What's In, What's Out?
Designing and Adjusting Health Benefits Plans for Universal Health Coverage

6th-9th March 2017

Sheraton Pretoria, South Africa

Module 2:
Methods for the Development and Adjustment of HBP
Decision rules in an end-to-end HTA system: New Zealand

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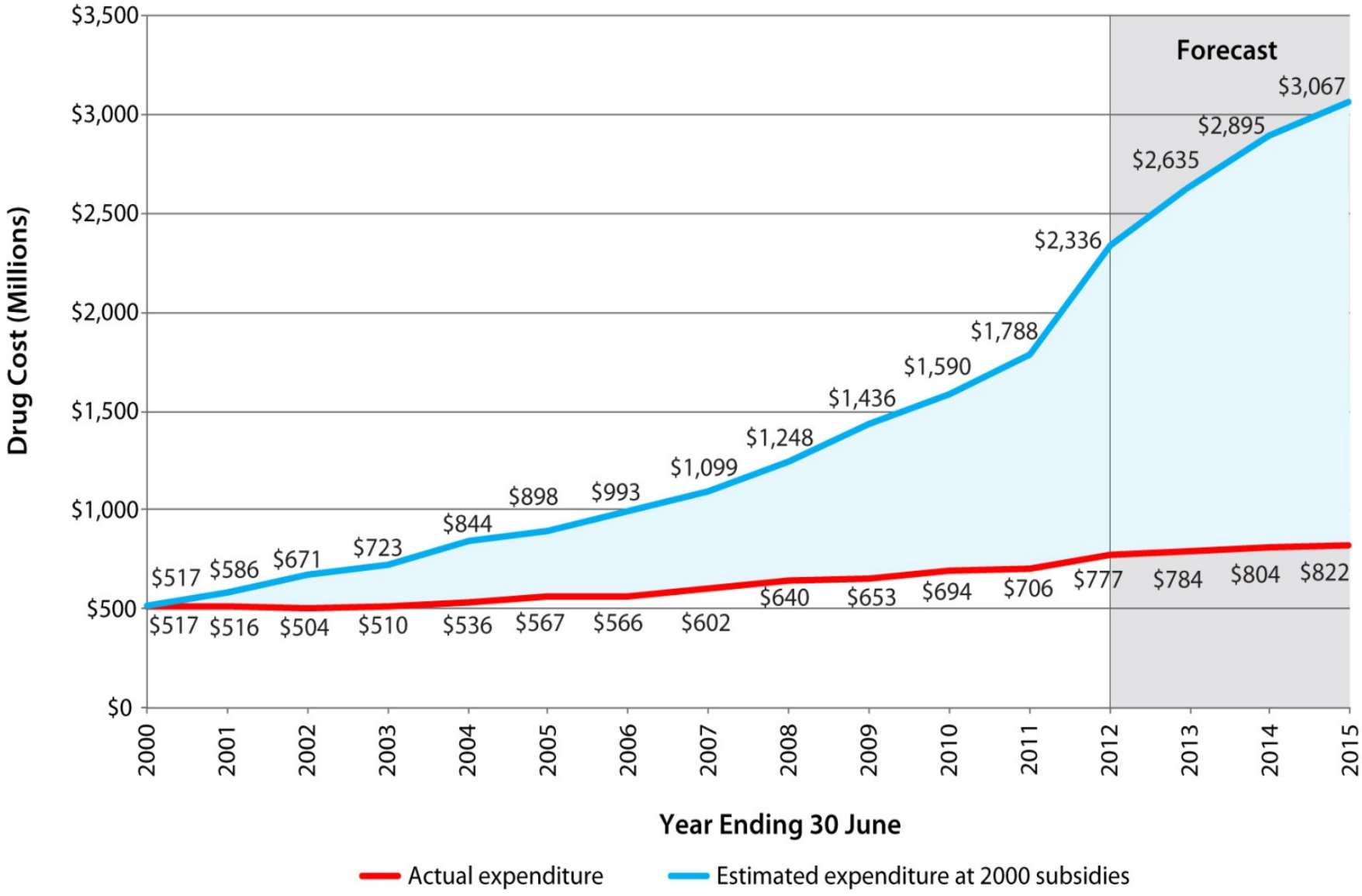
PHARMAC - a brief history

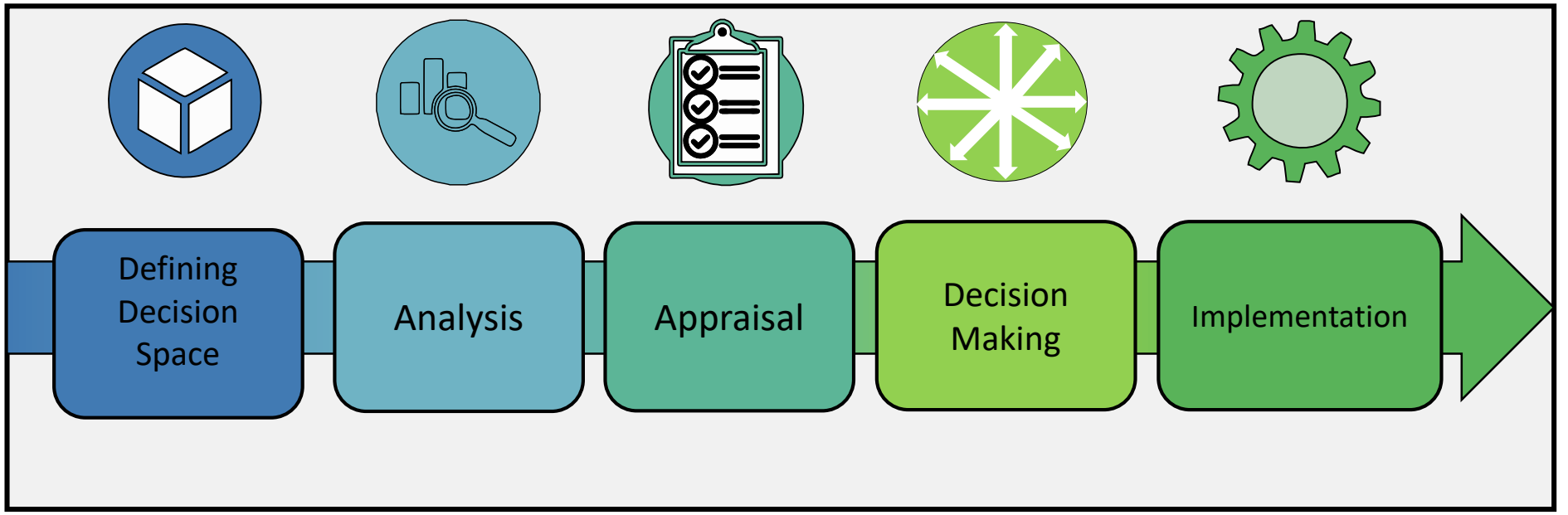
- 1993 - PHARMAC established, annual pharmaceutical spend $445M
- 1997 - First tender for sole supply in the community
- 2002 - Management of all cancer treatments
- 2003 - Annual spend $510M
    - First decade - $2billion cumulative savings, 6% pa prescription growth
- 2012 - Management of immunisation vaccines
- 2013 - Annual spend $784M
    - Second decade - $4billion cumulative savings, 6% pa prescription growth
- 2016 - $800 nominal budget, saved and re-invested $52.7 million, 44 million Rxs

Mission: "To secure for eligible people in need of pharmaceuticals, the best health outcomes that can reasonably be achieved, and from within the amount of funding provided."
New Zealand Health and Disability Act 2000

PHARMAC's long-term impact

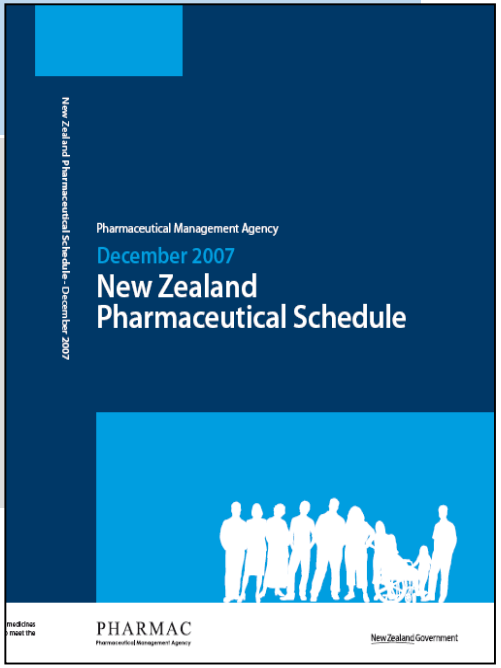


The HTA process

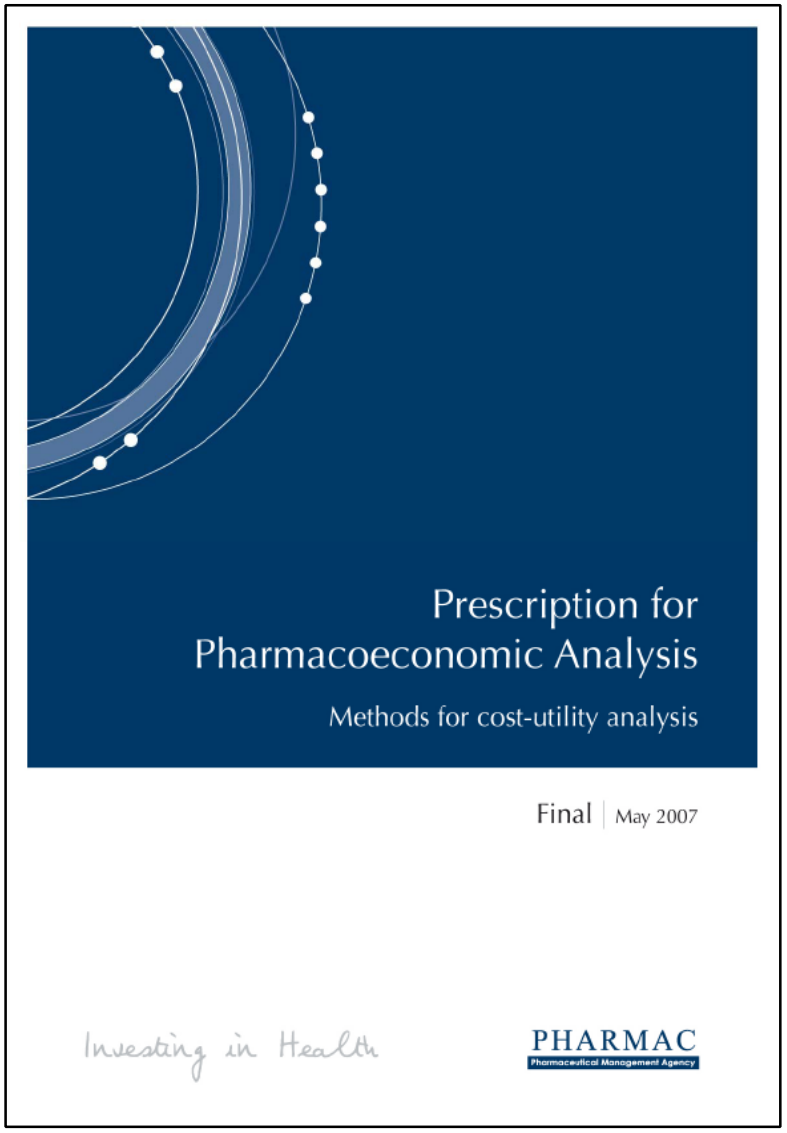


PHARMAC: The HTA process

Step 1: Receipt of Proposals Step 2: Medical Advice – PTAC	Consider evidence
Step 3: Economic Assessment Step 4: Prioritisation for funding Step 5: Negotiation	Assess relative value
Step 6: Consultation Step 7: Decision Step 8: Implementation	Outcome



The Methods:
Prescription for
Pharmacoeconomic Analysis



The Methods: Prescription for Pharmacoeconomic Analysis

Type of analysis	Description	FTE Required
Detailed	• A detailed and systematic identification and synthesis of relative clinical effectiveness, prognosis, health-related quality of life, and cost data. Evidence critically appraised. • Costs and savings to other government organisations considered in the report in a qualitative manner. • Probabilistic sensitivity analysis • Appraised internally (clinical assumptions reviewed by the Pharmacology and Therapeutic Committee (PTAC)) and externally.	2-6 months
Indicative	• An interim assessment using some opportunistic data, but more detailed than a preliminary analysis. Evidence critically appraised. • Reviewed internally (PHARMAC staff) and by PTAC.	4-6 weeks
Preliminary	• A rapid assessment largely using opportunistic data. Evidence critically appraised. • Statistically non-significant events and costs only included if they are likely to change the results of analyses. • Reviewed internally (PHARAMC staff).	1-2 weeks
Rapid	• A very rapid assessment using opportunistic data	1-2 days

PHARMAC's Factors for Consideration

The original nine (pre 2017):

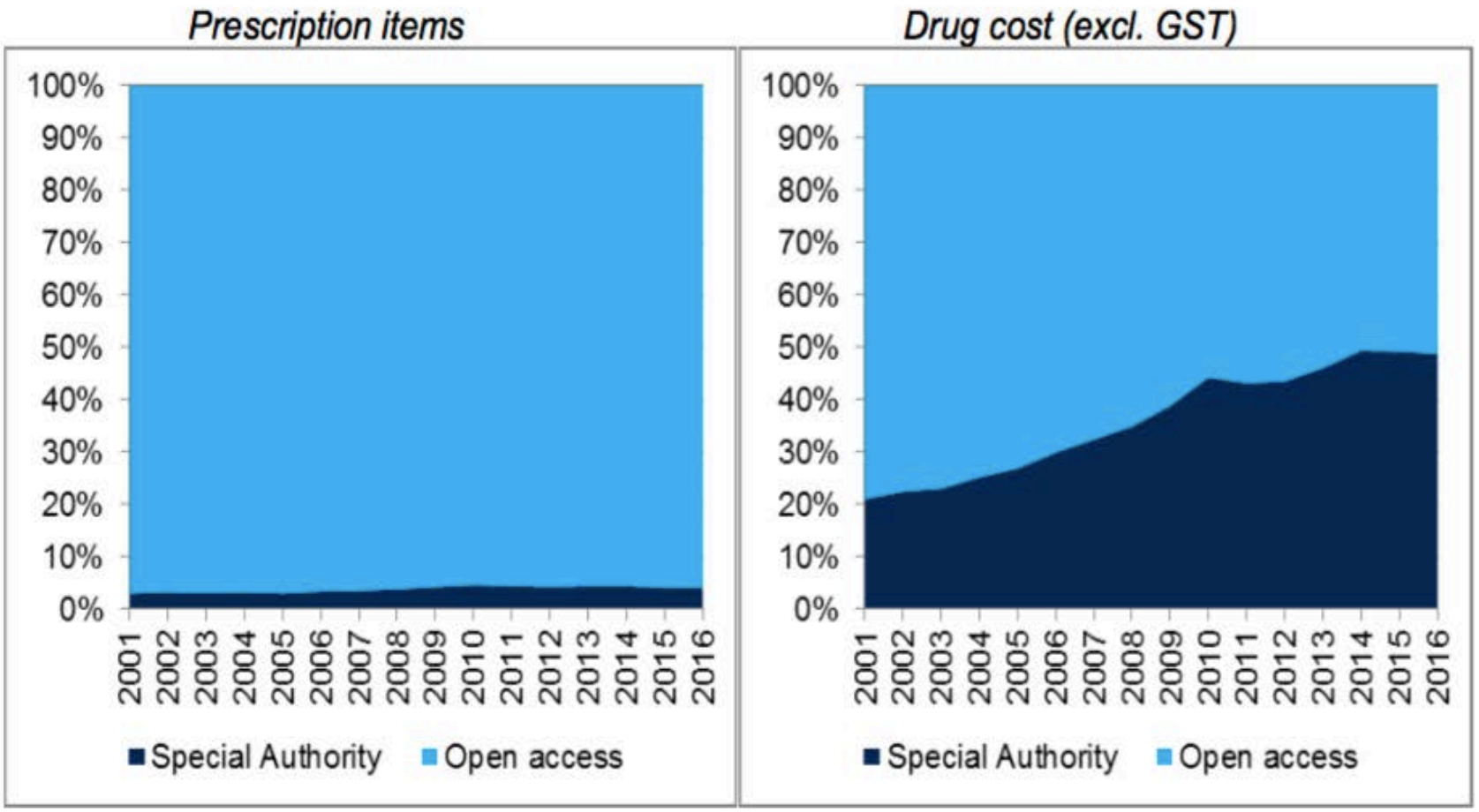
1. Health needs of eligible people
2. Health needs of Maori and Pacific peoples
3. Availability and suitability of existing treatment
4. Clinical benefits and risks
5. Cost-effectiveness
6. Overall budgetary impact
7. Direct cost to health service users
8. Government priorities for health funding/Government objectives
9. Other criteria (with appropriate consultation)

Hypothetical priority list

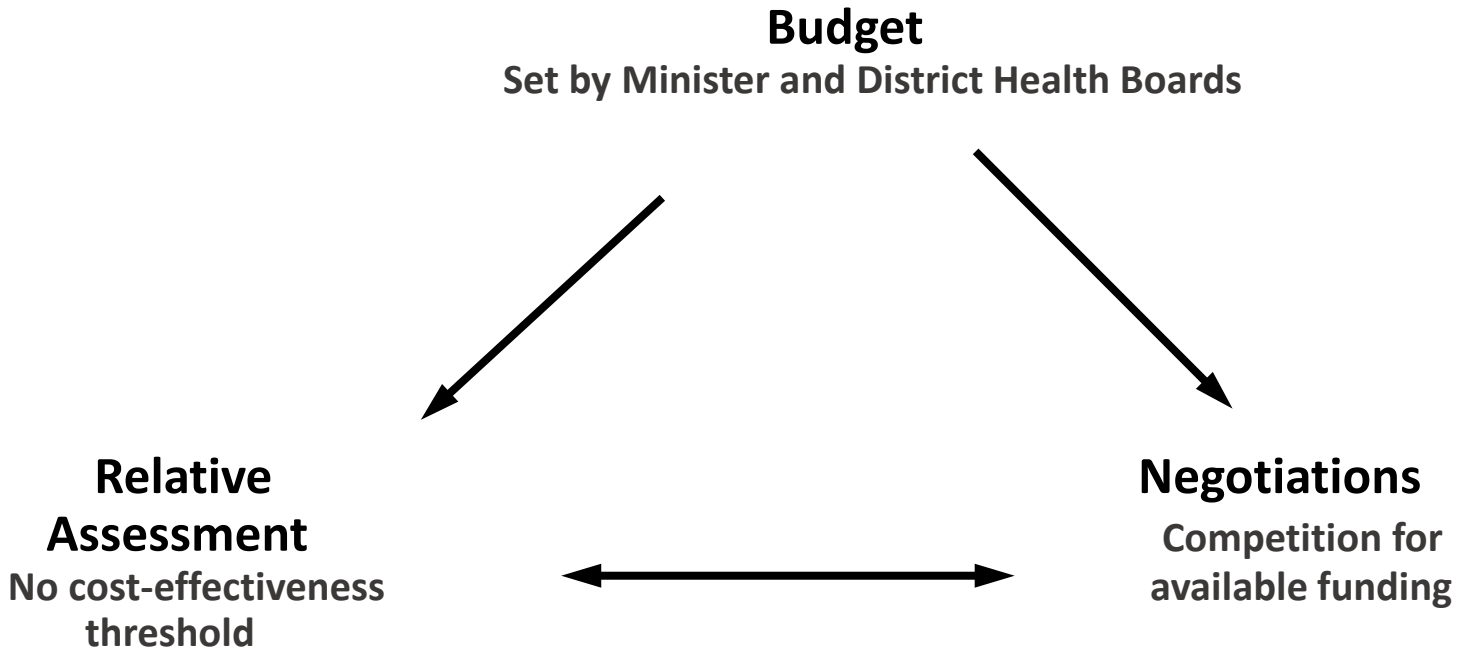
Proposals are not necessarily funded in the order they are prioritised.

Priority	Proposal	Indication	PTAC priority	CUA rank	QALYs per $1m, likely (possible)	Proposal expenditure (first year)	Cumulative expenditure
1	Fantasticol	Lupus	High	1	40-80 (20-100)	$80,000	**$0.1m**
2	Colomab	Colorectal cancer	Medium	2	25-50 (15-50)	$5,000,000	**$3.8m**
3	Rheumatol	Rheumatic fever	High	6	5-10 (3-10)	$800,000	**$4.4m**
4	Typhoid vaccine	Typhoid prevention	High	5	5-12 (2-20)	$330,000	**$4.7m**
5	Metoogrel	ACS	Medium	3	7-13 (4-16)	$220,000	**$5.6m**
6	Tagagliptin	Diabetes	Low	7	4-8 (0-10)	$500,000	**$6.1m**

Linking implementation strategies: Special Authority



PHARMAC's Unique situation



Allows Programme Budgeting and Marginal Analysis

Siyabonga - Enkosi - Thanks

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