating the “utility” of that change becomes a final, but less important stage, unless we are looking at how an individual values that characteristic – such as an improved health state (Chapter 5 of *The Humble Economist*).

The focus on the characteristics of people makes it “non-welfarist.” Tony expanded this to “extra-welfarist” by drawing on Musgrave’s concept of “merit goods” and Tobin’s of “basic goods” to add to Sen’s capabilities approach. He argued, amongst other things, that focussing on characteristics (such as health outcomes, whether valued in QALYs or not, or information, or process improvements in health care delivery that matter to people), rather than utility, enabled economists to advise decision makers much more effectively on health care resource allocation and health policy (Chapter 6 of *The Humble Economist*). The debate continues, of course, as to whether extra-welfarism is the equivalent of the “General Theory” of Keynes with welfare economics (for Keynes “classical economics” as a subset, or vice versa. I don’t need to tell you Tony’s view (see Culyer 2008 and Towse 2008).

Positive and normative economics

In relation to the “positive” and the “normative”, Tony has consistently argued, including in a celebrated intellectual spat with Mark Pauly (Chapter 4 of *The Humble Economist*), that economists should not hide their preferences as to “what should be” in an analysis designed to help us understand “what is”. In particular economists cannot hide behind:

- assumptions of Pareto efficiency; or
- aggregating consumer surplus, accepting the initial endowment of wealth and income; or
- using a “hypothetical compensation” rule in which winners could compensate losers but don’t.

The distribution of gainers and losers matters. Economists should not hide from this – indeed they should set out *who* is gaining and *who* is losing. This matters to decision makers.

Equity and Efficiency

Tony’s views on equity and efficiency were captured in his excellent presentation at the First Plenary at ISPOR’s Latin America meeting in Chile two months ago (Culyer, 2015) and in Chapter 11 of *The Humble Economist*. He stresses the importance of distinguishing between different concepts of equity (a call for equity per se is meaningless without such clarification) so that economists can help achieve the *desired* measure of equity (and of other objectives) efficiently. His discussions on the concept of “need” are also invaluable (see Chapter 9 of *The Humble Economist*.)

Economic advice for policy-making

In advice for policy making I include the health service R&D financing work I referred to earlier, but also his writing on:

1. The importance of deliberation i.e. the process by which HTA appraisal committees review evidence, make judgements and decide how to trade off multiple objectives (Culyer, 2009 and Chapter 19 of *The Humble Economist*);
2. The case for a single payer publicly funded health system, derived from his view of the importance of health underpinning his theory of extra-welfarism. He called this "demand side socialism". This case doesn't exclude competition between hospitals and other providers (public and private) to make available the *demanded* health services *efficiently* (Chapter 15 of *The Humble Economist*).

But you don't have to take my word for the value of Tony's contribution. You can access these papers on-line or in hard copy – courtesy of either OHE or the Centre for Health Economics (CHE) at the University of York:

- The Humble Economist is free to download as a pdf from the publications section of the OHE website www.ohe.org and from the CHE website, University of York <https://www.york.ac.uk/che/publications/books/the-humble-economist/>
- Hard copies (including some signed by Tony) are available from info@ohe.org but supplies are limited;
- Kindle and iPad formats are available free to download from the CHE website, University of York <https://www.york.ac.uk/che/publications/books/the-humble-economist/>

Tony – everyone I talked with in putting these few remarks together overwhelmed me with the strength of their gratitude to you and pointed out yet further aspects of your writing and your teaching and advisory roles that had made a difference to them. I also want to thank you again for the help and support you have given me.

You are indeed a well deserving recipient of the

2015 ISPOR AVEDIS DONABEDIAN OUTCOMES RESEARCH LIFETIME ACHIEVEMENT AWARD

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