Value is in the eye of the beholder

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iDSI responds to policymaker demand, strengthening in-country networks to translate evidence into policy.

We work in partnership with countries to build long-term institutional capacity for priority-setting and sustainable UHC.

Growing footprint in Africa to enhance preparedness for aid transition

iDSI is informing NHI benefits planning and procurement in Ghana, and the Essential Medicines List in Tanzania. South Africa has committed US$29m towards NHI/UHC reforms, creating an HTA Unit as an integral component.

In Kenya, iDSI’s work with GFATM and UNITAID to optimise novel HIV ART rollout has led government to request iDSI support in embedding HTA into NHI and benefit package design.

Proven track record supporting Asian governments with evidence-informed analysis and institutional strengthening

iDSI has supported India, China, Indonesia, Vietnam and Philippines in establishing national health technology assessment (HTA) laws and institutions, and building institutional capacity to use HTA in UHC health benefit package listing and procurement.
What is the most difficult ethical dilemma facing science today?

DA: How far do you go to preserve individual human life? I mean, what are we to do with the NHS? How can you put a value in pounds, shillings and pence on an individual's life? There was a case with a bowel cancer drug – if you gave that drug, which costs several thousand pounds, it continued life for six weeks on. How can you make that decision?

RD: That's a good one, yes.
Status quo, unfair and unsustainable: Between 20-40% of the ~$8 trillion spent annually on healthcare is wasted.*

OECD: Tackling Wasteful Spending on Health 2017


*World Health Report 2010

“For every US$100 that goes into state coffers in Africa, on average US$16 is allocated to health, only US$10 is in effect spent, and less than US$4 goes to the right health services.”

Healthcare budgets often underspent

Not Just about the Money....

More money, less health...
“to integrate health intervention and technology assessment concepts and principles into relevant strategies and areas...including, but not limited to, universal health coverage, health financing, access to and rational use of quality-assured medicines, vaccines and other health technologies, the prevention and management of non-communicable and communicable diseases, mother and child care, and the formulation of evidence-based health policy”
5 Step-HTA process

What is the Decision problem?  
Topic identification and Prioritisation

How do we decide if the evidence is strong enough to support a decision? What are our recommendations?

What is the decision to be taken?

How is the decision implemented and monitored?

Defining decision space

Analysis

Appraisal

Decision making

Implementation

What is the required analysis needed to help answer the decision problem?
Market Shaping Strategy, 2015

"On product selection issues and especially cost effectiveness analysis, the Global Fund will partner with organizations that have expertise in HTA...as well as in-country HTA agencies, such as Thailand’s HITAP...an opportunity to build country capacity for health technology assessment and how to incorporate this into product selection decisions.

DFID’s Performance Agreement, 2016

"We welcome the commitment of the Global Fund to...driving value for money and ensure additional expert support in country teams. ...the UK will work to strengthen independent advice and scrutiny of the Global Fund to ensure that it is following best practice in seeking value for money."
...and, most importantly, for national governments...

National Health Insurance Act of 2013, Section 11 - Excluded Personal Health Services
“The Corporation shall not cover expenses for health services which the Corporation and the DOH consider cost-ineffective through health technology assessment...”

Minister of Health’s Decree No. 71 /2013 Article 34
(5) Health Technology Assessment Committee provide policy recommendation to the Minister on the feasibility of the health service as referred to in paragraph (4) to be included as benefit package of National Health Insurance

“the India Medical Technology Assessment Board for evaluation and appropriateness and cost effectiveness of the available and new Health Technologies in India...standardized cost effective interventions that will reduce the cost and variations in care, expenditure on medical equipment...overall cost of treatment, reduction in out of pocket expenditure of patients...”. Ref: MTAB, Ministry of Health & Family Welfare, Government of India

National Health Law change to include HTA for informing EDL and insurance. National HTA network with 12 provincial health bureaus; 33 academic institutions; One Belt One Road support. Minister Ma of National Health Commission committed to economic evaluation input to decision making.
Service coverage (5.3):
“Detailed treatment guidelines, based on available evidence about cost-effective interventions, will be used to guide the delivery of comprehensive health entitlements. Treatment guidelines will be based on evidence regarding the most cost-effective interventions.”

HTA unit budgeted @R368m in 2018 budget by country’s Treasury

• “MOH should develop a transition plan to ensure sustainable financing and operational management of the supply chain to transition to a government led supply chain system
• MOH should establish a National Pricing Committee for Medicines
• MOH should institutionalise Health Technology Assessment to provide technical advice to the NPC”

“Define an evidence-based benefit package for Kenyans under Universal Health Coverage: (A list of services that should be prioritized and made available taking into account the cost effectiveness, impact on financial protection, and equity in access across the population).
• Define a framework for institutionalization of Health Technology Assessment (HTA).”

Cabinet Secretary, Government Gazette, July 2018...and, most importantly, for national governments...
...who use HTA to decide listing and pricing of new technologies

“The benefit packages for Phacoemulsification with foldable lens and small incision cataract surgery with rigid PMMA lenses may cost as 9606 INR and 7405 INR respectively”
“Standards of care, evidence-based treatment protocols and processes for conducting [HTA] to assess the impact, efficacy and costs of medical technology, medicines and devices relative to clinical outcomes must be developed. Findings... should be published to stimulate competition in the market, to mitigate information asymmetry, and to inform decisions about strategic purchasing by the public and private sectors.”
But wise choice of products and evidence informed purchasing not enough
While procurement remains the largest cost category, 60% of the final Price to Patient is determined by National and sub-National distribution.

Approximately 60% of “Price to Patient” is due to the accumulation of costs and charges incurred in the end-to-end supply chain from Port of Entry to the Dispense of medicines to patients.

While manufacturing remains the most significant category of cost and most easily influenced by International & National procurement organisations, it only represents in the region of 40% of the final “Price to Patient” for a basket of essential medicines.
Commercial margins for medicines suffer from great disparity
On paper, the price list allows an average mark-up of 111% from import or manufacture – to cover taxes and distribution to patient.

As an example: the average mark-ups for the top 20 most commonly claimed for medicines in one West African country – from 90 facilities with an electronic claims system (provisional analysis).

<table>
<thead>
<tr>
<th>Medicine</th>
<th>Mark-up %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artemether+ Lumefantrine Tablet</td>
<td>9%</td>
</tr>
<tr>
<td>Amodiaquine+Artesunate Tablet</td>
<td>49%</td>
</tr>
<tr>
<td>Paracetamol Tablet, 500mg</td>
<td>53%</td>
</tr>
<tr>
<td>Paracetamol Suppository, 500mg</td>
<td>206%</td>
</tr>
<tr>
<td>Cefuroxime Tablet, 250 mg</td>
<td>33%</td>
</tr>
<tr>
<td>Amodiaquine+Artesunate Tablet, 75mg+25mg (12tabs)</td>
<td>85%</td>
</tr>
<tr>
<td>Amoxicillin+Clavulanic Acid Tablet, 500mg+125mg</td>
<td>112%</td>
</tr>
<tr>
<td>Amlodipine Tablet, 10mg</td>
<td>58%</td>
</tr>
<tr>
<td>Artemether+ Lumefantrine Suspension, ...</td>
<td>248%</td>
</tr>
<tr>
<td>Nifedipine Tablet, 30 mg (GITS)</td>
<td>511%</td>
</tr>
<tr>
<td>Nifedipine Tablet, 20 mg (slow release)</td>
<td>373%</td>
</tr>
<tr>
<td>Ciprofloxacin Tablet, 500mg</td>
<td>286%</td>
</tr>
<tr>
<td>Diclofenac Suppository, 100 mg</td>
<td>370%</td>
</tr>
<tr>
<td>Iron (III) Polymaltose Complex Syrup</td>
<td>123%</td>
</tr>
<tr>
<td>Simple Linctus (paediatric)BPC</td>
<td>173%</td>
</tr>
<tr>
<td>Artemether+Lumefantrine Tablet, 40mg+240mg (12...</td>
<td>163%</td>
</tr>
<tr>
<td>Lisinopril Tablet, 10 mg</td>
<td>512%</td>
</tr>
<tr>
<td>Iron (III) Polymaltose Complex Capsule</td>
<td>331%</td>
</tr>
<tr>
<td>Diclofenac Tablet, 50 mg</td>
<td>500%</td>
</tr>
<tr>
<td>Paracetamol Syrup, 120 mg/5ml</td>
<td>85%</td>
</tr>
</tbody>
</table>

These price and margin disparities are echoed across many countries in Sub-Saharan Africa.
In the $45bn LIC and LMIC market, as countries become richer and donor funding subsides, private (mostly OOP) financing of commodities dominates.

https://www.cgdev.org/working-group/working-group-future-global-health-procurement
HTA in Thailand: $768 Million Dollars Saved within 5 Years

From 2010-2014
Using Purchasing price in 2009 as basic price

<table>
<thead>
<tr>
<th>Item</th>
<th>Saving (Bht)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARV Non CL</td>
<td>5328.59 million Bht (177.61 million USD)</td>
</tr>
<tr>
<td>ARV CL</td>
<td>10165.19 million Bht (353.84 million USD)</td>
</tr>
<tr>
<td>J2 and Clopidogrel</td>
<td>6830.37 million Bht (227.68 million USD)</td>
</tr>
<tr>
<td>Flu vaccine</td>
<td>266.47 million Bht (8.88 million USD)</td>
</tr>
</tbody>
</table>

With in 5 years implementation:
Saving 768 million USD
The time is now!: Evidence from the UK

“10 studies analysed provided a potential net-benefit of £3.0 billion based on a value of £20,000 per QALY, and £5.0bn based on a value of £30,000 per QALY. The cost of the HTA Programme since 1993 was £317m, with the estimated overall cost of the HTA Programme £367m. We conclude that 12 per cent of the calculated potential net benefit would cover the total cost of the HTA Programme from 1993 to 2012.”

Assumption: HTA findings are fully implemented in the NHS
Thank you!

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“Action expresses priorities.”
— Mahatma Ghandi