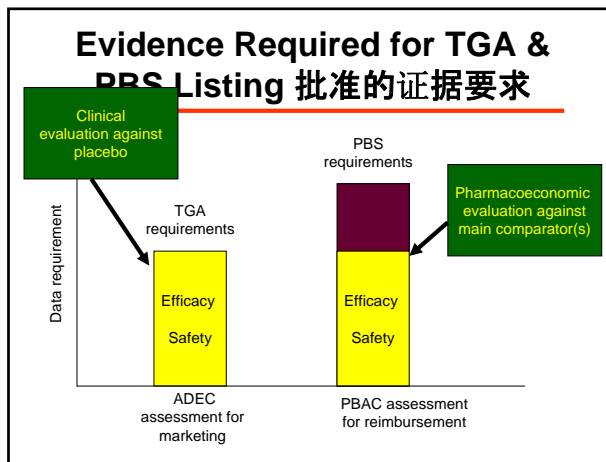
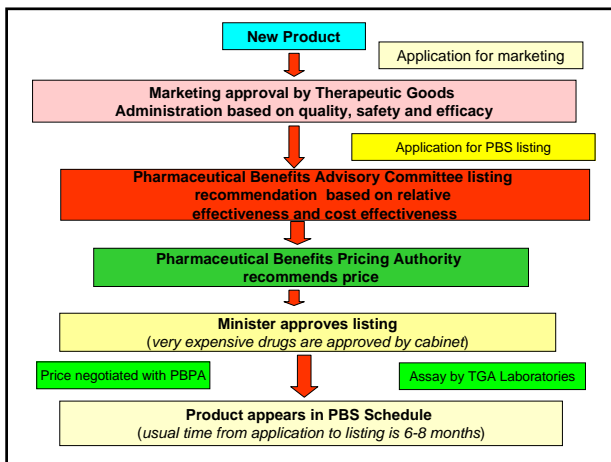


Drug pricing and reimbursement methods in Singapore and Australia 澳大利亞及新加坡藥物定價與補償

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Drug Reimbursement System in Australia 澳大利亞藥物補償體系



Pharmaceutical Benefits Scheme 藥物津貼計劃

- The Pharmaceutical Benefits Scheme (PBS), along with Medicare, is a key component of Australia's health system.
- The PBS aims to provide Australian patients with timely, reliable, and affordable access to necessary and cost-effective prescription medicines.

Origins and Chronology of the Development of the PBS 藥物津貼計劃起源及大事年表

- 1948 — Pharmaceutical Benefits Scheme (PBS) introduced to provide a list of "life-saving and disease preventing drugs" free of charge
 - Drug listed: 139
 - Government Expenditure: A\$280K
- 1952 — List of available drugs extended to pensioners and dependents
 - Drug listed: ~200
 - Government Expenditure: A\$5.8 million
- 1960 — Introduction of copayment to offset rising PBS expenditure
 - Drug listed: ~250
 - Government Expenditure: A\$49 million
- 1993 — Pharmacoeconomic evaluation made mandatory for all reimbursement applications
 - Drug listed: ~500
 - Government Expenditure: A\$1.75 billion

Drug Pricing System in Australia 澳大利亚药物定价体系

- The price of all products listed on the PBS are reviewed annually by the Pharmaceutical Benefits Pricing Authority (PBPA).
- The price reviewed and agreed to with suppliers is at the price to pharmacist level
- Mandatory 12.5% price reduction when generic becomes available since 2005

Factors considered for PBS Pricing 药物定价影响因素

- PBAC comments on clinical and cost effectiveness
- Price of alternative brands of a drug
- Comparative prices of drugs in the same therapeutic group
- Cost information provided by the supplier
- Prescription volumes, economies of scale and other factors

Factors considered for PBS Pricing 药物定价影响因素

- Level of activity being undertaken by a company in Australia
- Prices of the drug in reasonably comparable countries
- Other relevant factors which the applicant company may wish the Authority to consider
- Any directions of the Minister

PBPA Pricing Methods 定价方法

- Benchmark Pricing
- Cost Plus Method
- Average Monthly Treatment Cost

Special Cases for PBPA Pricing 特殊定价方法

- Brand premiums
- Therapeutic Group Premium Arrangements
- Special Patient Contribution Arrangements

Recent Changes in Pricing Policies 定价政策新近的发展

- 1 August 2007, two separate formularies
 - F1 – single brand medicines
 - F2 – multiple brands; price reductions from 1 August 2009
 - F2A – 2% price reduction every year for three years
 - F2T – one-off 25% price reduction
 - On 1 January 2011, F2T and F2A will be merged into a single formulary – F2

Summary 总结

- The PBS has evolved from providing access for all Australians to a 'free-list' of lifesaving and disease preventing medicines to provide Australians with timely, reliable, and affordable access to necessary and cost-effective prescription medicines
- The introduction of mandatory pharmacoeconomic evaluation in 1993 has strengthened the reimbursement process, and is viewed by other countries as the 'Gold Standard'

Issues for PBS PBS 必要面对的问题

- Increasing availability of new and effective, but high cost, drugs
- Access to medicine
- Ageing population
- Inappropriate usage & leakage
- Preventive medicine

Drug Reimbursement System in Singapore 新加坡药物补偿体系



Standard Drug List 标准药物名册

- Singapore Ministry of Health (MOH) maintains a SDL since 1979
- Modeled on WHO EDL with modification for local conditions
- Contains drugs assessed to be the most cost-effective for use in public sector healthcare institutions
- Should be made available to citizens and permanent residents at affordable rates

Standard Drug List 标准药物名册

- The list is reviewed biannually each year by the Drug Advisory Committee (DAC) appointed by Ministry of Health
- Currently contains >620 drug items
- Bulk Purchasing for Public Health Sector
 - Generic prescribing – generics are widely used

Definition of Standard Drug 标准药物定义

- A standard drug is defined by MOH as a drug that is necessary for the treatment of a common ailment suffered by the majority of the population.
- Standard drugs are usually essential first line drugs in a specific therapeutic class.

Criteria for SDL Inclusion 标准药物选拔准则

- Inclusion into the Standard Drug List (SDL) is based on the recommendations of an expert committee, DAC with inputs from clinicians
- Regularly compared with international formularies
 - WHO EDL
 - Australian PBS
 - US Kaiser Permanente Drug List

Categories of SDL 标准药物类别

Standard Drug List I (SDL I)

Essential & cost effective 1st line drugs required by many patients.

Standard Drug List II (SDL II)

To partially subsidize some expensive 1st line cytotoxic drugs & some other expensive non-cytotoxic drugs.

Level of Subsidy 津贴水平

Inpatient Treatment at Public Hospitals	Outpatient Treatment at Government Polyclinics
For SDL1 drugs C-class ward – 80% B-1 class ward – 20%	For SDL1 drugs Patients are charged the cost of the drugs up to a maximum of \$1.40 per item
For SDL2 drugs C-class ward – 50% B-1 and B-2 class wards – 30%	For SDL2 drugs 50% of the costs

Procedure for SDL Inclusion 标准药物名册挑选程序

- Application for SDL inclusion to be initiated from the structured hospitals and polyclinics
- The Chairmen of the Medical Board of the various public institution would prioritize the list
- Use of more structured and formal pharmacoeconomic approach to assist in the decision of SDL drug inclusion since 2001

Funding for SDL Inclusion 标准药物名册财政来源

- There is no separate funding assigned explicitly for SDL per se.
- Funding for drugs is incorporated into the budget assigned to the restructured hospitals and polyclinics.
- Since 2006, annual funding has been allocated to upgrade the SDL for inclusion of additional new drugs on a continuous and regular basis.

Summary 总结

- The establishment of the SDL to subsidize the price paid by Singaporeans is one of the important means to achieve the aim of cost containment.
- It is part of the integral strategy to contain the growth in medical expenditure without compromising the quality and accessibility of health care in Singapore.

Issues Relating to Singapore SDL 必要面对的问题

- Is the current SDL sufficient to cover the needs of quality, cost and access?
 - If not, which national formulary should it be benchmarked against?
 - What level of access is desirable?
 - Timeliness of the inclusion process

Are there any lessons for other countries or jurisdictions?

Insight plus hindsight equals foresight!

Methods for Policy Evaluation 政策评价方法

- **Performance analysis**
 - Benchmarking
 - Statistical analysis
 - Ex ante/ex post evaluations
- **Impact analysis**
 - Before/after studies
 - Outcome analysis (cost/benefit, or other)
 - Survey research
- **Process analysis**
 - Case studies
 - Systematic reviews
 - Narratives

Fundamental Questions for Drug Reimbursement System 评估药物补偿体系基本的问题

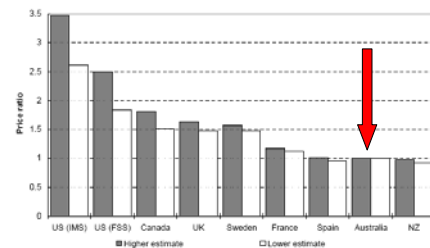
- Is the reimbursement system *too* Costly?
- Are current rates of expenditure affordable?
- Is current expenditure getting 'Value for Money'?

PBS Expenditure, 1999-2007 PBS 1999-2007 岁出

Date (to June)	Expenditure	Increase from Previous Year
2007-08	\$7.03 billion	9.3%
2006-07	\$6.43 billion	4.3%
2005-06	\$6.16 billion	2.7%
2004-05	\$6.00 billion	7.0%
2003-04	\$5.61 billion	9.3%
2002-03	\$4.58 billion	9.6%
2001-02	\$4.18 billion	9.7%
2000-01	\$3.81 billion	20.2%
1999-00	\$3.17 billion	14.0%

Source: Department of Health and Ageing

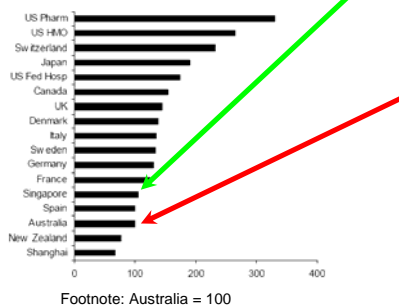
International Pharmaceutical Price Comparison 国际药物价格比较



Source: Productivity Commission, 2001

International Price Comparisons, 2001

国际药物价格比较



Footnote: Australia = 100

From: Sweeney K. Australian Pharmaceutical Pricing in a Global Context. 2004

Issues to consider

需要回答的问题

- Can the policy be implemented within the framework of the existing health care delivery system?
- Issue of Integration
 - Level of control
 - Degree of involvement
 - Function and capability → transaction volume and technical complexity

Issues to consider

需要回答的问题

- Is the pharmaceutical policy congruent or align in the overall framework of the health policy?
 - Is it contributive or subtractive from the health policy objectives?
 - Does it affect access, quality and cost of health care?

Summary 总结

- A system of periodic reviews of cost-effectiveness of listed drugs should form the backbone of an effective drug reimbursement system
- The future evolution of sustainable reimbursement policy will require input from many sides
 - Government, consumers, doctors pharmaceutical industry, insurance companies