



FIFARMA

# PROPOSED SOLUTIONS TO ACHIEVING HEALTHCARE SUSTAINABILITY IN LATIN AMERICA

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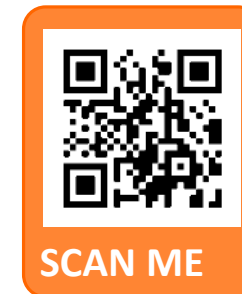
# Hurdles to healthcare sustainability and mutually beneficial solutions were identified through a pragmatic literature review.

## 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)



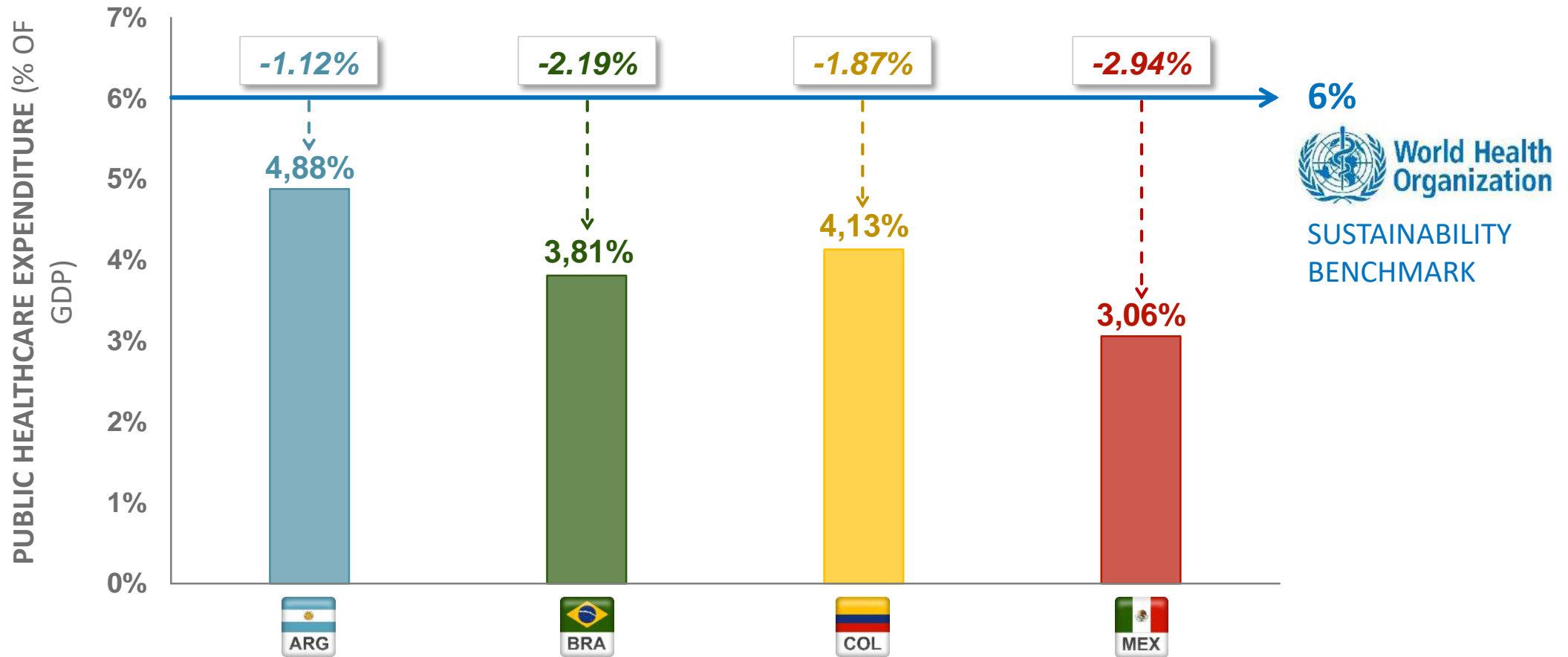
LA: Latin America; MoH: Ministry of Health; OECD: Organization for Economic Co-operation and Development; WHO: World Health Organization; PAHO: Pan-American Health Organization; IFPMA: International Federation of Pharmaceutical Manufacturers & Associations; PhRMA: Pharmaceutical Research and Manufacturers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



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**



### EVOLVING DEMOGRAPHICS

**Population aging** has resulted in a growing number of **elderly dependents** at **higher risk of disease 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 MoHs face common issues that have challenged attainment of healthcare sustainability. (2 of 2)

## SUPPLY HURDLES



### 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**



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

### ACCESS CONTROLS



### COST CONTROLS

- Implementation of **pre-authorization committees** for prescriptions of high-cost therapies
- Delivery of high-cost therapies restricted to **tertiary centers in urban areas**
- Use of **primary care physicians as goalkeepers** to access specialists

- Use of **reference pricing** as a tool to cap the cost of innovative therapies
- Implementation of **competitive procurement** mechanisms (e.g., tenders and joint purchases) to drive down costs
- Use of **HTA frameworks** that have over-emphasized cost-effectiveness and ICER

*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



#### 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**



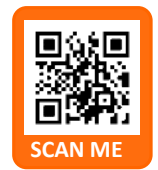
#### VALUE ADDED SERVICES

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-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)



### LONG-TERM SOLUTIONS



#### 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.



DEMAND FOR HEALTHCARE SERVICES HAS OUTPACED SUPPLY

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



ACCESS & COST CONTROLS ARE NOT SUSTAINABLE LONG-TERM

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**



**WIN-WIN SOLUTIONS ARE NEEDED TO ATTAIN SUSTAINABILITY**

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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