

# Value in Drug Expenditure

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Disclaimer:

The opinions expressed here are my own and not necessarily representative of HSE/NCPE policies.

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## HSE service plan warns of necessity to make savings of €346m

'Growing cost of delivering core services' in 2018 presents HSE with financial challenges

© Wed, Dec 20, 2017, 01:00

# 2019

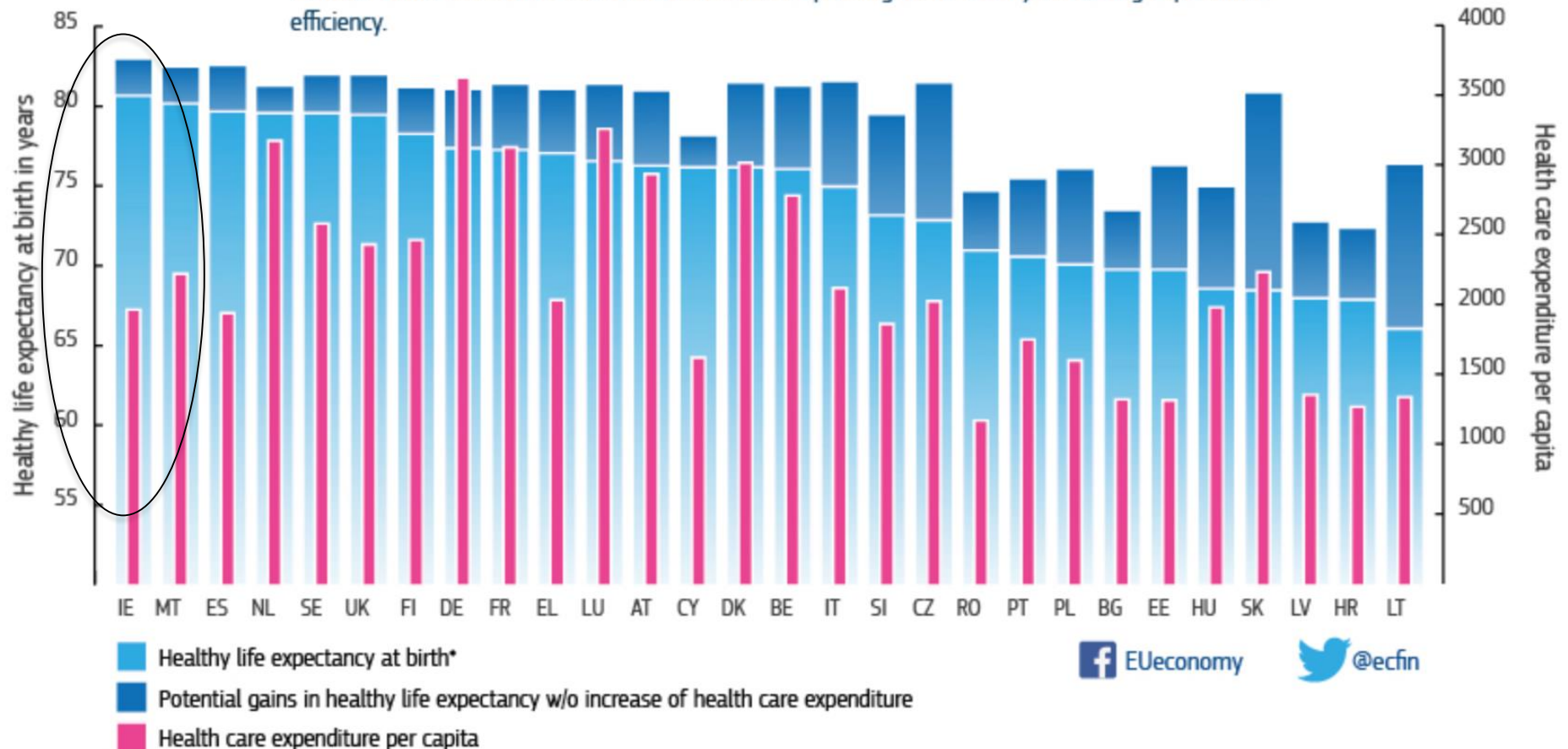
- €16.4bn allocated to health for 2019
- Increase from 2018 of 5%
- Focus on maximising efficiency

# Efficiency Across European Health States

[http://ec.europa.eu/economy\\_finance/publications/economic\\_paper/2015/pdf/ecp549\\_en.pdf](http://ec.europa.eu/economy_finance/publications/economic_paper/2015/pdf/ecp549_en.pdf)

## A closer look at relative efficiency in EU healthcare systems

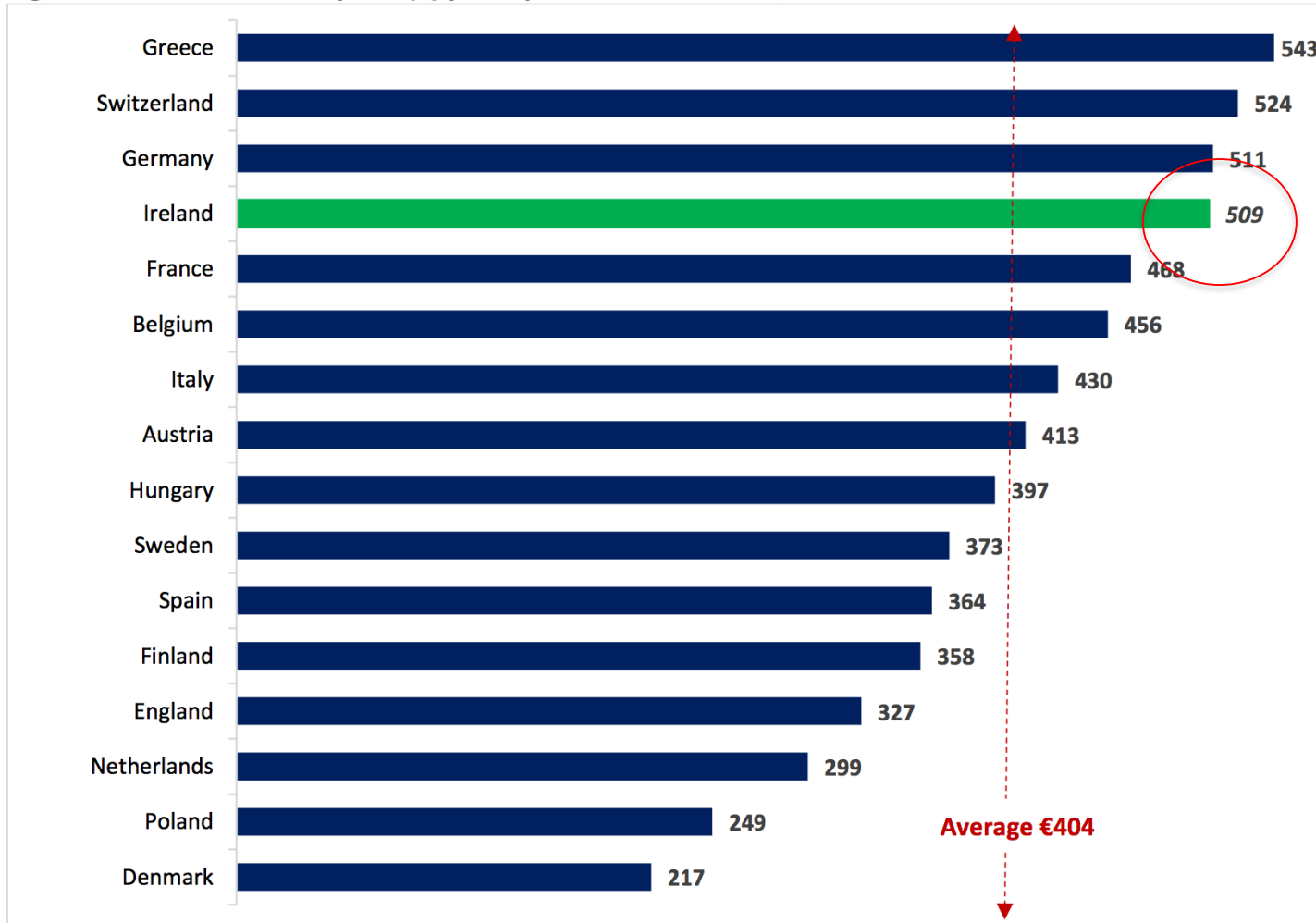
Member States achieve very different levels of health outcomes for the same money spent. All Member States could have better results without spending more and by increasing expenditure efficiency.



\* According to Heijink R. et al, adjusted for the impact of lifestyle differences, such as smoking and alcohol consumption (2015)

# Per Capita Spend

Figure 5: Pharmaceutical Spend (€) per capita across countries, 2014



Source: OECD Database

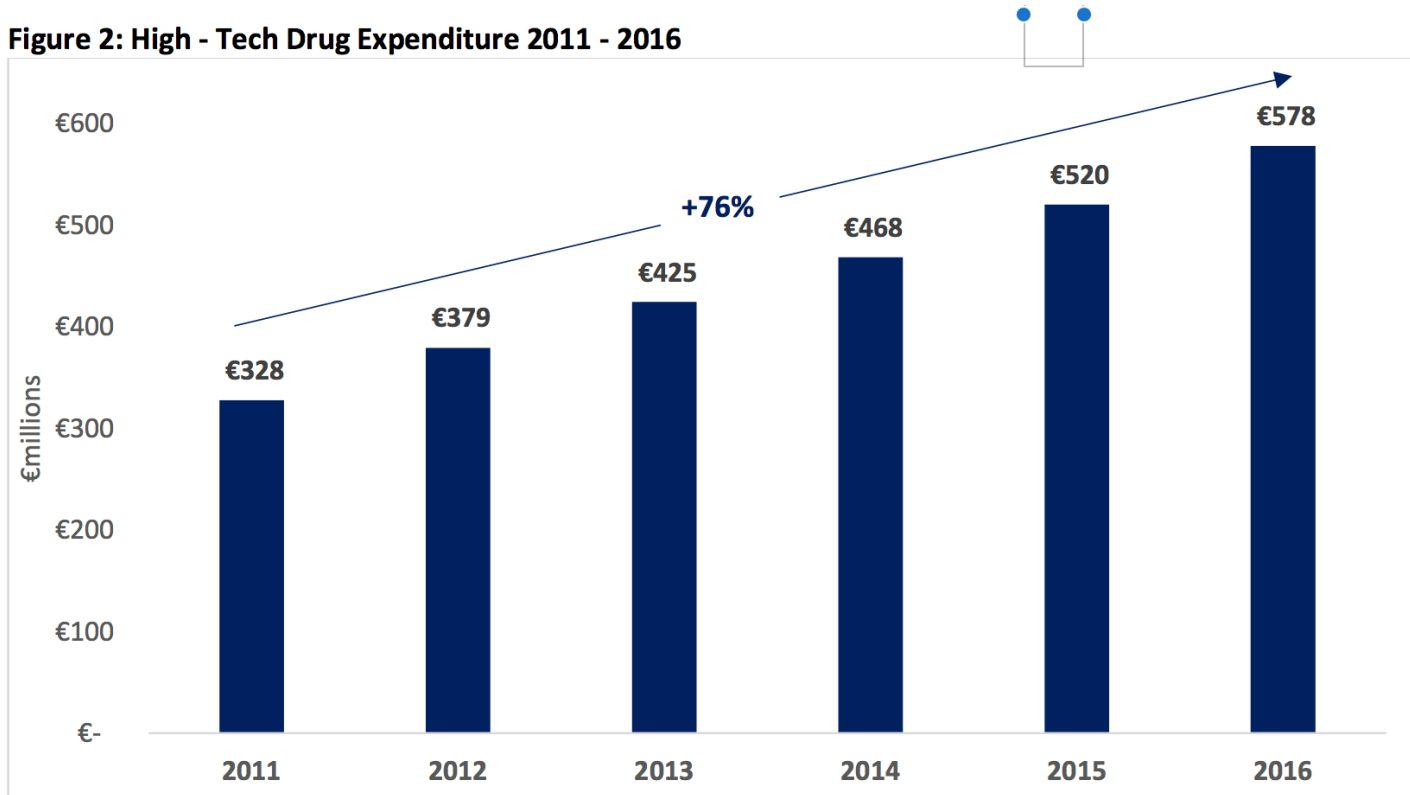
# Pharmaceutical expenditure 2016



Source: PCRS Statistical Reports and HSE Hospital Data

# Hi-Tech Drugs Scheme

Figure 2: High - Tech Drug Expenditure 2011 - 2016



Source: PCRS Data. \*Spend relates to ingredient cost of High-tech drugs and excludes patient care fees paid to pharmacies.



# Some background....

- National Drugs Budget ~€1.9billion
  - ~20% dispensed from hospitals
    - Highest cost areas in hospitals:
      - Anti-neoplastic Agents (cancer)
      - Immunotherapy for inflammatory conditions
      - Anti-infectives for systemic use
        - » HIV
        - » Hepatitis C

# Innovation?

## **New Cancer treatment**

Phase 2 small trials

Single Arm

+2.4mths in overall survival

++++Uncertainty

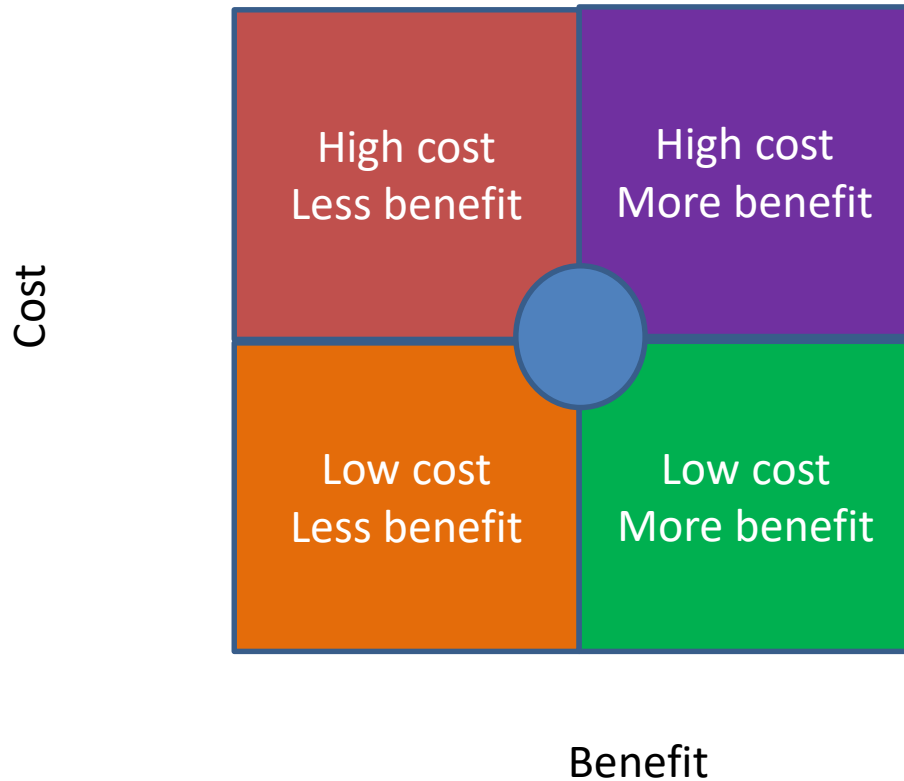
+++++Cost

+++++Hope

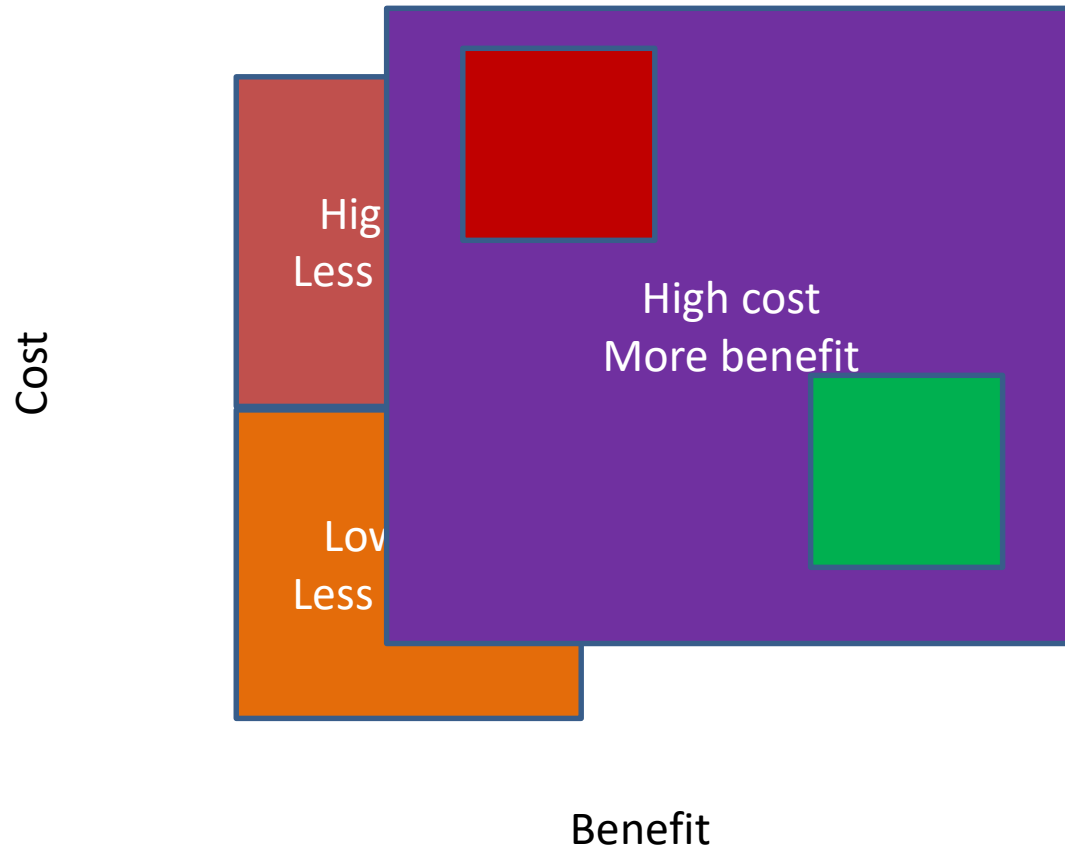
## **Existing biologic**

- Phase 3&4 trials
- Double blind large RCTs comparing biologic with active comparator
- 50% improvement in inflammatory episodes
- Cheaper
- ?uncertainty

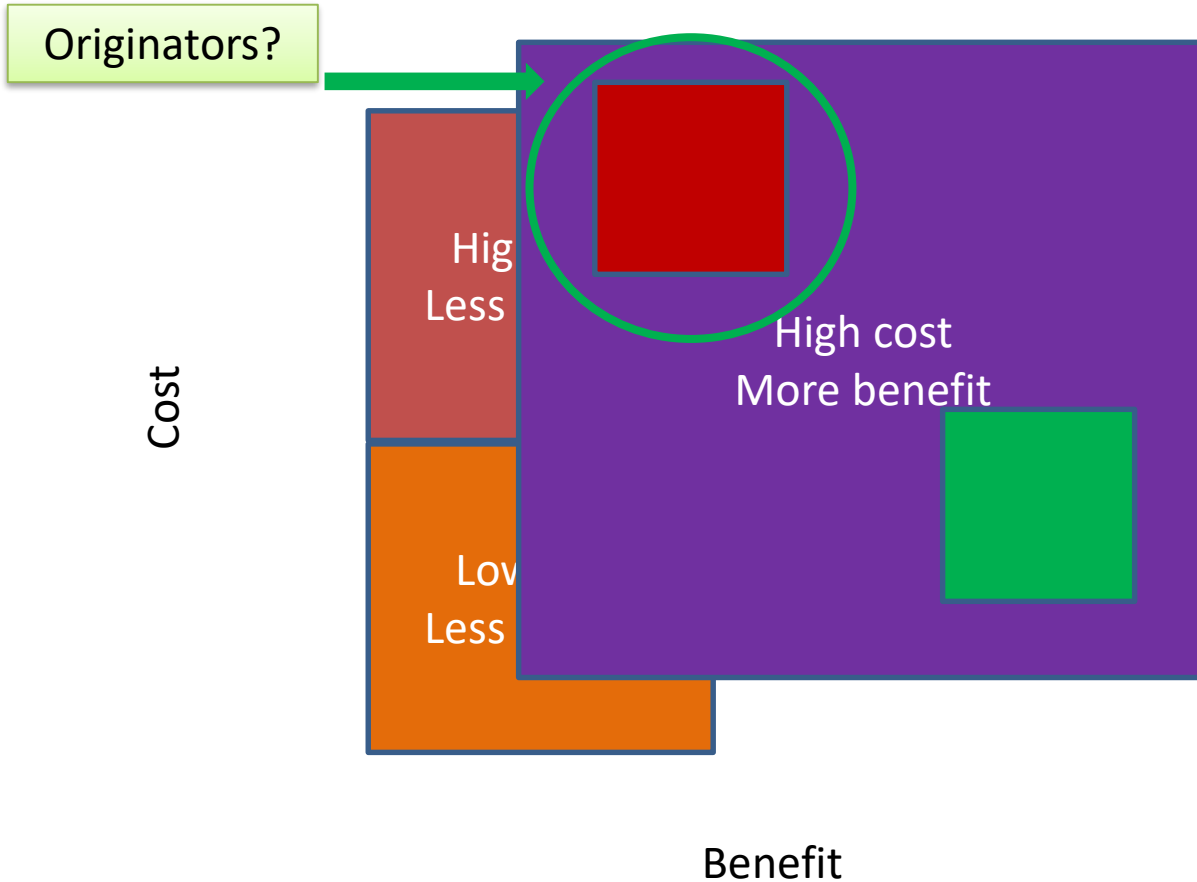
# Cost-Effectiveness



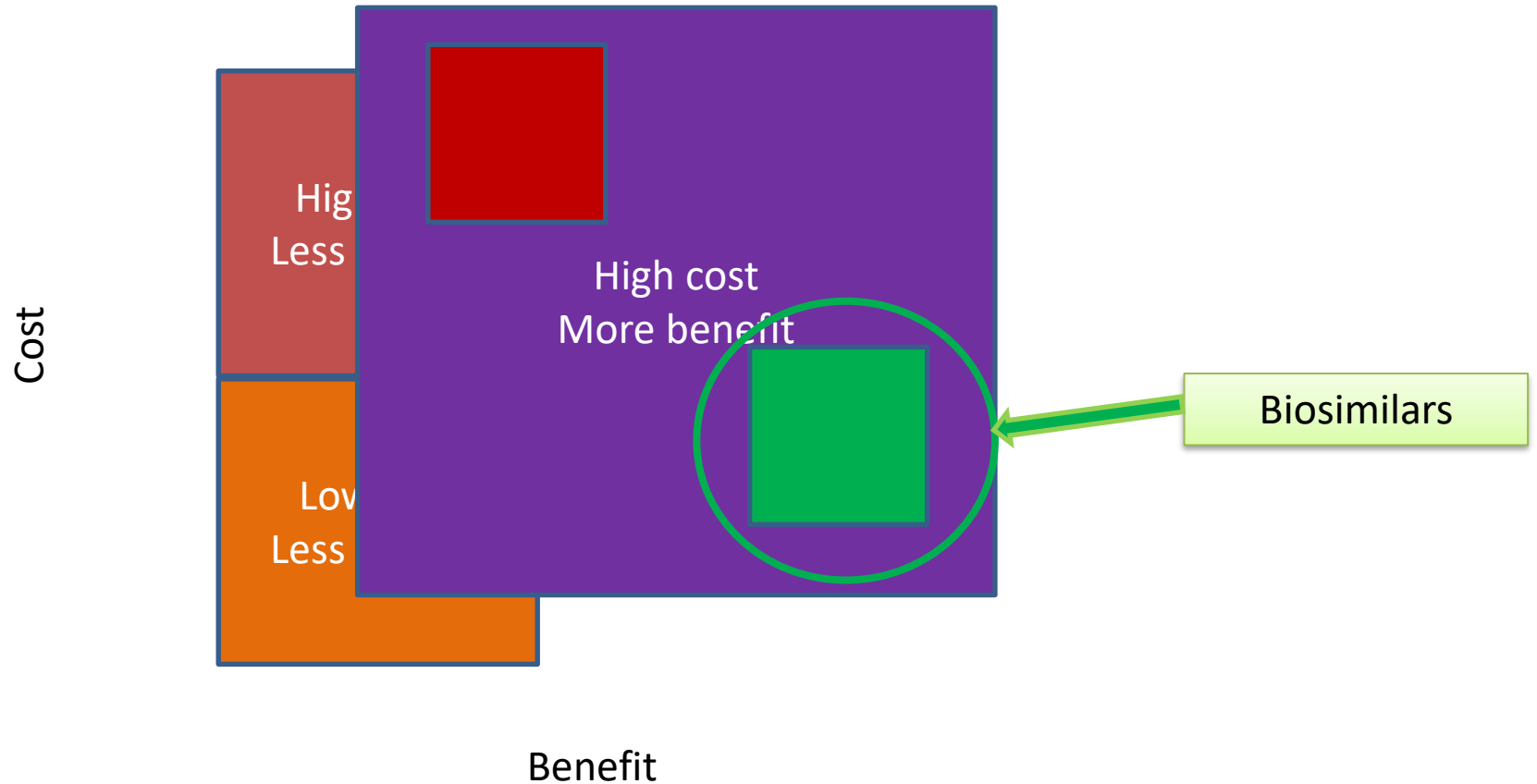
# Cost effectiveness of biosimilars



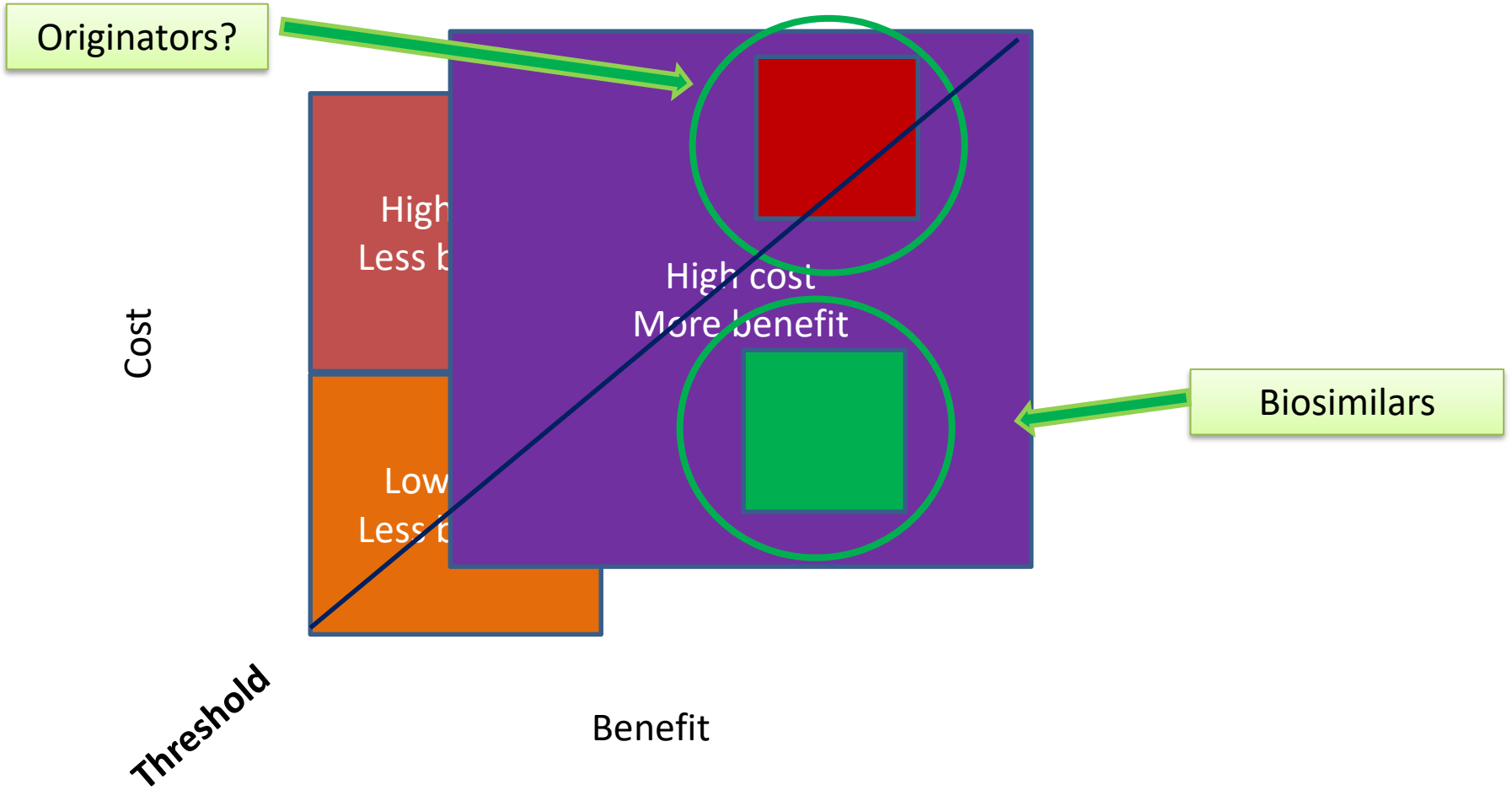
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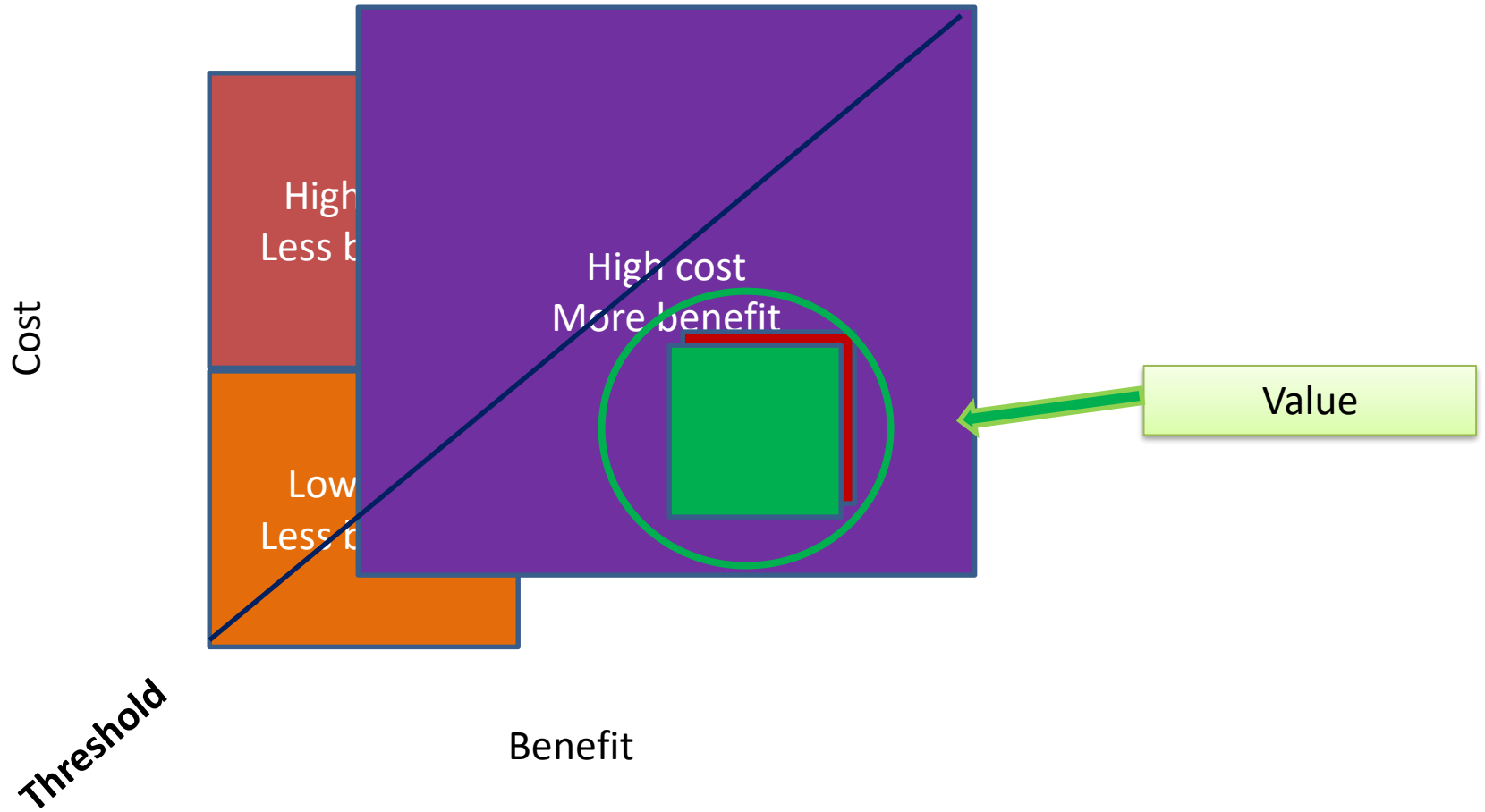
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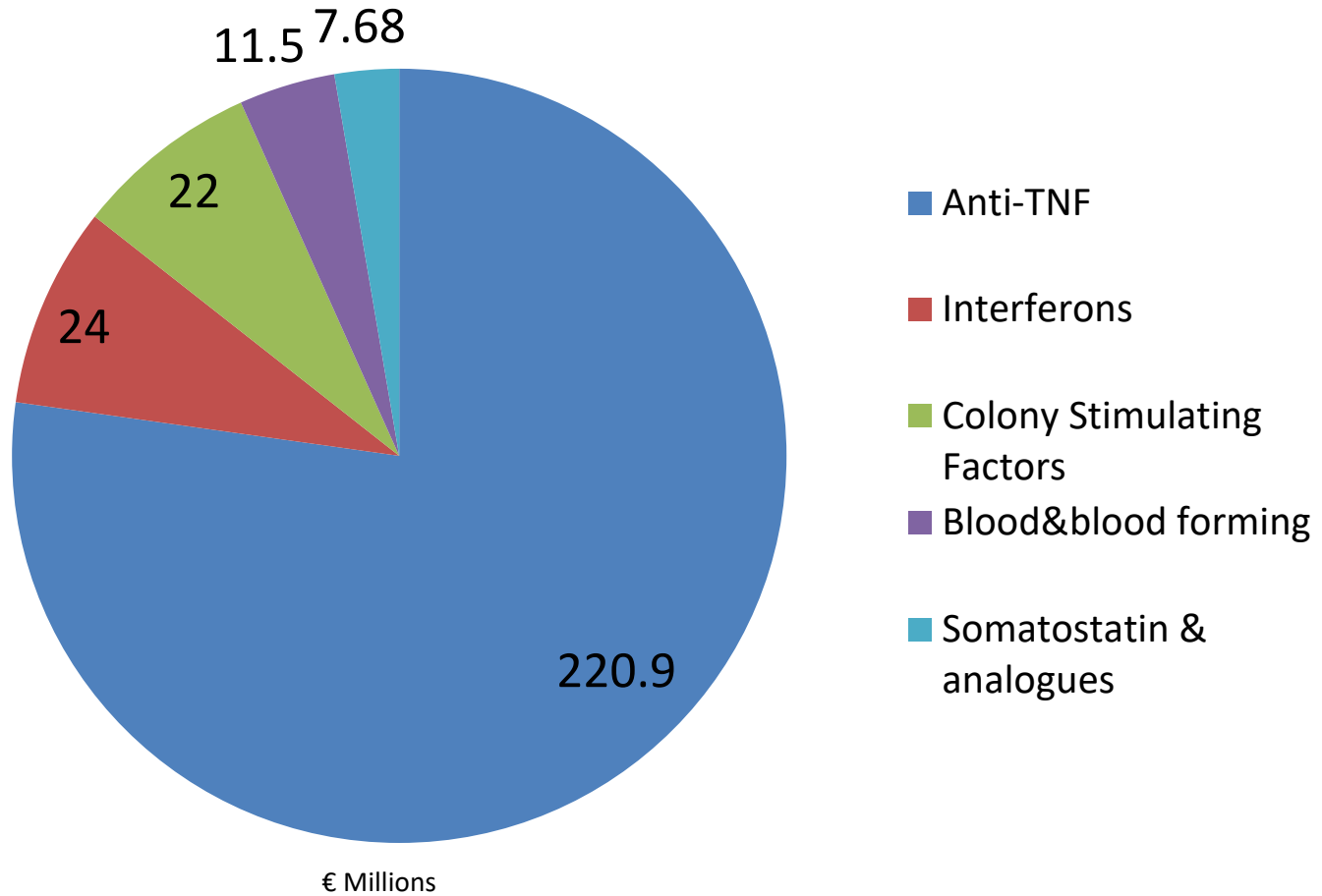




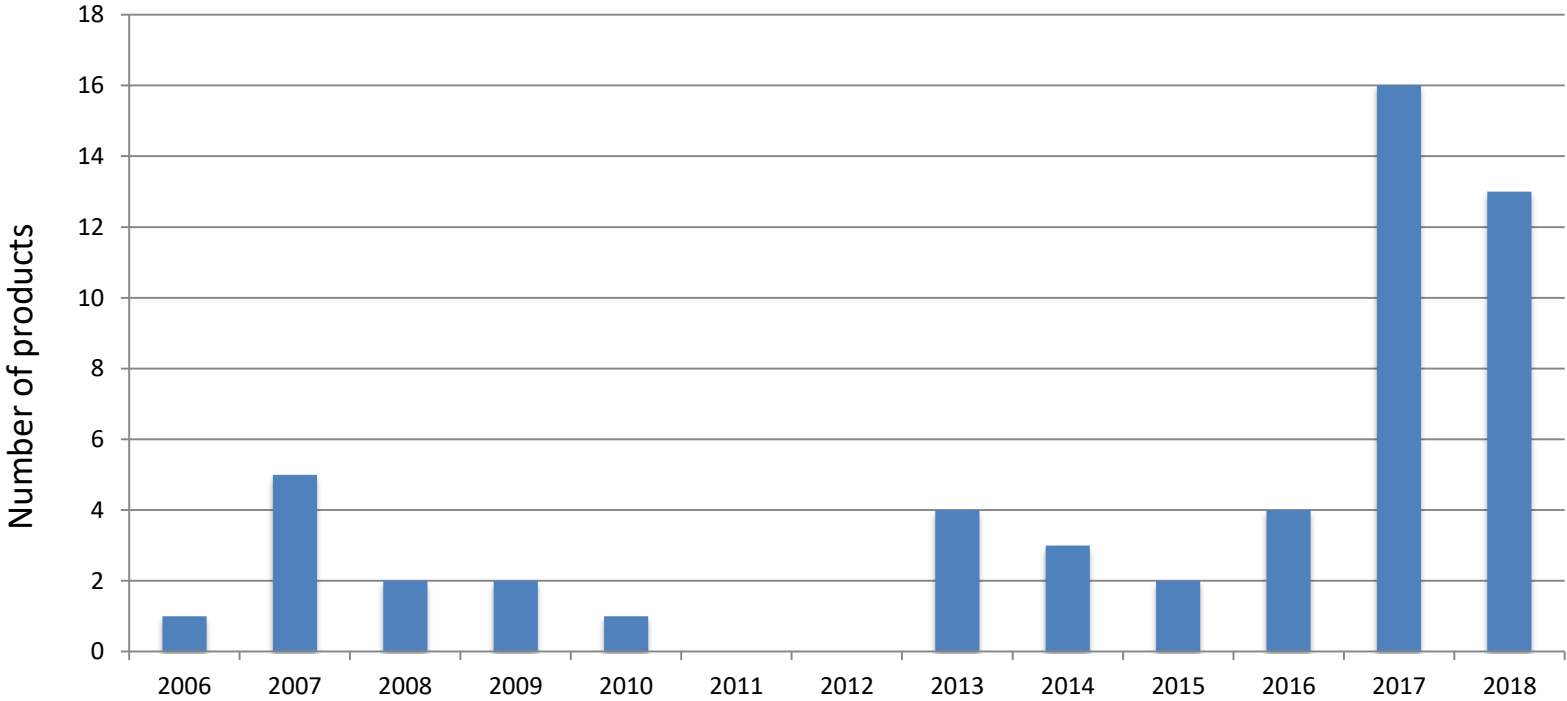
# Off Patent Biologics in hospitals

- Rheumatology
- Gastroenterology
- Dermatology
- Cancer
  - 2014 Infliximab (now have 4 products, 3 biosimilars)
  - 2017 Rituximab (2 products, 1 biosimilar)
  - 2018 Trastuzumab (2018) first biosimilar
  - ?2019 Bevacizumab more rituximab, trastuzumab

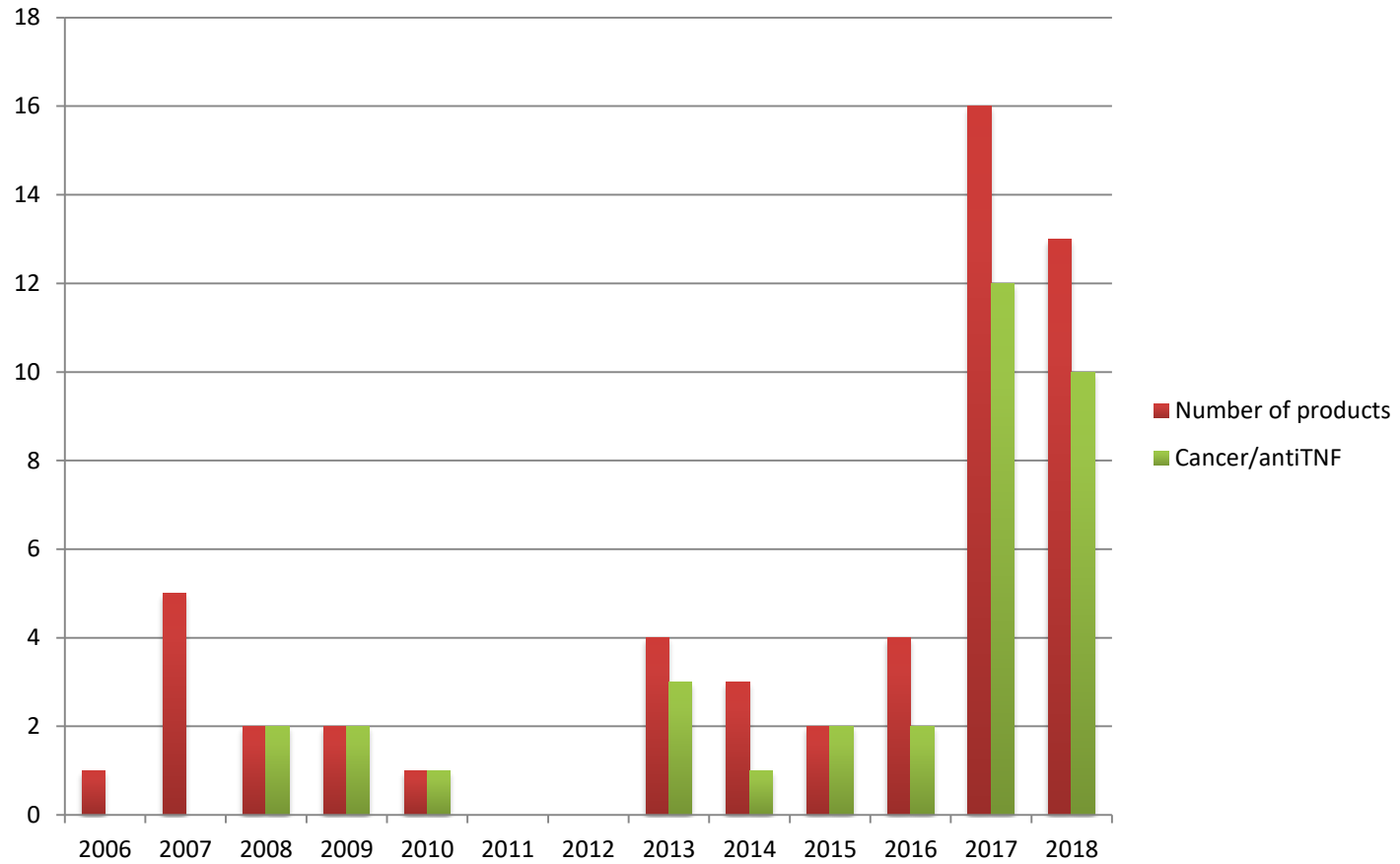
# Off Patent biological space in HTDS



# Number of EMA approvals 2006-2018



# Proportion of Immunosuppressants (Cancer/anti-TNF)





EUROPEAN MEDICINES AGENCY  
SCIENCE MEDICINES HEALTH



**An Roinn Sláinte**  
DEPARTMENT OF HEALTH



**Preferred Drugs**  
THE RIGHT CHOICE, RIGHT NOW.

MEDICINES MANAGEMENT PROGRAMME



Feidhmeannacht na Seirbhíse Sláinte  
Health Service Executive

# National Drugs Management Programme

- Three core programmes:
  - Primary Care
  - Corporate Pharmaceutical Unit
  - Acute Drugs Management Programme
    - Reimbursement - NDMS
    - Directives on Medicines Use in hospitals
      - Biosimilars, generic prescribing, new drugs
    - Support for hospitals to be safe, cost effective and efficient in their use of medicines.

# Current policies influencing biosimilar use

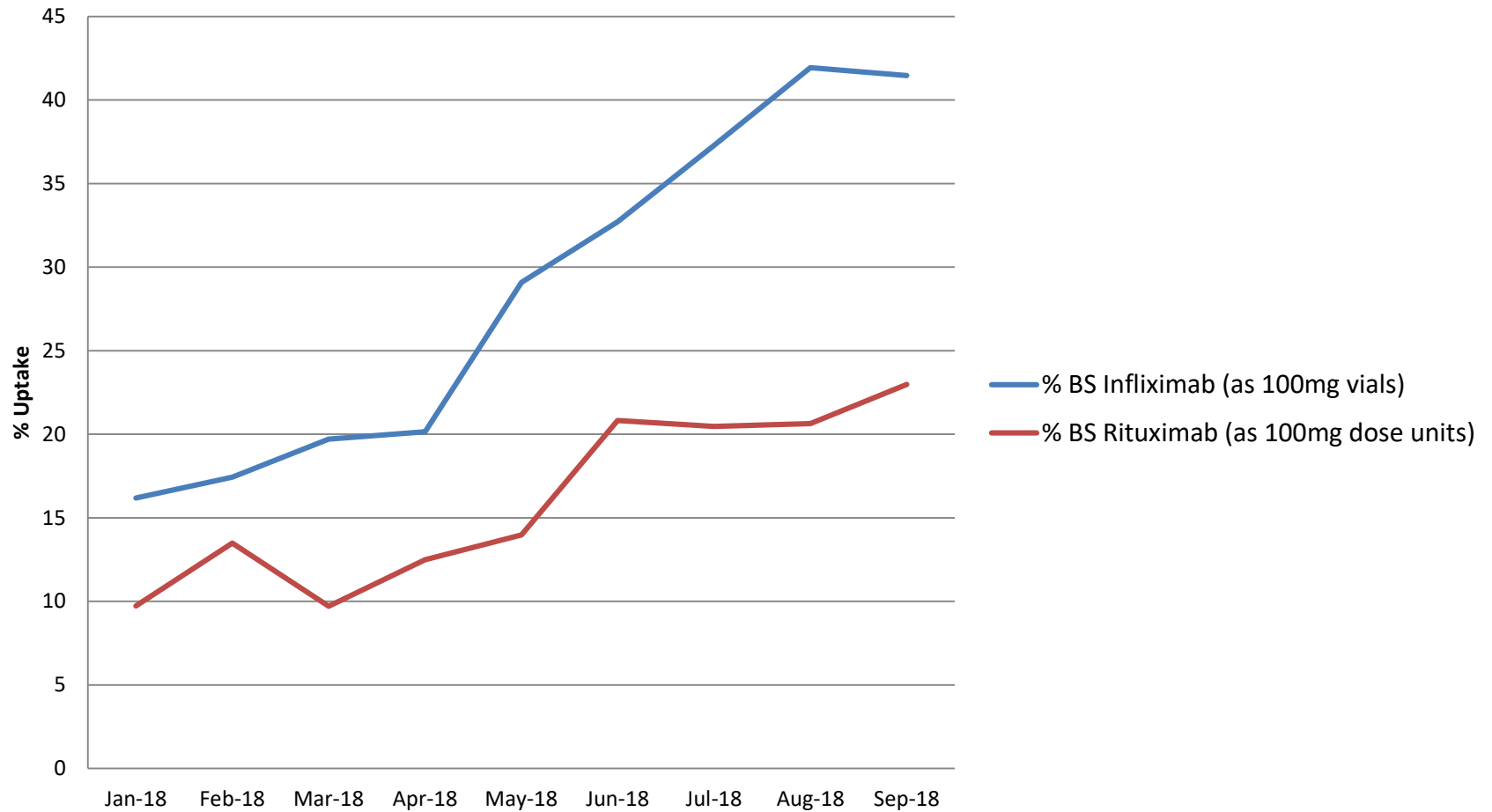
- IPHA Clause 8 – 20% price reduction + 12.5% rebate on the originator product
  - In place since 2016 – minimum uptake of biosimilar etanercept
- NCCP payment for treatment – average pricing
  - Introduced towards end of 2017
- **Locally: Tenders**
  - Hospitals actively tendering since Jan 2018

# In practice

- Active engagement between clinicians, pharmacists and hospital finance on using biosimilars.
- Successful model involves a collaborative local approach between:
  - Clinicians
  - Pharmacists
  - Patients
  - Finance/Procurement



# % Biosimilar Infliximab and Rituximab in Acute Hospitals in Ireland Jan-Sep 2018



# Challenges

- Resources
- HIQA medication safety reviews criticise bench reconstitution – outsourcing of compounding – added cost, not rebatable.
- Subcutaneous administration

# Bigger Challenges 2019?

NICE says CAR T-cell therapy isn't cost-effective  
Drug + Non-drug costs up to €1m/tx

Gene therapy €500m-€1m

Thank you....