

OHE



OHE Annual
Report to the
Charity
Commission 2021

CHARITY | REPORT
DECEMBER 2022

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List of Acronyms

ABPI: Association of the British Pharmaceutical Industry

CEO: Chief Executive Officer

HTA: Health Technology Assessment

ICER: Institute for Clinical and Economic Review
(can also denote Incremental Cost-Effectiveness Ratio)

NICE: National Institute for Health and Care Excellence

PROM: Patient-Reported Outcome Measure

QALY: Quality-Adjusted Life Year

TTO: Time Trade-Off



About OHE

OHE 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 meeting its Charitable Objects; and a Management Committee, which assists OHE with its operational and business planning.

The Office of Health Economics wholly owns OHE Consulting Limited, which carries out consulting work for third parties and which profit funds The Office of Health Economics research and charity activities.

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 recognised OHE's high quality of independent research and placed OHE 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.

WHO WE ARE, HOW AND WHERE WE WORK

By the end of 2021, the OHE team comprised one CEO; one Vice-President Head of Consulting; one Vice-President Head of Research; one Emeritus Director & Senior Research Fellow; one Director; one Associate Director; three Senior Principal Economists; four Principal Economists; five Senior Economists; one Business Executive; three Economists; and three Administrative Support staff, and three MSc student fellows. Also, in 2021 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 worldwide.

1 Our Year in Numbers



2 Administrative Information

TRUSTEES AND DIRECTORS (2021 YEAR END)

Michael Drummond (University of York) Chair
Uday Bose (Boehringer Ingelheim) Trustee
Richard Torbett (ABPI) Trustee
Anita Charlesworth (The Health Foundation) Trustee
Bengt Jönsson (IHE) Trustee
Pinder Sahota (Novo Nordisk) Trustee
Louise Timlin (Lilly) Trustee

Other:

Prof B Jonsson, Trustee (resigned 14 January 2022)
Prof M Drummond, Trustee (resigned 14 January 2022)
Ms A Charlesworth, Trustee
Dr R D Torbett, Trustee
Mr U K Bose, Trustee
Mr H Ahmad, Trustee (resigned 30 April 2021)
Ms L Timlin, Trustee (resigned 31 December 2021)
Mr B S Sahota, Trustee (appointed 1 May 2021)
Mr W P Holmes (appointed 31 January 2022)
Ms M K Kyle (appointed 14 January 2022)

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

BANK

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

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

The **Charity Report for 2021** shows that OHE is committed to its charitable objectives of *advancing the education of the public in general/health care payers/policymakers on the subject of health economics and healthcare policy. Further, OHE uses health economics methods to produce evidence-based health policy and 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

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 2021 in Fulfilment of our Charitable Objectives

This report aims to provide an account of OHE's performance in its Charitable Purpose and its Impact as defined below:

- I. **OHE Charitable Purpose** – Deliver on OHE Charitable Objects and maintain OHE social purpose, where the charitable objects are:
 - a. To advance the education of the public in general/healthcare payers/policymakers (particularly patients and healthcare professionals) about health economics and healthcare policy.
 - b. Activities in furtherance of this will include, but not exclusively:
 - Promotion of evidence-based health care policy by carrying out research on the economics of health, health care systems and the life sciences industry
 - promotion of effective and efficient use of health care resources by advancing the use of economic approaches to support decision making; and
 - facilitating decision-making and awareness of health care policy issues by encouraging debate and disseminating relevant health economics research.
- II. **Impact** – Have a measurable impact on health care policy and decision-making

As these two objectives overlap, i.e., the impact is embedded in the Charitable Objects, we report our activity as follows:

1. **Research Activity** that promotes evidence-based healthcare policy and the effective and efficient use of healthcare resources
2. **Dissemination and Education Activities** that advance the education of the public/general health care payers/policymakers about health economics and healthcare policy
3. **Events** that encourage debate facilitate decision-making and increase awareness of health care policy issues
4. **Impact** summarised as a list indicative of the resonance of OHE's research or activities in decision-making in healthcare

The snapshot of activity and output above illustrates visually the breadth of OHE's research activity, dissemination and education activities, and events that encourage exchanging ideas and increasing awareness of health care policy issues, as of November 2021.

To avoid duplication, in the following account of our objectives, we refer to the *summary of research outputs and activities*, which is an updated version of the one submitted to the Research Committee and the Board of Trustees in November 2021.

4.1 Research Activities

OHE's staff had published 27 articles in external peer-review journals, engaged in presentations on 70 occasions, and written 38 blogs up to the end of December 2021.

Many publications are in journals with a high reputation and/or high impact. Moreover, the number of unique downloads of the OHE's publications/reports was 12.7k in 2021.

OHE's research activity does not only include publications, but also research supported by our Core grant. These CORE research-funded projects serve two purposes. One is to fund the staff's own research in the form of pilots and studies that can give way to funded research. Another is to support the publication of reports and research in peer-reviewed journals in the absence of funding for this activity. CORE-funded research showcases OHE's breadth and depth capabilities, attracting further funding (and consultancy work). As reported in the attached Research Summary, during 2021, there were 13 active CORE-funded research projects, including Economics of Innovation and Value, Affordability and Decision-making, the most active themes, with 5 and 4 projects, respectively.

- **Other research and dissemination outputs:** In terms of outputs, OHE staff produced 27 external and 16 Editorial reviewed peer-reviewed publications, 9 brown bag seminars (including lunchtime seminars), 1 Annual Lecture, 4 Webinars, 4 masterclasses and 70 external presentations, and 38 blogs.
- **Research awards from prestigious funders and funded research projects:**

OHE holds £1.59m of live research grants, of which 39% of the live research grants were from prestigious funders.

Research projects are more likely to be multi-year engagements than consulting projects, and due to the phasing of these grants, OHE has recognized (i.e. completed) £252k of research in 2021. This represents 20% of the total value of the live research grants and 42% of our budgeted amount (£600k) for the year. In 2021, OHE won £551k of new research grants, of which 14% was from prestigious funders.

For an overview of our research income for 2021, please refer to our research summary for 2021.

4.2 Dissemination and Educational Activities

In 2021, OHE continued its dissemination and education activities, albeit virtually. As described in the research summary attached, OHE:

- Held a (virtual) Annual Lecture in which Professor Margaret Kyle presented "Do patents work? Evidence from pharmaceutical innovation". Professor Kyle described the empirical evidence on the effectiveness of patents in the pharmaceutical sector. 278 people registered for the virtual conference and were sent the slides; the actual attendance was 183.

- Organised seven brown-bag seminars, including one in which a staff member discussed particular projects and another where they invited an external expert to present their work to stimulate collaboration.
- Staff presented at conferences, gave invited speeches, and/or participated in workshops despite the adverse environment due to COVID-19. The number of presentations in 2021 was 70.

4.3 Events

One of OHE's missions is to organise events and present our research in different fora. Events encourage debate and facilitate decision-making, meeting another of our charity objects.

As listed in the summary attached, OHE organised:

- Four virtual Masterclasses were held in 2021. The subjects revolved around the value of therapies to incorporate patients' preferences into decision-making.
- Four webinars involving a combination of OHE staff and invited speakers. The attendance at the webinars has been excellent (ranging from 120 to over 200 participants), especially considering the many competing research virtual events.

4.4 Summary of impact

In 2021, OHE's research and related activities continued to have a remarkable impact. Below, we list a sample of those we have an explicit record of:

- The work on [antimicrobial resistance](#) was cited in the article [Estimating The Appropriate Size Of Global Pull Incentives For Antibacterial Medicines](#) by Kevin Outterson published in [Health Affairs](#) in 2021.
- OHE's work on combination therapies was cited in an article on [NICE decisions](#) for combinations <https://pharmaphorum.com/views-and-analysis/a-problem-combination/>
- Results from an OHE project on the health system capacity value of vaccination and the return on investment on vaccines from a governmental perspective were [presented to DHSC](#).
- Simon Brassel contributed three educational pieces on cost-effectiveness evaluation, cost-utility analyses and the QALY concept to [MedTec Online \(MTO\)](#). <https://www.linkedin.com/posts/mto-medtec-online-gmbh-internationalemaeurkte-medteconline-medizintechnik-activity-6848511339804131329-yC8Y/>
- Case studies written by OHE on drivers and barriers to innovation in rare and paediatric diseases were [released by EFPIA](#). https://www.linkedin.com/posts/efpia_case-studies-activity-6826426893034762240-4IMg/

In addition, research and consulting work undertaken by OHE in 2021 had an impact on several key health care policy issues in 2022:



- **Transparency & the European Commission Flagship Initiative:** work undertaken for EFPIA on the **European Commission's Pharmaceutical Strategy** for Europe was expected to be used as the basis for EFPIA's engagement in political discussions and shaping policymaking.
- **COVID vaccines & IP waivers:** Key publication commissioned by European Parliamentary group *Renew Europe* on how to procure, pay and distribute vaccines and use of our blog and social media channels to share policy analysis and commentary.
- **Drug pricing reform in the US:** Dissemination of research on design criteria for "fair access" to drugs in the US (ICER); OHE Blog series on the 'Lower Drug Costs Now Act' (HR3) sponsored by PhRMA. The work on the US HR 3 bill on pharmaceutical drugs' pricing was expected to be used and/or discussed in the US when valuing the pros and cons of such policy.
- **NICE Methods Review:** OHE continued to be involved in providing evidence-based arguments to the industry to support positions on key parts of the review, which have been taken into consideration by NICE (ABPI).
- **Thresholds:** Two journal articles were submitted or in the press on '*Estimating health system opportunity costs: the role of non-linearities and inclusion of multiple outcomes*' and '*Supply-side cost-effectiveness thresholds: questions for evidence-based policy*'.

Another measure of impact is OHE's presence on social media. OHE continued to have substantial activity on social media throughout 2021. In summary, we published 39 regular blogs online and achieved the following social media presence:

- **Number of unique publication downloads:** 12,687
- **Number of website visits:** 140,176
- **LinkedIn followers:** 6,182
- **Twitter followers:** 5,156

Pro bono activities: The attached research summary for 2021 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.

5 Financial Review

5.1 OHE's Financial Structure

In 2021, OHE remained an organisation undertaking 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 Aid to OHE, subject to the agreement of the Directors of OHE Consulting Limited. This source continued to be essential for OHE's income in 2021.

In 2021, OHE employed an average of 30 staff.

5.2 OHE's Financial Structure in 2020

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 following 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 2021 was £4.14m. The expenditure totalled £3.95m, leaving a net income of £548,252.

Of the £3.65m expenditure, staff costs in 2019 amounted to £2.59m, i.e., 66%.

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

5.3 Sources of Funding

The sources of funding for OHE are summarised below. The financial reports attached provide more details about OHE income and expenditure.

The consolidated income of £4.14m comprises:	£000
Donations – research grants	420.300
Income from charitable (research) activities	341.211
Interest	0.72



Total research income	761.29
OHE Consulting Income	3,384.57
Total Income	4,145.86

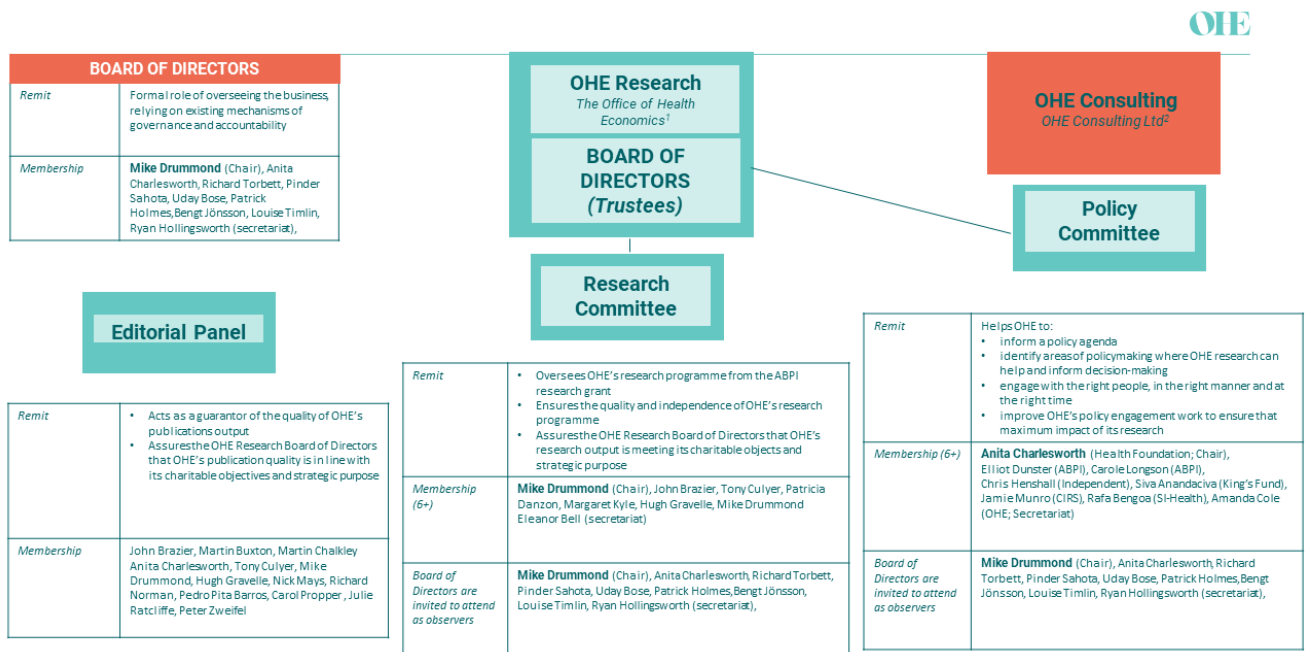
Donations are from the ABPI and are for two distinct purposes:	£000
Support for core research activities	344.71
Grant towards financing of support activities	418.62
Total	763.33

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

- Health Foundation
- Cancer Research UK
- EuroQol Research Foundation

6 Structure, Governance and Management in 2021

Figure 1 reflects the OHE governance structure by the end of 2021. 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 Policy Committee's purpose is to advise 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.



¹ The Office of Health Economics (a charity of registered number 1170829 & company limited by guarantee of registered number 09848965)

² OHE Consulting Ltd (a registered company number 09853113)

FIGURE 1: ORGANIGRAM AT 2021 YEAR-END



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

ohe.org