EIU Economist Intelligence Unit

Office of Health Economics

PRICELESS SA Priority Cost Effective Lessons for System Strengthening

University of Glasgow

Center for Global Development

LONDON SCHOOL of HYGIENE &TROPICAL MEDICINE

HiTAP

Imperial College London

Meteos

NICE National Institute for Health and Care Excellence

UNIVERSITY of York

Better Decisions for Better Health

NICE International

international Decision Support Initiative

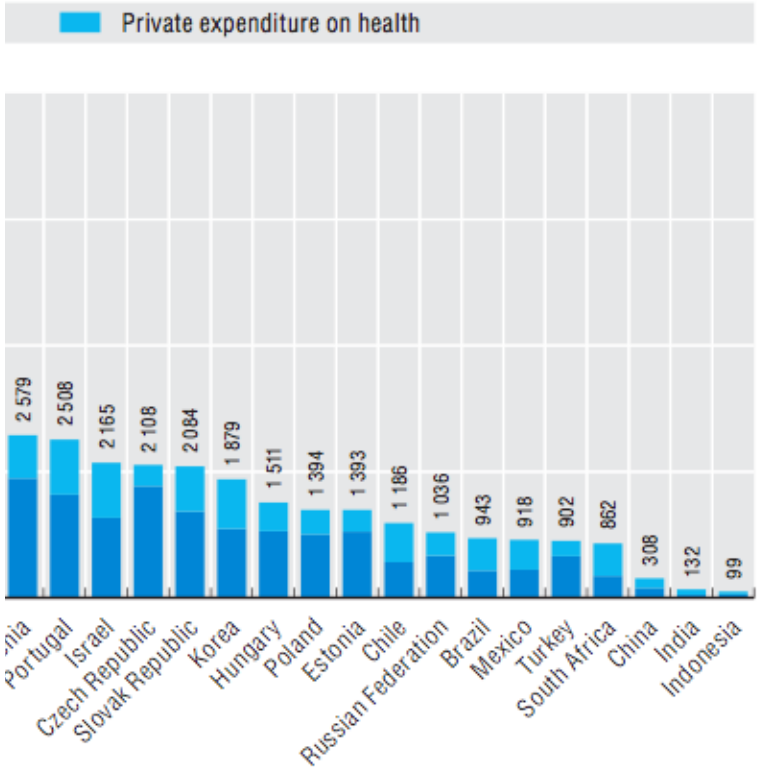
enough?

7.1.3 Total health expenditure per capita and GDP per capita, 2009 (or nearest year)

Source: OECD Health Data 2011; WHO Global Health Expenditure Database.

StatLink http://dx.doi.org/10.1787/888932526084

d private, 2009 (or nearest year)



are related to investments.
n.

StatLink http://dx.doi.org/10.1787/888932526046

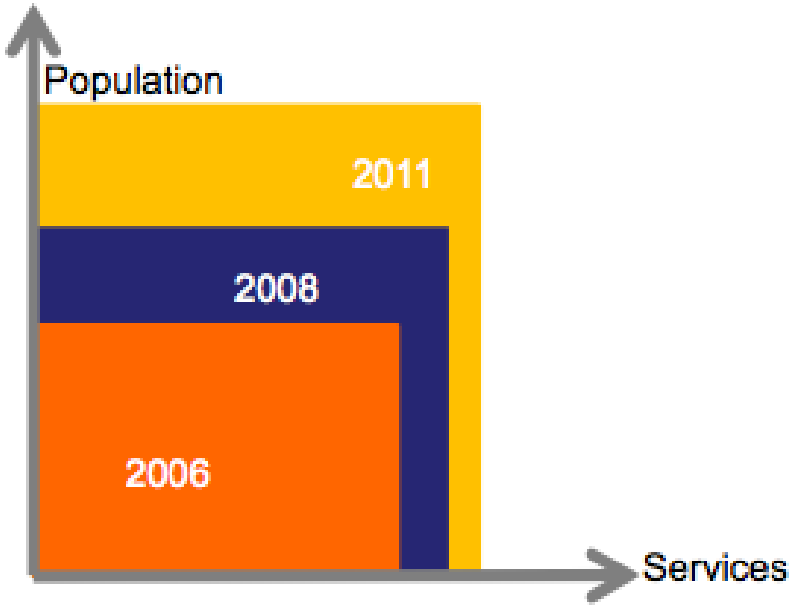
Health service benefit package's expansion

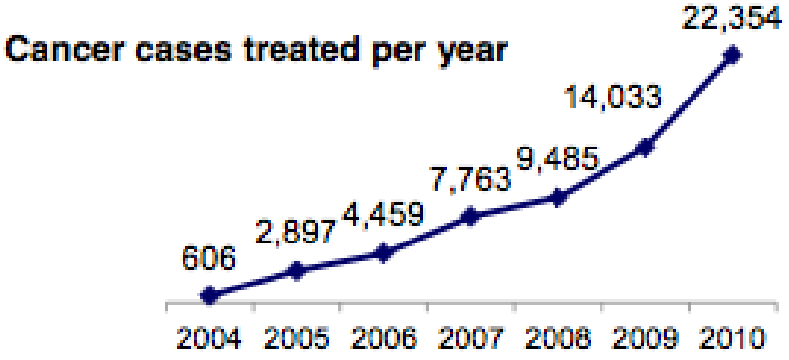
SALUD

- **100% of primary and children interventions, 95% of hospital interventions and a growing number of high cost interventions are included and covered by Seguro Popular.**
- A special Fund against Catastrophic Expenditure has financed specific interventions, including several types of Cancer.
- From 2004 over 69 thousand cancer cases have been treated.

Cancer Interventions incorporated

2004	• Cervic cancer • Acute linfoplastic leukemia
2006	• Bone marrow trasplant, as well as ten tumours in aged 18 or less.
2007	• Breast cancer
2008	• All children cancers
2011	• Bone marrow transplant in adults • Non-Hodgkin linfoma • Testicular Cancer • Prostate Cancer
2012	• Germinal Ovaric Cancer • Chronic type C hepatitits in patients aged 20-50 years





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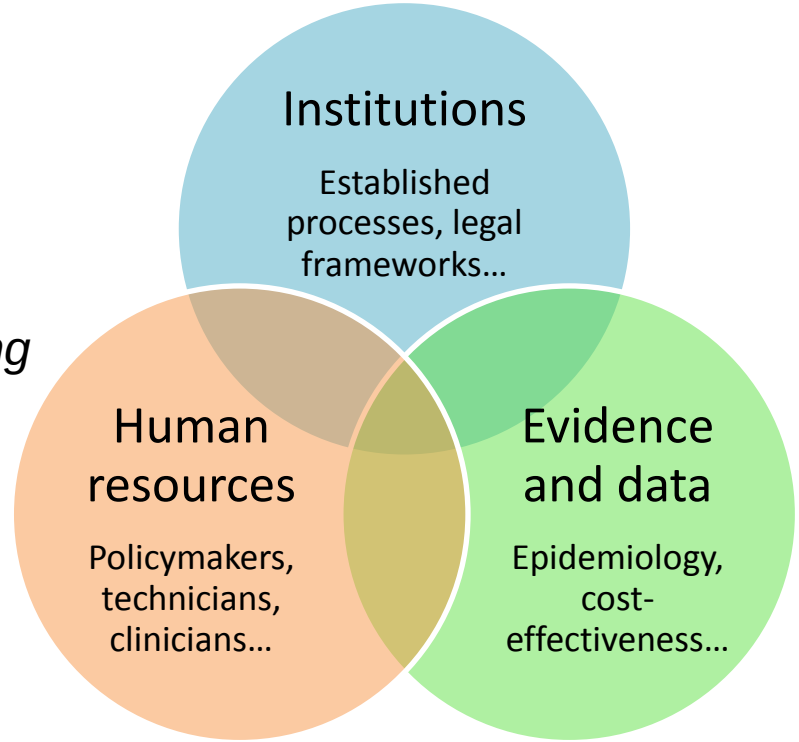
What is the problem: the capacity gap…

Despite increasing political commitment to UHC, priority-setting **capacity** for low- and middle-income countries is **limited and uncoordinated**

The capacities required for effective priority-setting



What is Health Technology Assessment?

- **Health Technology Assessment** (HTA) is an evaluative process and structured analysis of *healthcare interventions* in the broadest sense, including:
  - Drugs, devices, diagnostic tests, surgical interventions and services, both preventative and curative/palliative
  - *and*: service delivery models, programmatic reforms, health and public policy interventions.
- HTA can inform decision-making by considering:
  - Health benefits and value for money
  - Feasibility
  - Social and ethical concerns, and other policy considerations.

Office of Health Economics & NICE International (2014)

What is Priority-Setting?

- **Priority-setting** is the process of ensuring that limited health budgets are allocated to the uses that have the greatest value.
  - ‘Value’ could be to society and/or the decision maker(s)
  - Decision makers are *always* making choices and weighing the trade-offs between the various options, whether *implicitly* or *explicitly*
  - HTA is a tool for supporting **explicit priority-setting**

Office of Health Economics & NICE International (2014)

Priority setting is a complicated business

CVD	HIV	Diabetes	RTAs	HIV	MCH	Cancer
Primary prevention	Primary prevention	Primary prevention	Primary prevention	Primary prevention	Primary prevention	Primary prevention
Secondary prevention	Secondary prevention	Secondary prevention	Secondary prevention	Secondary prevention	Secondary prevention	Secondary prevention
Primary care	Primary care	Primary care	Primary care	Primary care	Primary care	Primary care
Secondary care	Secondary care	Secondary care	Secondary care	Secondary care	Secondary care	Secondary care
Tertiary care	Tertiary care	Tertiary care	Tertiary care	Tertiary care	Tertiary care	Tertiary care
Long term care	Long term care	Long term care	Long term care	Long term care	Long term care	Long term care
EOL care	EOL care	EOL care	EOL care	EOL care	EOL care	EOL care

Populations

- Children
- Pregnant
- Poor
- Ethnic
- Old
- Disabled
- Rural
- Employed

Interventions

- Education
- Public awareness
- Diagnostics
- Screening
- Vaccines
- Drugs
- Surgery

HOW CAN ECONOMICS HELP?

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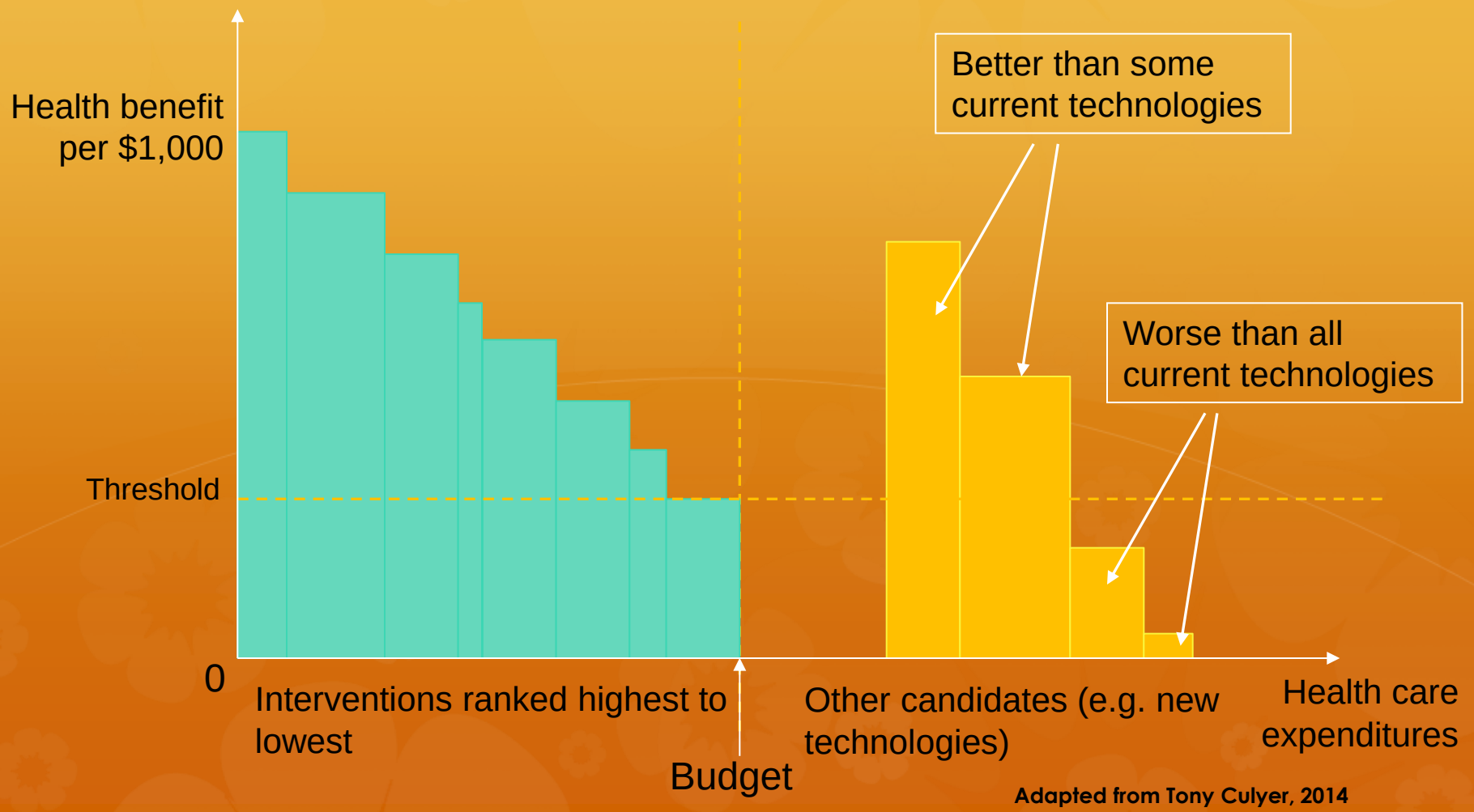
What does HTA tell us about which interventions to include in the benefits package?

thanks to Chris McCabe and Richard Edlin for some animation of Culyer et al. (2007)



Adapted from Tony Culyer, 2014

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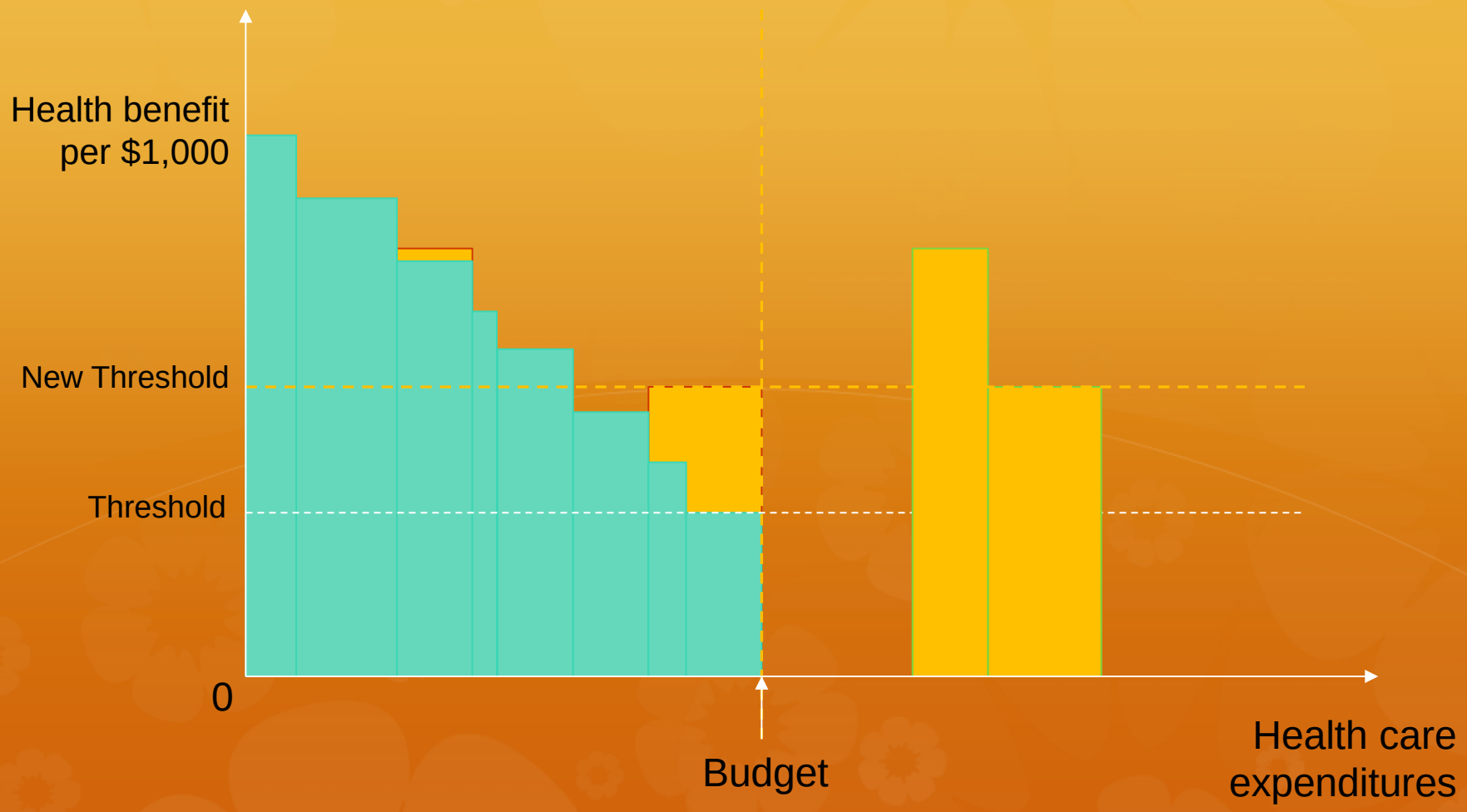

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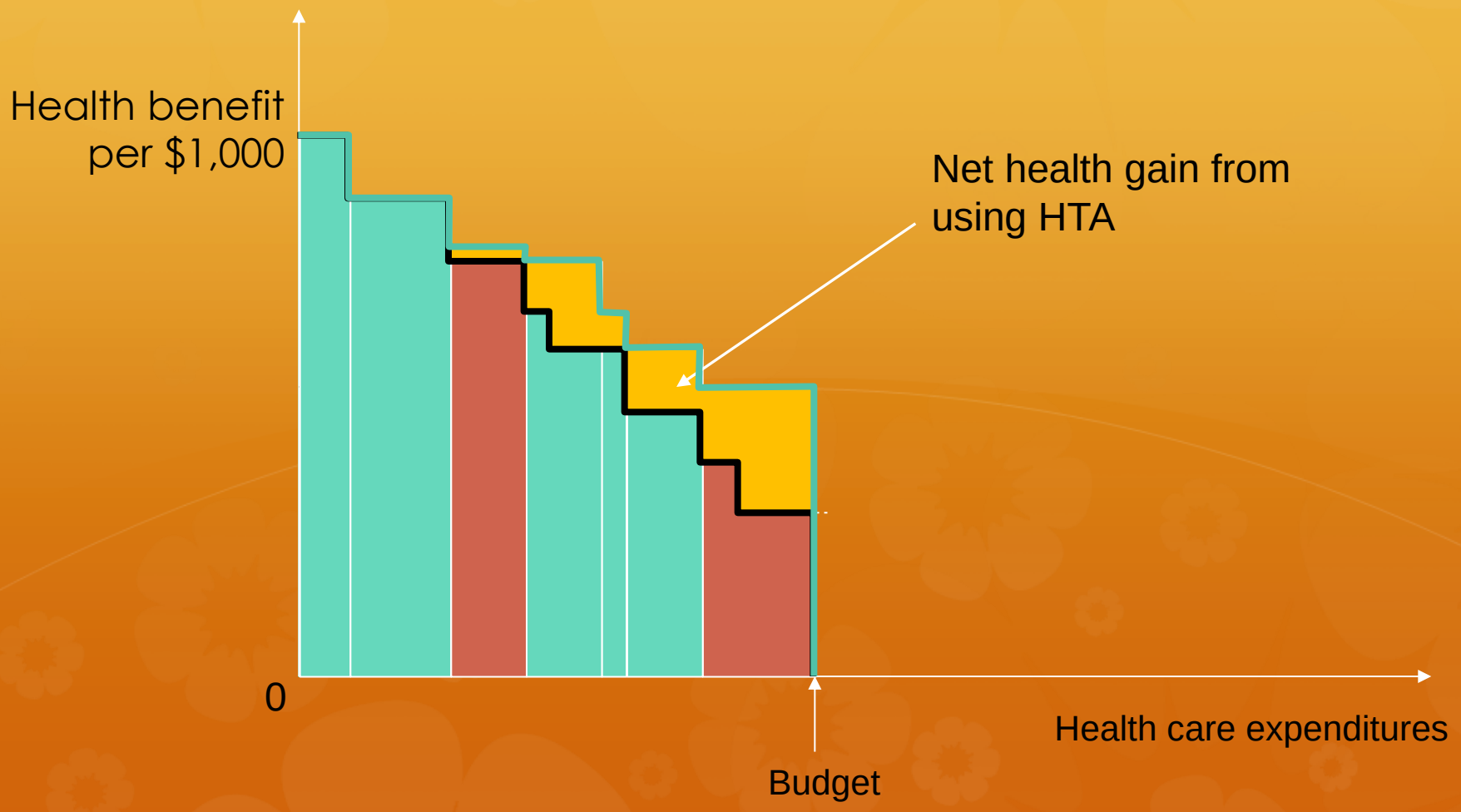

SETTING PRIORITIES IS A POLITICAL PROCESS, NOT A TECHNOCRATIC ONE…

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Establish a strong and defensible process: core principles of HTA

Principles	Putting them into practice…
Independence	Arm's length from government, payers, industry and professional groups; strong and enforced conflict of interest policies
Transparency	Meetings open to the public; material placed on the web; decision criteria and rationale for individual decisions made public
Consultation	Wide and genuine consultation with stakeholders; willingness to change decision in light of new evidence
Scientific basis	Strong, scientific methods and reliance on critically appraised evidence and information
Timeliness	Decisions produced in reasonable timeframe; minimise delays in publishing decisions
Consistency	Same technical and process rules applied to all cases
Legal framework	Reference in country's legal framework; institutional role in informing coverage and payment decisions
Regular review	Regular updating of decisions and of methods

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Colombia: HTA institution established by law

- IETS established in 2011 to carry out HTA and support the merging of the insurance packages in Colombia with Presidential support.
- Institute 40 strong with national and international links (2014).

Philippines: HTA for BP in NHI regulation

- "The Corporation shall not cover expenses for health services which the Corporation and the DOH consider cost-ineffective through health technology assessment." (Republic Act 10606, Jun 2013)

Georgia: standardisation of Guideline development process

- Guidelines methods and process guide adopted by government and used to accredit all guidelines and quality standards in Georgia
- Dedicated team at MLHSA

Don’t forget about the price! Effect of NICE rejection following HTA…

FiercePharma

NEWS TOPICS ANALYSIS FEAT

Topics: Regulatory

Celgene's cost-sharing offer persuades NICE to about-face on Revlimid

August 20, 2014 | By Tracy Staton

Celgene ($CELG) used a tried-and-true technique to persuade cost-effectiveness watchdogs to change their minds on Revlimid. The U.S.-based drugmaker capped its cost.

It was an about-face for the National Institute for Health and Care Excellence (NICE), which last month voted down the blood-cancer drug as a treatment for rare, serious bone marrow disorders called myelodysplastic syndromes. The agency wasn't convinced Revlimid benefited these patients enough to justify the pricey drug's cost.

Celgene got to work quickly. The company handed over some new data analyses. And it offered to limit the potential burden on Britain's National Health Service. Celgene will hand over the drug for free when patients need more than 26 monthly treatment cycles. With each month of Revlimid therapy costing an estimated £3,780, that's a tidy savings.

“This sort of *cost-sharing agreement* has grown more common at NICE over the past several years.

- **Johnson & Johnson** kicked off the trend by offering a *money-back guarantee* on treatment with its own multiple myeloma treatment Velcade
- **Merck** offered a *cost-sharing deal* on its Erbitux cancer treatment, and
- **Roche** delivered an *incremental money-back deal* on Tarceva as a treatment for lung cancer, among others.”

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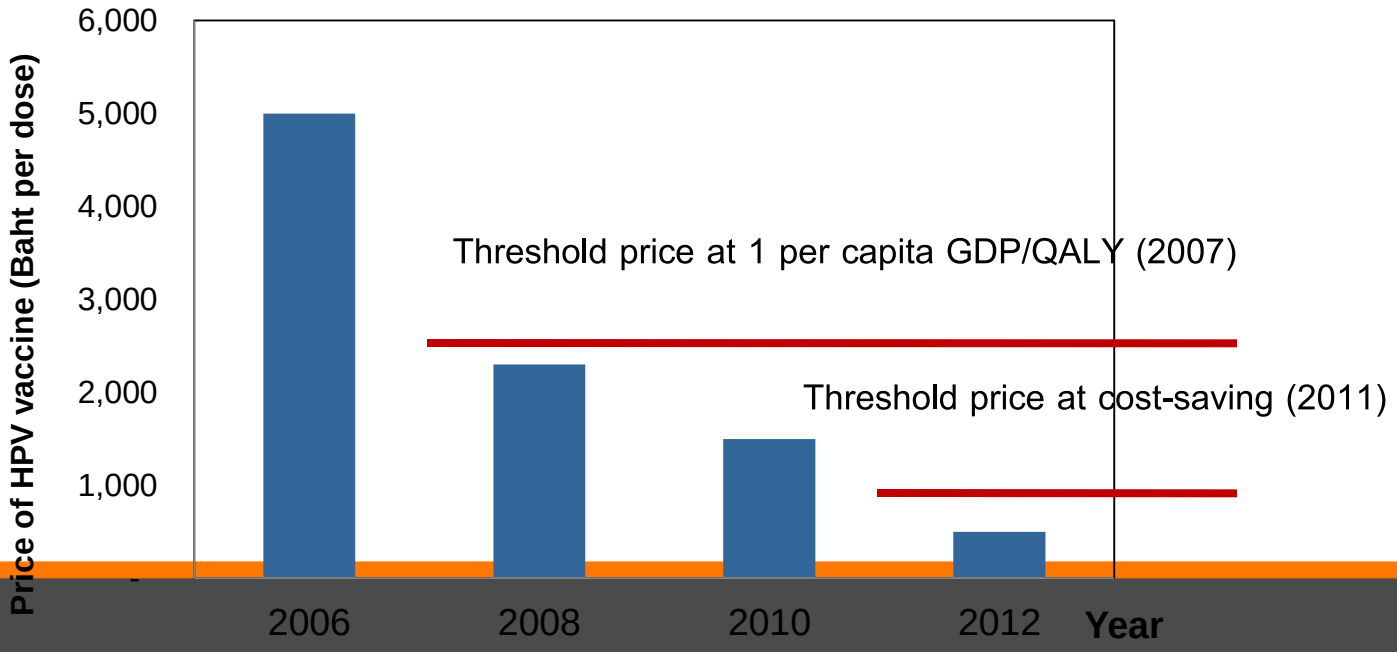
Don't forget about the prices

Thailand uses HTA to negotiate prices

Health technology	**Original price** (Baht)	**Negotiated/ alternative drug price** (Baht)	**Potential saving** (per annum)
tenofovir	43	12	375 million
peg-2a 180 mcg	9,241	3,150	600 million
angiogenesis inhibitor	40,000 (Ranibizumab)	1,000 (Bevacizumab)	1,600 million



WHAT NEXT FOR NICE PARTNERSHIP WITH INDIA?

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A growing network of partners sharing the same principles

We are committed to partnerships with academic, public sector and international development groups from across the world, and supporting regional hubs for priority-setting.

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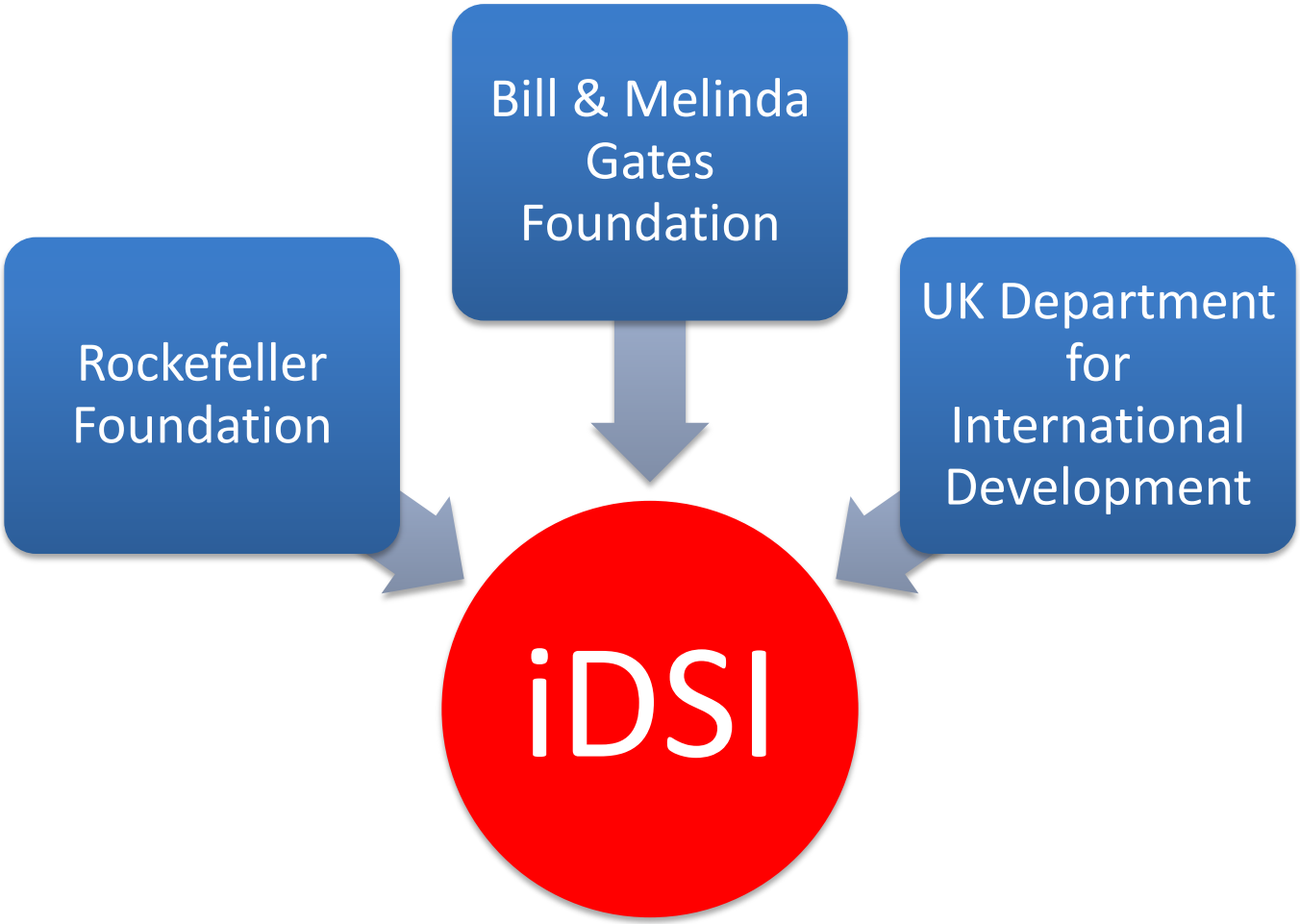
Three major funders come together



Better Decisions for Better Health