Health benefits packages for UHC: wrench in the works or keys to control?

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1. Why health benefits plans (HBP) for UHC
2. Defining HBP
3. How could HBP help with UHC goals and functions
4. HPB policy cycle
   • Tour through a few steps
5. Some common pitfalls
6. Main messages
1. Why HBP for UHC?
Balancing coverage with available financing is the UHC imperative

**Direct costs:**
What proportion of the costs are covered?

**Services:**
Which services are covered?

**Population:**
Everyone is covered?

Current pooled funds

Extend to non-covered

Reduce cost sharing and fees

Include other services
Competing priorities and interests at many levels in ad hoc or inertial process of resource allocation = implicit rationing

Many ‘priorities’...

Asthma management in general practice
A chronic disease health priority

MSF asks India to make affordable hepatitis C medicines as Natco resists expensive US drug patent

…many interests

The new drug war

Hard pills to swallow

Drug firms have new medicines and patients are desperate for them. But the arguments over cost are growing

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2. Defining HBP
Defining health benefits plan

Minimum attributes:
- Total size is constrained by available funds
- Completely or partially constrains products and services available through health system
- Comprises a portfolio of products and interventions
  - Not a single technology, not a vs. b

Not:
- Ad hoc rationing or implicit resource allocation (using budget until $ runs out then user fees or no provision, or constraining supply capacity)

A technical but also political, procedural, institutional, fiscal, ethical and legal undertaking
- Informing all relevant health system functions in order to be effective
Content, scope and depth of benefits: key to connect between control knobs and outcomes (or the wrench in the works)
Many LMIC establish HBP in both health insurance schemes and tax-funded systems

Some LMICs with HBPs include:

- Ghana, Kenya, Malawi, Namibia, Nigeria, Senegal, South Africa, Tanzania, Uganda and Zambia
- Also examples from other regions:
  - Armenia, Estonia, Georgia
  - Argentina, Bolivia, Chile
  - Laos, India, Thailand
  - Egypt, Jordan, Syria
3. How HBP are used to improve UHC outcomes
How can health benefits plans help achieve UHC outcomes and functions?

- Maximizes health, enhances value for money
  - Introduces greater evidence into public spending decisions
  - Incentivizes the development of cost-effective new technologies
  - Informs pricing negotiations
- Informs provider commissioning or payment
- Informs budget expansions or as input to sizing of fiscal transfers
- Cuts costs, reduces waste and harm
- Provides the means to regulate private health insurance
- Enhances equity and reduces care variations
- Improves accountability between payers, providers and patients
4. HBP policy cycle
Ten core elements of setting a health benefits plan

1. Set goals & criteria
2. Operationalize general criteria & define methods for appraisal
3. Choose "shape" of HBP & select areas for further analysis
4. Collate existing & collect new evidence
5. Undertake appraisals & budget impact assessment
6. Deliberate around evidence/appraisals
7. Make recommendations, take decisions
8. Translate decisions into resource allocation & use
9. Manage & implement HBP
10. Review, learn, revise

CONTEXT
- Donors
- Health system
- Markets
- Political institutions
- Regime
- Rights
- Technology
- Wealth
Step 1: defining high-level goals and criteria, a job for politicians and stakeholders

**Economics**
- Must protect people against impoverishment
- Must be affordable now and in future
- Must maximize the number of people with coverage
- Must address market failures that result in incomplete insurance

**Ethics**
- Distribution of public spending fair and transparent
- Duty to protect most vulnerable
- Stewardship of limited resources requires attention to maximizing health benefits
- Methods transparent, participatory, equitable, consistent, sensitive to value, responsive to new information, encouraging to innovation

**Evidence**
- Should only support safe, medically effective
- Should provide best scientific evidence to clinical decision-making
- Should address medical concerns of greatest importance to the “population”
- Should facilitate “right care to right patient in the right setting at the right time”

**Population Health**
- Should facilitate efforts to improve population health
- Primary, secondary and tertiary prevention needs attention
- Access for the vulnerable must be assured
- Disparities should be eliminated

**Politics**
- Must be feasible and sustainable politically over time
Step 2: operationalize criteria and define analytical methods, a job for technocrats and academics with input from stakeholders.

**Criteria** start generic –”health”, “financial protection”, “equity”- but then have to be operationalized:

- Health measured in deaths, morbidity, severity, QALY, DALY?
- Financial protection using insurance theory: choose high-cost, unpredictable condition-treatment pairs? Financial protection using OOP: perverse incentives?
- Can sometimes be reflected in methods (ECEA, age weighting, poverty weighting)
Step 2: define methods

Methods relate to several pieces of HBP decision-making, but can be set generically for each, always with relation to goals:

• Methods to decide where to start or what next (next step: triage)?
  • Elicit stakeholder priorities (health problems, for example) or values/preferences

• Methods to conduct HTA/appraisal, budget impact analysis?
  • Reference cases or methods manuals and guidelines
  • CEA but beyond CEA too, incorporating constraints of all kinds in models (i.e., variability in supply capacity)

• Methods to make recommendations?
  • Decision rules, thresholds, evidence quality
  • Deliberative process, rules of the game
Step 3: choose the “shape of HBP”

- Macro choices that frame scope of HBP, linked to goals and use:
  - By type of service or product
  - By population group
    - How coverage choices interact with HBP (fragmented systems vs universal)
  - Capacity to benefit
  - Appropriateness criteria
    - Example: Avastin in Ontario only prescribed for rectal cancer - up to 12 cycles
  - By level of complexity or facility
  - By disease
  - By level of subsidy (co-payments, deductibles, coverage caps)
- Also: structuring coding of HBP products and interventions, link to budget/payment reform and structure?
  - ICD, DRG, etc.
  - International coding system for public health and prevention?
Step 4: Data and evidence -- whereas efficacy is global, cost-effectiveness and affordability (and preferences/values) are local.

Cost-utility of Trastuzumab expressed as number of GDP per QALY

Bolivia is a middle-income country, but it would cost more than 38 times their annual GDP per capita to purchase a QALY with Trastuzumab.
5. Common pitfalls
Where things can go wrong – common pitfalls

- Failing to account for supply (and other) constraints
- Not considering opportunity costs of new inclusions
- Legislating specific benefits
- Setting up separate high cost drugs packages or funds
- Omitting primary care and prevention, fragmenting care
- Forgetting about ethics, transparency and process
- Allowing indefensible inclusions
- Permitting erosion of value over time, divorce from budget process
- Missing local data on costs
6. Main messages
Main messages

HBP that will have UHC impact are much more than lists or technical analyses
  • Good list is necessary but not sufficient

Effective HBP are a “wrench” that adjust all other control knobs
  • Financing, payment, organization, regulation, behavior

They are widely used, but require continual adjustments and reform to enhance effectiveness and assure sustainability
  • Not a one-off consultancy, requires permanent home and capacity

Guidance and support from international community mainly focused on cost-effectiveness methods, tools and capacity-building
  • Important but need to consider full set of issues
  • Multidisciplinary! Health, economics, ethics, fiscal, governance

Process is as important as outcome for effectiveness and sustainability
  • Needs to be (widely perceived as) fair, ethical, transparent, defensible in court!
  • With a view to manage not ignore legitimate competing interests