Sustainable Healthcare Financing for Better Access and Treatment of Thai Patients

June 16, 2020

Healthcare and Pharmaceutical Working Group

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INTRODUCTION ABOUT EABC

The European Association for Business and Commerce in Thailand, is the unified voice of the European business community in Thailand. Our main mission is to advocate member interests, to support European business in Thailand and to promote Thailand as an attractive partner for trade and investment. EABC has become an influential business community with a long-standing and strong relationship with the Royal Thai government and the European Delegation in Thailand.

EU-ASEAN Business Council Mission on 17th- 19th February 2020

EABC 12 WORKING GROUPS

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Insurance	Intellectual Property Rights	Transportation& Logistic
Energy Efficiency	Rail&Road Infrastructure	SMEs

"EABC is an official voice of European business in Thailand"

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AGENDA

- Why sustainable healthcare financing is important for patients and sustainable health system – aging society, NCDs, high cost care, rare diseases
- Risk-sharing model / Managed Entry Agreement (MEA) in EU
- What have been doing in Thailand – Civil Servant Medical Reimbursement for innovative cancer treatments (OCPA) and National reimbursement (NLEM)
- How can we expand this concept to support all Thai patients – how government can have predictable budget & learning from current experiences
- What support do we need – policy and regulation framework on procurement and reimbursement and system development

Sustainable Healthcare Financing (HCF) for Better Access and Treatment of Thai Patients

- Adequate and sustainable HCF is one of the key enabling factors to ensure economic growth. Government should manage to have appropriate, adequate and sustainable sources of HCF which should be beyond budget for universal health coverage.

- Alternative financing supports should be considered on top of revenue-based funding approach to support patient access and treatment needs with superior health outcomes at the same or reasonable incremental costs.

Health-for-All versus Health-for-Wealth

Efficient resource allocation

Reduce inequality – increase inclusivity for all Thais

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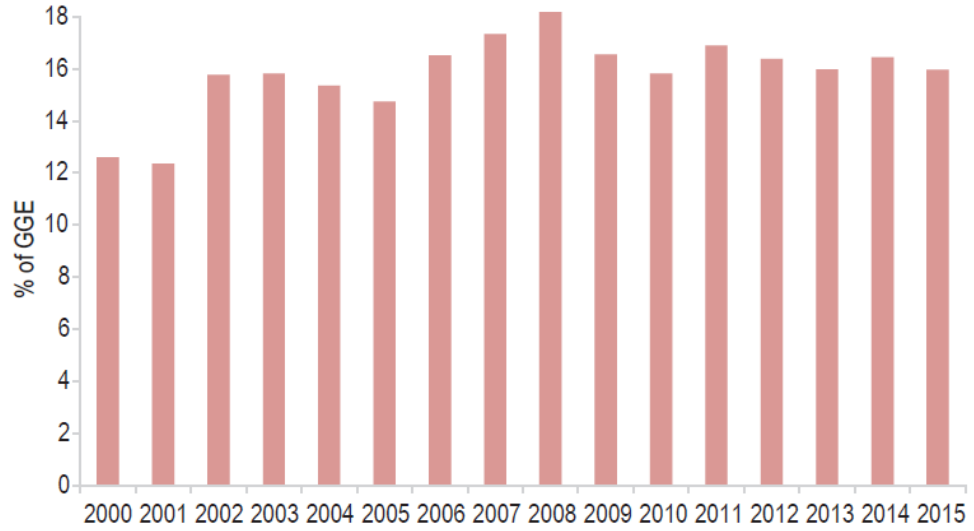
Why sustainable healthcare financing is important for patients and sustainable health system

Government spending on health

Fig. 3: Domestic general government health expenditure (GGHE-D) as a % of general government expenditure (GGE), 2002–2015

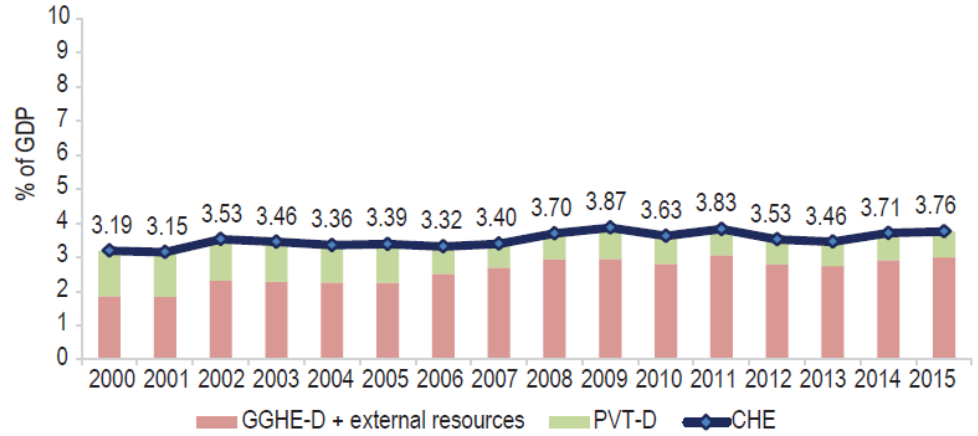


* GGE series 2000-2014 referred to the Thailand government final consumption expenditure (GFCE), reported by WDI, World Bank; for 2015 is estimated by WHO HQ

Since 2000, how has health financing changed?

Overall spending on health

Fig. 1: Current expenditure on health as a % of GDP, 2000–2015

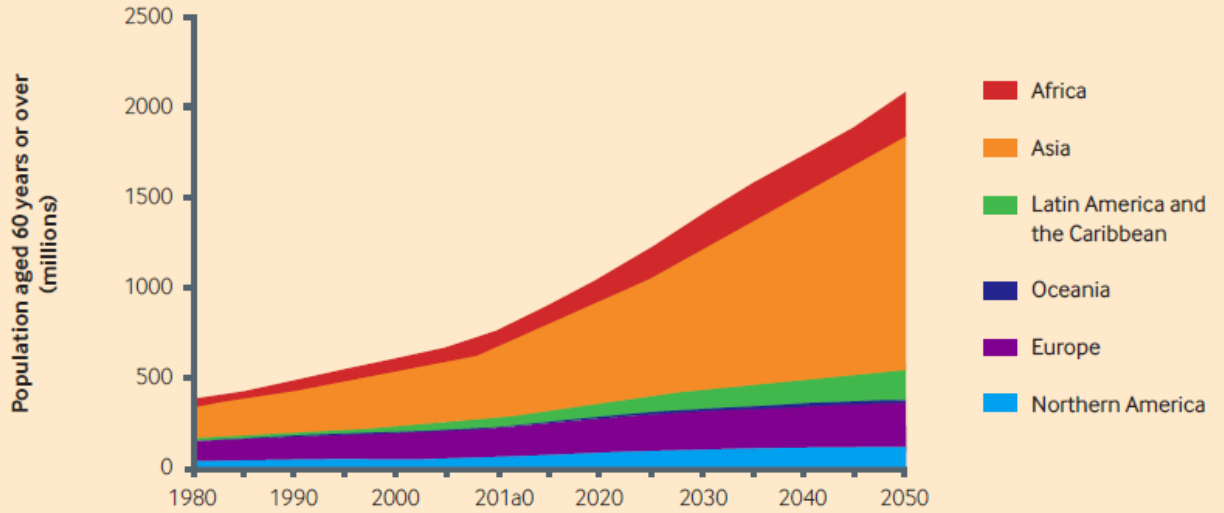


CHE: current expenditure on health; GDP: gross domestic product;
GGHE-D: domestic general government health expenditure;
PVT-D: domestic private health expenditure
*PVT-D refers to spending on health including voluntary health insurance schemes, enterprise financing schemes and household out-of-pocket payment

The number / percentage of elderly people in Thailand increased rapidly with 30% of the population projected to be aged 60 years or over by 2040.

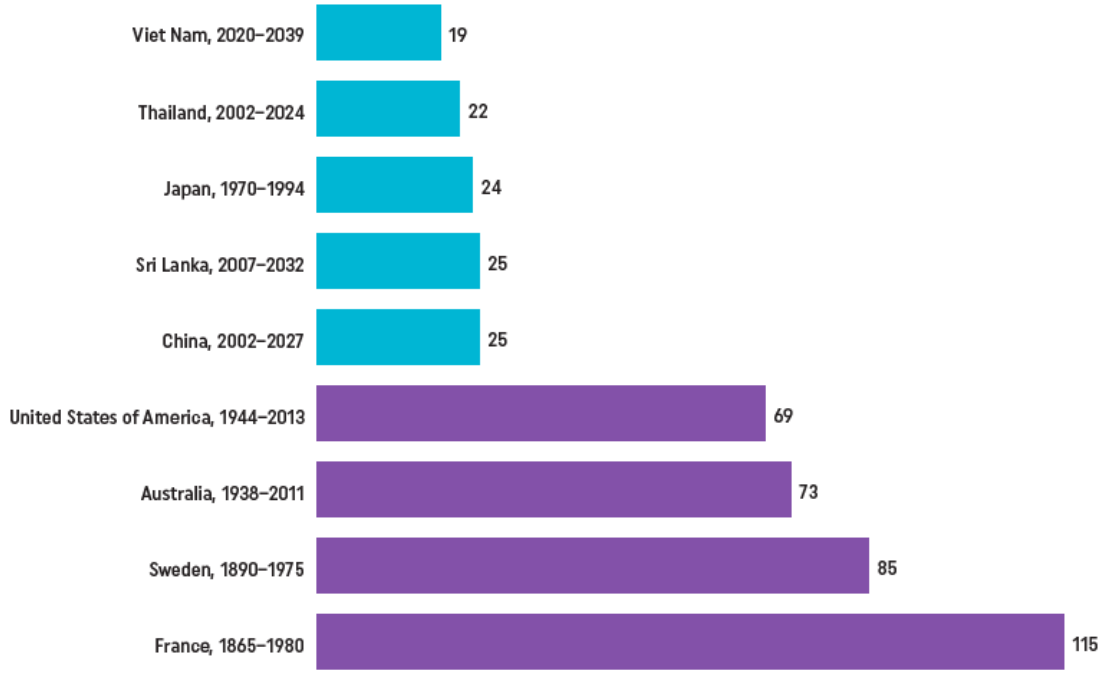
WHO World report on ageing and health highlights that the number of people aged 60 years and over is expected to increase steadily by 2030 and double by 2050. Many countries in the Asia-Pacific region will experience rapidly ageing societies over the next few decades.

Figure 1. Population Aged 60 Years and Over, by Region, Estimated for 1980-2017 and Projected to 2050



Source: UNFPA Perspectives on Population Ageing in the Asia-Pacific Region, 2017

FIGURE 3: TIME TAKEN IN YEARS TO MOVE FROM AGEING TO AGED SOCIETY



Source: UNESCAP Ageing in Asia and the Pacific, 2016

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Country should invest in health systems to improve health outcomes, sustain productivity and enhance economic development

Demographic and epidemiological transitions have resulted in a rise in NCDs. For elderly people, **stroke**, **diabetes**, **ischaemic heart disease** and **COPD** were the leading diseases in 2013. The great majority of deaths from a group of NCDs will occur among the elderly population over the next few decades. **Strengthening the capacity of primary health care and identifying innovations in NCD prevention and management are particular priorities.**

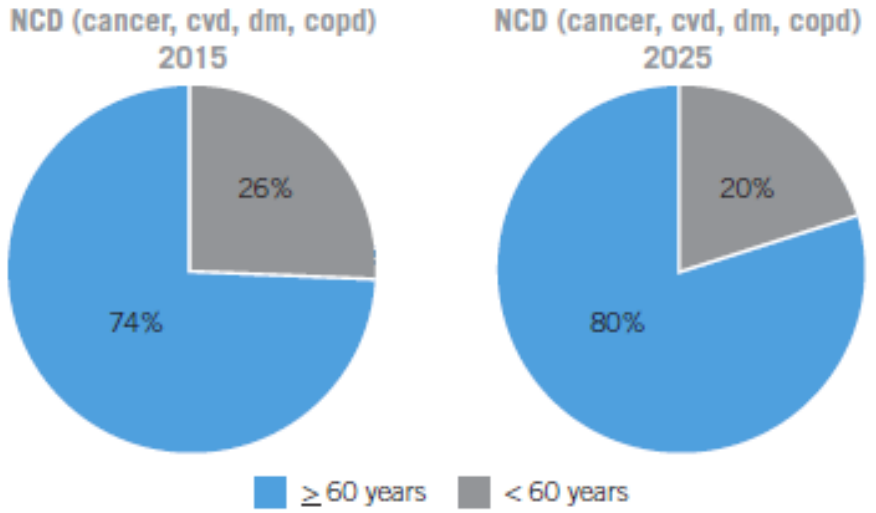
Source: WHO 2014 Global status report on NCDs

Top 10 burden of disease categories for males and females (aged 60+), 2013

Rank	Males			Females		
	Diseases	DALYs ('000)	%	Diseases	DALYs ('000)	%
1	Stroke	233	10.6	Stroke	264	12.0
2	COPD	171	8.1	Diabetes	236	10.7
3	Diabetes	130	6.2	Ischaemic heart disease	133	6.0
4	Ischaemic heart disease	126	6.0	Cataract	119	5.4
5	Liver cancers	103	4.9	Dementia	118	5.4
6	Alcohol dependence	93	4.4	Depression	74	3.3
7	Cataract	92	4.4	Nephritis and nephrosis	65	3.0
8	Bronchus and lung cancer	82	3.9	Deafness	65	2.9
9	Benign prostatic hypertrophy	53	2.5	Liver cancer	61	2.8
10	Deafness	47	2.2	COPD	59	2.7

Source: Health system responses to population ageing & NCDs in Asia , 2016

Projection of NCD mortality: < 60 years vs ≥ 60 years (2015 and 2025)



Source: Health system responses to population ageing & NCDs in Asia , 2016

Investing in health is investing in wealth

- Health and care is the greatest gift a country can give its people, and should be a wealth-creation activity.
- Currently the healthcare gap is narrower and marks the one bright spot when it comes to inequality in Thailand.
- We must ensure that the current system is sustained financially and management-wise.

A year of life expectancy gained by a population contributes an additional 4% GDP growth.

In developed markets between 2000-2009, pharmaceutical innovation estimated to have singlehandedly increased life expectancy by nearly two years.

Source: KPMG, National Bureau of Economic Research

Properly investing in healthcare for the *long-term is an economic decision* for government.

Public-Private Collaboration is one of the keys to ensure sustainable healthcare investment

- In healthcare, the public-private collaboration must evolve beyond infrastructure and into services as well as the sustainable financing.

- Alternative / innovative mechanisms such as risk-sharing agreement (RSA) or managed entry agreement (MEA) are the means that *the private company shares the financial risks at national level with the government in patient treatment costs.*

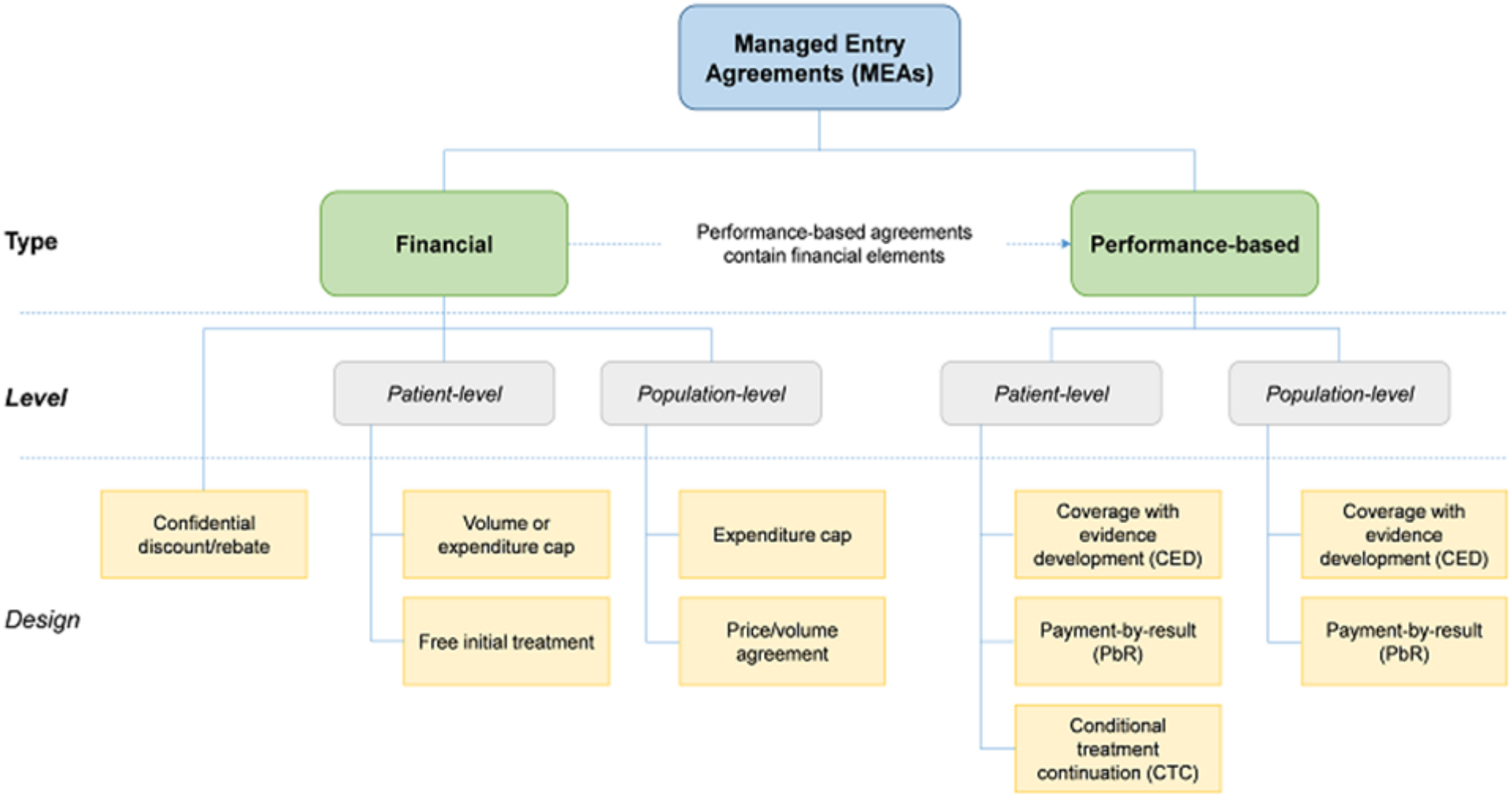
- It will support the patient access and treatment needs while the government budget can be predictable and manageable in order to achieve superior health outcomes at the same or reasonable incremental costs.

Risk-sharing model / Managed Entry Agreement are tools for achieving patient access to new medicines while managing uncertainty

- **Definition** – an arrangement between a manufacturer and payer/provider that enable access to (coverage/reimbursement of) a health technology subject to specified conditions.

- These arrangements
  - can use a variety of mechanisms to address uncertainty about the performance of technologies or to manage the adoption of technologies in order to maximize their effective use, or limit their budget impact.
  - helps reduce the budget burden of the government (predictable and incremental cost with better patient outcomes) and improve access for the patients.
  - generate saving without affecting official list prices for these medicines and most often confidential and specific to the country context.

Types of Risk-Sharing Agreement / Managed Entry Agreement



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Examples of RSA / MEA in EU

Country	Drug	Indication	Company	Year	Details
Italy	Vidaza	Myelodisplatic syndrome / Chronic myelomonocytic leukemia / Acute myeloid leukemia	Celgene	2010	Manufacturer provides 11% rebate for patients not responding to three cycles of treatment
	Voltrient	Advanced renal cell carcinoma	GSK	2011	Manufacturer pays for patients not responding after 24 weeks of treatment
UK	Revlimid	Multiple myeloma	Celgene	2009	Manufacturer pays for patients not responding after 26 cycles of treatment
	Voltrient	Advanced renal cell carcinoma	GSK	2011	Manufacturer provides an initial 12% rebate based upon the result of a head-to-head trail against Sutent
	Velcade	Multiple myeloma	Janssen	2007	Manufacture refunds the full cost of the drug for patients who experience less than a partial response after 4 cycles

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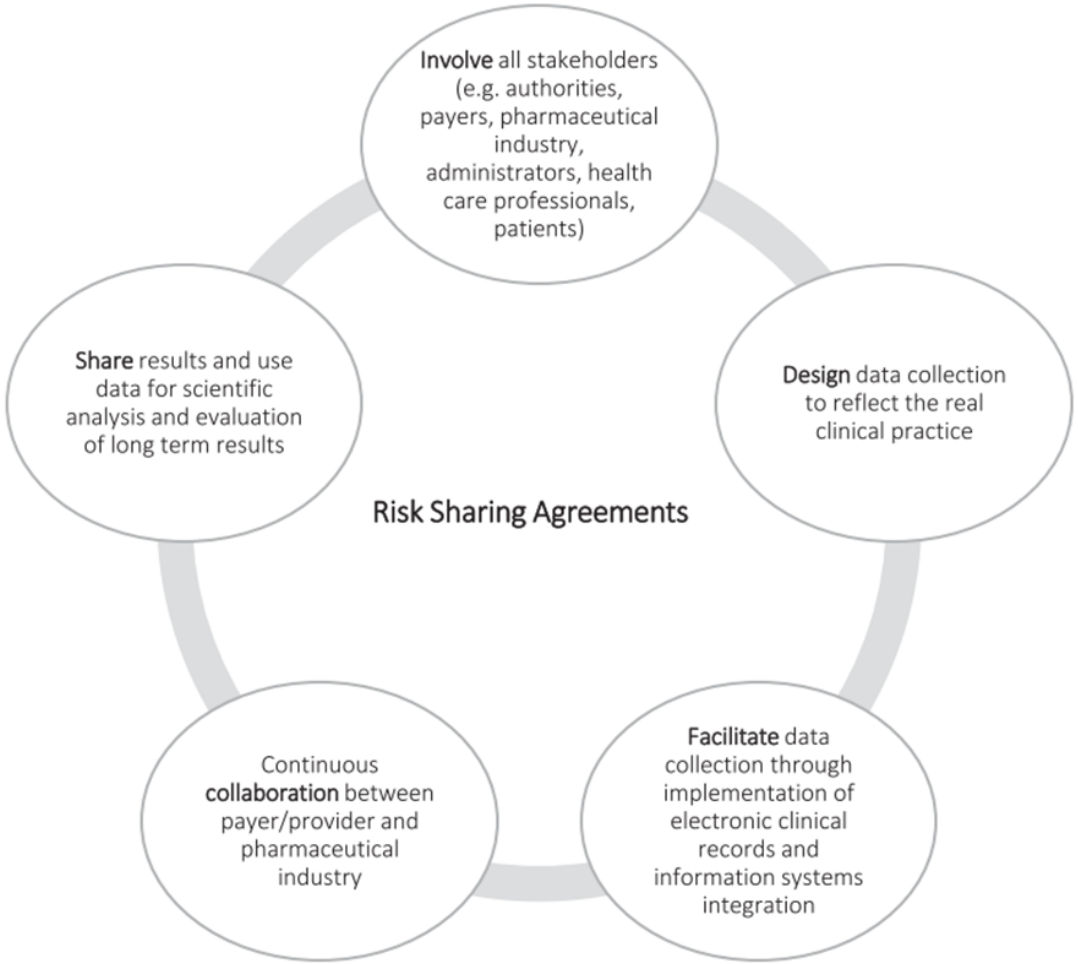
Implementation process and best practices

A performance based model of payment might be helpful in not only monitoring the treatment's efficacy, but also sharing the burden of expenses across subsequent payers who will benefit from the previously treated patient.



Key factors for successful implementation

- ❑ Collaboration of key stakeholders – payers, Pharma company, physicians execute the program
- ❑ Data sharing system – ability to tracking outcomes with proper infrastructure
- ❑ Have a clear goal and measurement
- ❑ Need minimum level of transparency of content
- ❑ Limiting confidentiality to those parts of MEAs that may be commercially sensitive (in particular prices).

What have been doing in Thailand for access to medicines?

- National reimbursement scheme through NLEM – a long process of listing, can be used for all 3 public schemes – special category for high cost care via E2
- CSMBS for innovative cancer treatments (Oncology Prior Authorization, OCPA) – risk-sharing model introduced for some products
- Various types of risk sharing model proposed based on clinical results of each product
- Lack of common understanding leading to inconsistency in implementation (MOF and MOPH)

Risk Sharing Agreement under National List of Essential Medicines

- Imiglucerase, a highly specialized biologic drug used as an enzyme replacement therapy for Gaucher Disease Type 1
- Despite the high unmet need, Imiglucerase did not pass the cost-effectiveness evaluation under the health technology assessment process in NLEM.
- To obtain access to effective innovative medicine for patients in need, National Health Security Office explored risk-sharing agreement options with Sanofi.
- Both sides agreed through a financial-based agreement on the number of patients and a reasonable commercial condition.

CSMBS Oncology Prior Authorization experiences of risk-sharing

OCPA Items with direct reimbursement

Non-OCPA Items with direct reimbursement

Non-OCPA Items with patient advance payment

Non reimbursable (FDA approval after 1 Jan 2018)

Capitation model

- CGD reimburse medicine till agreed capitation of months
- Company provide medicine, free of charge for patients

Free initiation model

- Company provide medicine, free of charge for patients
- Patient well respond to treatment as agreed condition
- CGD reimburse medicine to patients to continue treatment

Patient registration in the OCPA system

Patient receiving treatment after approval through direct reimbursement according to agreed condition

- Process of patient tracking (treatment record) (CGD-hospital, CGD-company, company-hospital)
- Process of free of charge medicine drug reconciliation (company-CGD, company-hospital, hospital-patient)

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How can we expand this concept to support all Thai patients?

- Consider alternative healthcare financing models for all 3 public schemes in which government can have predictable budget & learning from current experiences
- Develop “risk-sharing” framework

What support do we need?

- To create “risk-sharing” framework, it would require
  - policy and regulation related to procurement and reimbursement
  - confidential agreement
  - system for medicines reconciliation and data sharing (between payer, hospital and company)