

THE IMPACT OF PHARMACOECONOMIC ASSESSMENT ON NATIONAL FORMULARY DECISIONS: A COMPARATIVE ANALYSIS OF THREE ASIAN PACIFIC COUNTRIES AND THREE EUROPEAN COUNTRIES



• service
• education
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POLICY PROBLEM

As healthcare costs increase globally, striking a balance between societal affordability and individual access to life saving pharmaceuticals, becomes increasingly significant. Important policy issues are raised when national authorities establish procedures to determine which medicines to reimburse. **Governments ideally want to allocate subsidies based on best available evidence on clinical and cost effectiveness of the drugs under review. But do governments always choose to do so?**

OBJECTIVE AND METHODS

The objective of this comparative analysis is to describe the impact of pharmacoeconomic assessment on national formulary decisions for three Asian Pacific countries: **Australia, Hong Kong** (For ease of reading, Hong Kong will be referred to as a country) and **Singapore** and three European countries: **United Kingdom (UK), Germany and France**. Information was obtained from published literature and policy documents on official websites of various healthcare authorities and international institutes. Local and foreign experts were interviewed during the 6th Annual Meeting of Health Technology Assessment International in Singapore in 2009.

POLICY IMPACT OF PHARMACOECONOMIC ASSESSMENT

Drug reimbursement

| | | |
|--|--|--|
| <p>AUS</p> <ul style="list-style-type: none"> Pharmaceutical Benefits Scheme (PBS), Australia's positive list, covers outpatient drugs, comprising over 90% of prescription drugs Patient pays maximum 32.90 AUD (21.70 EUR) per prescription | <p>HK</p> <ul style="list-style-type: none"> Hospital Authority (HA) Drug Formulary lists standard and non-standard drugs For outpatient standard drugs, patient pays 10 HKD (0.95 EUR) per prescription for up to 16 weeks | <p>SG</p> <ul style="list-style-type: none"> Standard Drug List I (SDL I) and SDL II indicate which drugs are available for subsidy Patient pays maximum 1.40 SGD (0.75 EUR) per week for SDL I drugs, and 50% for SDL II drugs |
| <p>UK</p> <ul style="list-style-type: none"> Almost all authorised prescription drugs are reimbursed, except drugs on negative lists Patient pays a flat-rate per prescription (per item) of 7.20 GBP (8.20 EUR) | <p>GER</p> <ul style="list-style-type: none"> Almost all authorised prescription drugs are reimbursed, except drugs on negative lists Patient pays 5 – 10 EUR per prescription and any amount payable above reference price | <p>FR</p> <ul style="list-style-type: none"> Drugs are listed on 2 positive lists (dispensed by pharmacies; hospital drugs) Reimbursement rate is between 35% - 100%, depending on severity of disease and medical benefit |

Notes to Table Appraisal criteria
 Note 1: Size of the dot indicates relative importance of criterion compared to the other criteria
 Note 2: The appraisal criteria featured in the table are the criteria used by the appraisal committee/ institute
 * Since Jan 2008 HAS has been assigned to conduct cost-effectiveness assessment, impact is so far unknown

Appraisal criteria

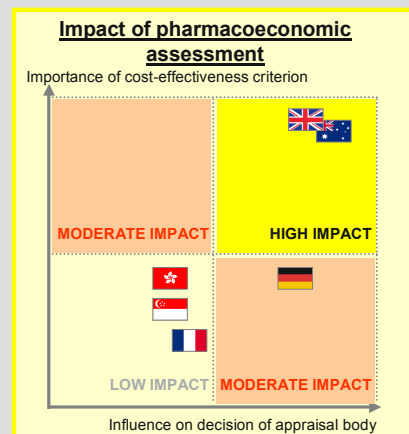
Decision-making process

| DRUG APPRAISAL | DECISION REIMBURSEMENT |
|--|--|
| <p>Pharmaceutical Benefits Advisory Committee (PBAC) is responsible for drug appraisal</p> | <p>PBAC advises Health Minister, who is unable to include drug in formulary without PBAC's positive recommendation</p> |
| <p>Hospital Authority (HA) Drug Advisory Committee (DAC) is responsible for drug appraisal</p> | <p>HA (public HC providers) is responsible for inclusion of drug in formulary while taking into account DAC's recommendation</p> |
| <p>Ministry of Health Drug Advisory Committee (DAC) assesses drugs and makes recommendations to Ministry</p> | <p>Ministry of Health decides whether to include drug in SDL, while considering DAC's recommendation</p> |
| <p>National Institute for Clinical Excellence (NICE) is responsible for drug appraisal (NICE appraises a selection of new drugs)</p> | <p>Treatments recommended by NICE need to be funded and provided by public providers</p> |
| <p>Federal Joint Committee (G-BA) and Institute for Quality and Efficiency in Health Care (IQWiG) conduct drug assessments</p> | <p>G-BA (physicians, hospitals, sickness funds, patients are represented) is responsible for reimbursement decisions</p> |
| <p>National Authority for Health (HAS) is responsible for drug assessment</p> | <p>Health Minister determines whether drug is listed, reimbursement rate is based upon HAS drug assessment</p> |

| | AUS | HK | SG | UK | GER | FR |
|------------------------------------|-----|----|----|----|-----|----|
| 1. Disease prevalence | ● | | | | | |
| 2. Severity of disease | ● | | | ● | | |
| 3. Budget impact | ● | | | ● | | |
| 4. Clinical effectiveness | ● | ● | ● | ● | ● | ● |
| 5. Innovative nature of technology | ● | ● | ● | ● | ● | ● |
| 6. Cost-effectiveness | A | ● | ● | B | ● | ●* |

A PBAC indicates that recommendations to reimburse a drug become less likely for ICER's above **30,000 – 50,000 AUD per QALY gained (26,400 EUR / QALY)**

B NICE will recommend a drug to be reimbursed primarily on cost effectiveness analysis if it has a plausible ICER below **20,000 GBP per QALY gained (22,900 EUR / QALY)**



EVALUATION
 Pharmacoeconomic assessment has profound impact on policy decisions in Australia and the UK but less so and in less direct fashion in other countries

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 4. Making decisions at NICE: how economic assessment informs guidance, Andrew Dillon, Chief Executive, National Institute for Health and Clinical Excellence; Website International Society for Pharmacoeconomics and Outcomes Research www.ispor.org/HTARoadmaps/UK.asp
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