COST CONTROLS

Policy makers in LA have made efforts to manage the rising healthcare costs, but despite these efforts the four largest markets based on reviewing 65 articles published by regional and international organisations (e.g., UN, WHO / PAHO, WBG, IDB, OECD, IFPMA, PhRMA, FIFARMA, etc.).

DEFINING HEALTHCARE SUSTAINABILITY HURDLES

WHO describes a sustainable healthcare system as one that 'ensures equitable access to essential medicines, vaccines and technologies', while 'raising adequate funds for health to ensure people can use needed services, and are protected from financial catastrophe or impoverishment associated to having to pay for them'.

LA policy makers face common issues that have challenged attainment of healthcare sustainability and led to a situation where healthcare systems cannot provide the services required to meet their population's needs. Healthcare sustainability challenges in LA can be classified in two categories: demand and supply hurdles.

APPROACHES TO ATTAIN HEALTHCARE SUSTAINABILITY

Proposed solutions have been divided into short-term solutions that can be executed within 1 - 2 years, mid-term solutions implementable within 2 - 5 years and long-term solutions that can be achieved in 5+ years.

CONCLUSION

Across LA, demand for health services has outpaced supply. Countries in the region lack the adequate clinical and technological resources and infrastructure to address this increased demand.

To-date, policy makers have responded to the increasing demand by implementing access and cost controls. However, these tools fail short in recognizing the full value of innovation and could be a deterrent for innovation in the region which could lead to negative economic, humanistic and health outcomes. Instead, the region needs to move to a value-based system that is patient-centric and promotes long-term sustainability of the healthcare system over short-term cost-cutting. These value-based systems should look at patient care in a holistic way, integrating health promotion, outpatient and inpatient care. This shift in paradigm from hospital-centric and disease-centre to patient-centric has the potential to reduce waste, improve population outcomes and patient quality of life.

Global benchmarks for healthcare sustainability, LA-specific hurdles, and value-based care solutions can be used to achieve sustainability success. However, in order to achieve success, LA healthcare systems need to address the root cause of overspending and optimize the healthcare budget through extensive healthcare system reforms. This will result in a growing number of healthcare professionals in LA, which is seen as the World Health Organization (WHO) as a threshold to protect populations against the risk of impoverishment or catastrophic expenditure.

This poster aims to identify hurdles to achieving healthcare sustainability in LA, review approaches taken by policy makers to control healthcare budgets and propose actionable solutions to attain sustainability that mutually benefit healthcare systems and industry.

Universal Health Coverage

Access of UHC has increased in Latin America, care to a higher number of patients. With the objective to balance increasing demand for innovation with reduced budgets, policy makers in LA have explored different cost-containment tools. These tools can be divided into mechanisms aimed at controlling access and mechanisms aimed at reducing healthcare service / medicines (Figure 2).

COST-CONTAINMENT TOOLS

• Overriding existing tools have a negative impact on both patients and the pharmaceutical industry and are not sustainable in the long-run. Additionally, existing tools tend to just stop the cost of pharmaceuticals, leaving other avoidable healthcare costs (e.g., clinical care, waste, government and missed prevention opportunities), unassessed.

• Alternative, collaborative mechanisms to attain healthcare sustainability could be explored by LA policy makers and the pharmaceutical industry to address the identified supply and demand hurdles and provide access to innovative therapies. Proposed solutions have been divided into short-term solutions that can be executed within 1 - 2 years, mid-term solutions implementable within 2 - 5 years and long-term solutions that can be achieved in 5+ years.

• Short-term solutions (within 1 -2 years)
  - Use of reference pricing as a tool to cap the cost of innovative therapies
  - Implementation of competitive procurement mechanisms (e.g., tenders and joint purchasing)
  - Use of HTA frameworks that have over-emphasized cost-effectiveness and IECR

• Mid-term solutions (2 - 5 years)
  - Use of HTA frameworks that have over-emphasized cost-effectiveness and IECR
  - Use of ATE as a tool to cap the direct effect of reducing the cost to the patient / purchaser
  - Tax reduction / exemptions can be introduced in order to price reduction to the patient / purchaser

• Long-term solutions (5+ years)
  - Use of HTA frameworks that have over-emphasized cost-effectiveness and IECR

APPROACHES TO ATTAIN HEALTHCARE SUSTAINABILITY

Implementing 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 gatekeepers to access specialists

Use of HTA frameworks that have over-emphasized cost-effectiveness and IECR

• With the objective to balance increasing demand for innovation with reduced budgets, policy makers in LA have explored different cost-containment tools. These tools can be divided into mechanisms aimed at controlling access and mechanisms aimed at reducing healthcare service / medicines (Figure 2).

• Overall, existing cost-containment tools have a negative impact on both patients and the pharmaceutical industry and are not sustainable in the long-run. Additionally, existing tools tend to just stop the cost of pharmaceuticals, leaving other avoidable healthcare costs (e.g., clinical care, waste, government and missed prevention opportunities), unassessed.

• Alternative, collaborative mechanisms to attain healthcare sustainability could be explored by LA policy makers and the pharmaceutical industry to address the identified supply and demand hurdles and provide access to innovative therapies. Proposed solutions have been divided into short-term solutions that can be executed within 1 - 2 years, mid-term solutions implementable within 2 - 5 years and long-term solutions that can be achieved in 5+ years.