PROPOSED SOLUTIONS TO ACHIEVING HEALTHCARE SUSTAINABILITY IN LATIN AMERICA

Guarin D.F., Matus A., Toro W., Trujillo de Hart J.C., Boers Trilles V., McGahan S., Graham N., Martin De Bustamante M.

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Hurdles to healthcare sustainability and mutually beneficial solutions were identified through a pragmatic literature review.

OBJECTIVES
Identify key hurdles to healthcare sustainability in LA and propose a set of solutions that mutually benefit LA MoHs and the pharmaceutical industry.

METHODOLOGY
Pragmatic literature review of 43 articles published by regional and international organizations (e.g., OECD, WHO / PAHO, United Nations, IFPMA, PhRMA).

LA: Latin America; MoH: Ministry of Health; OECD: Organization for Economic Co-operation and Development; WHO: World Health Organization; PAHO: Pan-American Health Organization; IFPMA: International Federation of Pharmaceutical Manufacturers & Associations; PhRMA: Pharmaceutical Research and Manufacturers of America | Sources: Scan the QR code

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Despite efforts to attain financial sustainability, the four largest markets in the region based on 2018 GDP remain behind the WHO public health expenditure as % GDP target.

**PUBLIC HEALTHCARE EXPENDITURE IN 4 LA MARKETS (2015)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Public Healthcare Expenditure (% of GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARG</td>
<td>-1.12% 4.88%</td>
</tr>
<tr>
<td>BRA</td>
<td>-2.19% 3.81%</td>
</tr>
<tr>
<td>COL</td>
<td>-1.87% 4.13%</td>
</tr>
<tr>
<td>MEX</td>
<td>-2.94% 3.06%</td>
</tr>
</tbody>
</table>

WHO: World Health Organization; GDP: Gross Domestic Product; LA: Latin America | Sources: Scan the QR code

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LA MoHs face common issues that have challenged attainment of healthcare sustainability. (1 of 2)

DEMAND HURDLES

UNIVERSAL HEALTHCARE COVERAGE
Attainment of **UHC** comes with the hurdle of having to **provide care** to a **higher number of patients**

EVALVING DEMOGRAPHICS
Population aging has resulted in a growing number of **elderly dependents** at higher risk of diseas and complications

EPIDEMIOLOGICAL TRANSITION
Non-communicable diseases are expected to become the **primary cause** of morbidity and mortality

RISING COST OF R&D
Today, the cost of developing a medicine can exceed USD 2.6 B compared to USD 179 M in the 1970s

ECONOMIC TURMOIL & INFLATION
In some LA countries, cost of healthcare is rising at a faster rate than inflation leading to unaffordable prices

LA: Latin America; MoHs: Ministries of Health; UHC: Universal Health Coverage; R&D: Research & Development; B: Billion; M: Million | Sources: Scan the QR code
LA MoHs face common issues that have challenged attainment of healthcare sustainability. (2 of 2)

**STAGNATING BUDGETS**
YOY Healthcare budgets have remained stagnant or even decreased when adjusting for inflation.

**EXPENDITURE AS % OF GDP**
Healthcare expenditure as % of GDP remains below international sustainability benchmarks and will need to grow at least by 2%.

**FRAGMENTATION**
LA healthcare systems are highly fragmented, leading to inefficiencies, inequalities, and worse clinical outcomes.

**WASTEFUL USE OF RESOURCES**
Between 10 - 30% of healthcare expenditure could be channeled towards better use.

**WEAK PREVENTION PROGRAMS**
Healthcare model is based on treatment rather than prevention, with disproportionate hospital-centrism and not enough focus on primary care.

LA: Latin America; GDP: Gross Domestic Product; MoH: Ministry of Health; YOY: Year-Over-Year | Sources: Scan the QR code
With the objective of balancing increasing demand for innovation with reduced budgets, MoHs and policy makers in LA have explored different cost-containment tools.

### CURRENT COST-CONTAINMENT TOOLS

<table>
<thead>
<tr>
<th>ACCESS CONTROLS</th>
<th>COST CONTROLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Implementation of pre-authorization committees for prescriptions of high-cost therapies</td>
<td>➢ Use of reference pricing as a tool to cap the cost of innovative therapies</td>
</tr>
<tr>
<td>➢ Delivery of high-cost therapies restricted to tertiary centers in urban areas</td>
<td>➢ Implementation of competitive procurement mechanisms (e.g., tenders and joint purchases) to drive down costs</td>
</tr>
<tr>
<td>➢ Use of primary care physicians as goalkeepers to access specialists</td>
<td>➢ Use of HTA frameworks that have over-emphasized cost-effectiveness and ICER</td>
</tr>
</tbody>
</table>

Existing cost-containment mechanisms are **not sustainable** because they have **focused on reducing the cost of pharmaceuticals**, leaving other **avoidable healthcare costs unaddressed**.
Mutually beneficial mechanisms to attain healthcare sustainability could be explored to address the identified hurdles and provide access to innovative therapies. (1 of 2)

**SHORT-TERM SOLUTIONS**

**MANAGED ENTRY AGREEMENTS**
Tools that can be implemented to improve access to therapies by sharing the cost of uncertainty between healthcare authorities and the pharmaceutical industry

**VALUE ADDED SERVICES**
The pharmaceutical industry should move ‘beyond the pill’ and collaborate with LA MoHs to design and offer programs aimed at improving healthcare sustainability (e.g., training, administrative support, etc.)

**MULTI-STAKEHOLDER COALITIONS**
Multi-stakeholder coalitions can serve as a platform to discuss healthcare challenges and co-create healthcare solutions to achieve defined common goals

**MULTI-CRITERIA DECISION ANALYSIS**
Decision-making tool that better reflects local complexities by taking into consideration different institutional contexts while fostering a comprehensive, consistent, transparent and flexible approach
Mutually beneficial mechanisms to attain healthcare sustainability could be explored to address the identified hurdles and provide access to innovative therapies. (2 of 2)

**EVIDENCE GENERATION**
Local evidence generation can provide confirmation of therapies’ long-term effectiveness and serve to create local centralized registries to track outcomes-data and generate epi-data.

**INTEGRATED HEALTHCARE MODEL**
Investment in integrated healthcare systems that focus on prevention and early diagnosis is key to move towards sustainability in the LA region.
Current cost-containment tools are not sustainable in the long-run, highlighting the need to explore mutually beneficial solutions to attain healthcare sustainability.

Countries in the LA region lack the adequate clinical and technological resources and infrastructure to address the increased demand for healthcare services.

Access and cost controls fall short in recognizing the full value of therapies and could be a deterrent for innovation in the region which could lead to negative economic, humanistic and clinical outcomes.

Mutually beneficial solutions that allow for productive movement towards sustainable value-based healthcare systems should be explored.
Please contact us if you have any questions.

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