IMPORTANCE OF CONSIDERING THE TREATMENT COMPLEMENTARITY OF MEDICINES IN DESIGNING PHARMACEUTICAL BENEFITS

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OBJECTIVES: The purpose of this analysis was to explore—from a theoretical welfare economics perspective—how whether drugs are substitutes or complements affects the design of optimal coinsurance. METHODS: A theoretical economics model of a duopoly market for two medicines was constructed. In the model, there are consumers who first purchase insurance and then consume drugs if they become sick. Drug producers sell 100% of the drugs in the model. The results from the model are then used to inform how benefits should be designed differently whether drugs are complements or substitutes. Specific real-world examples are interpreted in light of these predictions, and special attention is given to the implications for value-based insurance design. RESULTS: It is argued that drugs that are complements should have a lower co-insurance than drugs that are substitutes. The model also suggests that when drugs are substitutes, consumers choose levels of co-insurance that are too low (i.e., consumer is insured too much). This may or may not be the case for complements. From society’s perspective (including drug makers’ profits), consumers choose levels of co-insurance that are too high (consumer is insured too little) when drugs are complements. This may or may not be the case for substitutes. CONCLUSIONS: The results from the model can be used to inform the design of pharmaceutical benefits to make the consumer as well off as possible. When drugs are complements, a lower burden of payment should be implemented for the consumer. Examples of this would be HIV/AIDS drugs, malaria drugs or bone loss prevention (Calcium/Vitamin D). When drugs are substitutes, a higher burden of payment should be implemented. Examples would include status, for example, when one treatment is chosen from many options. Value-based insurance design needs to consider this complementarity in addition to the potential for under-use.

USE OF ECONOMIC EVIDENCE IN PHARMACEUTICAL MARKETING AUTHORIZATION PROCEDURES, FIRST EXPERIENCE FROM IRAN

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OBJECTIVES: Economic evidence in terms of different types of pharmacoeconomic data serves a crucial role in informing decisions on selecting pharmaceuticals, both for national drug lists and insurance reimbursement lists. Iranian Drug Selection Committees are the responsible body for granting marketing authorization for pharmaceuticals. This study aimed to assess the impact of using pharmacoeconomic data has had on these decisions. METHODS: At first, we captured the past and current situation of utilizing pharmacoeconomic data in granting pharmaceutical marketing authorization by conducting a number of exploratory interviews and reviewing relevant official documents on rules and regulations. Thereafter, within an analytic framework, we evaluated the cost-effectiveness profile of pharmaceuticals which were granted marketing authorization within the period of obligatory economic evidence submission. RESULTS: Pharmacoeconomic evaluations and their potential role in assuring value for money was first introduced to Iranian pharmaceutical policy-makers in 2003 by World Health Organization. Only after 5 years did The Iranian Drug Selection Committee begin to launch The Pharmacoeconomic Subcommittee in addition to developing certain forms for collecting pharmacoeconomic data and making pharmaceutical companies fill these forms out within their routine submission process for requesting marketing authorization. However, this regulation last only 6 months and was abolished in July 2008. Currently there is no room for submitting economic data in pharmaceutical dossiers. CONCLUSIONS: Iran pharmaceutical regulatory authority suffers from lack of a clearly defined policy on taking the advantage of the results of pharmacoeconomic evaluation either in granting marketing authorization or drug reimbursement decisions. Thus, the need for a clear policy in this regard is unequivocal.

HEALTH CARE USE & POLICY STUDIES – Health Care Costs & Management

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ANNUAL HEALTH INSURANCE COST OF SPA SERVICES IN HUNGARY

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OBJECTIVES: The aim of our study is to analyze the annual health insurance reimbursement cost of spa services and its distribution according to the type of services in Hungary. METHODS: The data from Hungarian Health Insurance Fund Administration (OEP) was used. We analyzed the annual treatment of 2007 and its health insurance cost. We identified the following spa services with health insurance reimbursement in Hungary: spa pool of medical water, mud bath of medical water, compress-bath, effervescent-bath, medical health massage, sub-aquean spray massage, sub-aquean health care gymnastics for groups, complex balneotherapeutic service, health swim therapy for groups under 18. We calculate the annual health insurance reimbursement of different kind of spa services and its distribution. RESULTS: 8,16 million treatments of medical spas were done in Hungary at 2007 and OEP spent 4,434 million HUF (Hungarian Forint) for reimbursement of these interventions. This sum of money is equal to 0.617 % of medicinal-prevention cost (718,717 billion HUF). The annual health insurance reimbursement of the single spa services and its distributions was the following: spa pool of medical water (1144 million HUF, 25,81%), mud bath of medical water (5,4 million HUF, 0,12%), compress-bath (369,6 million HUF, 8,34%), effervescent-bath (58,1 million HUF, 1,31%), medical health massage (1291 million HUF, 29,11%), sub-aquean spray massage (47,1 million HUF, 10,63%), sub-aquean health care gymnastics for groups (321,9 million HUF, 7,26%), complex balneotherapeutic service (404,9 million HUF, 9,13%), health swim therapy for groups under 18 (273,6 million HUF, 6,13%). CONCLUSIONS: The cost of spa services is 0.617 % of medicinal-prevention cost in Hungary. The highest items are medical health massage and spa pool of medical water.