



Sustainability of healthcare systems

Wednesday 10 May 2017

The world's population is getting larger, older and sicker



Population
will increase by

1
billion



Additional
50+ year olds

>500
million

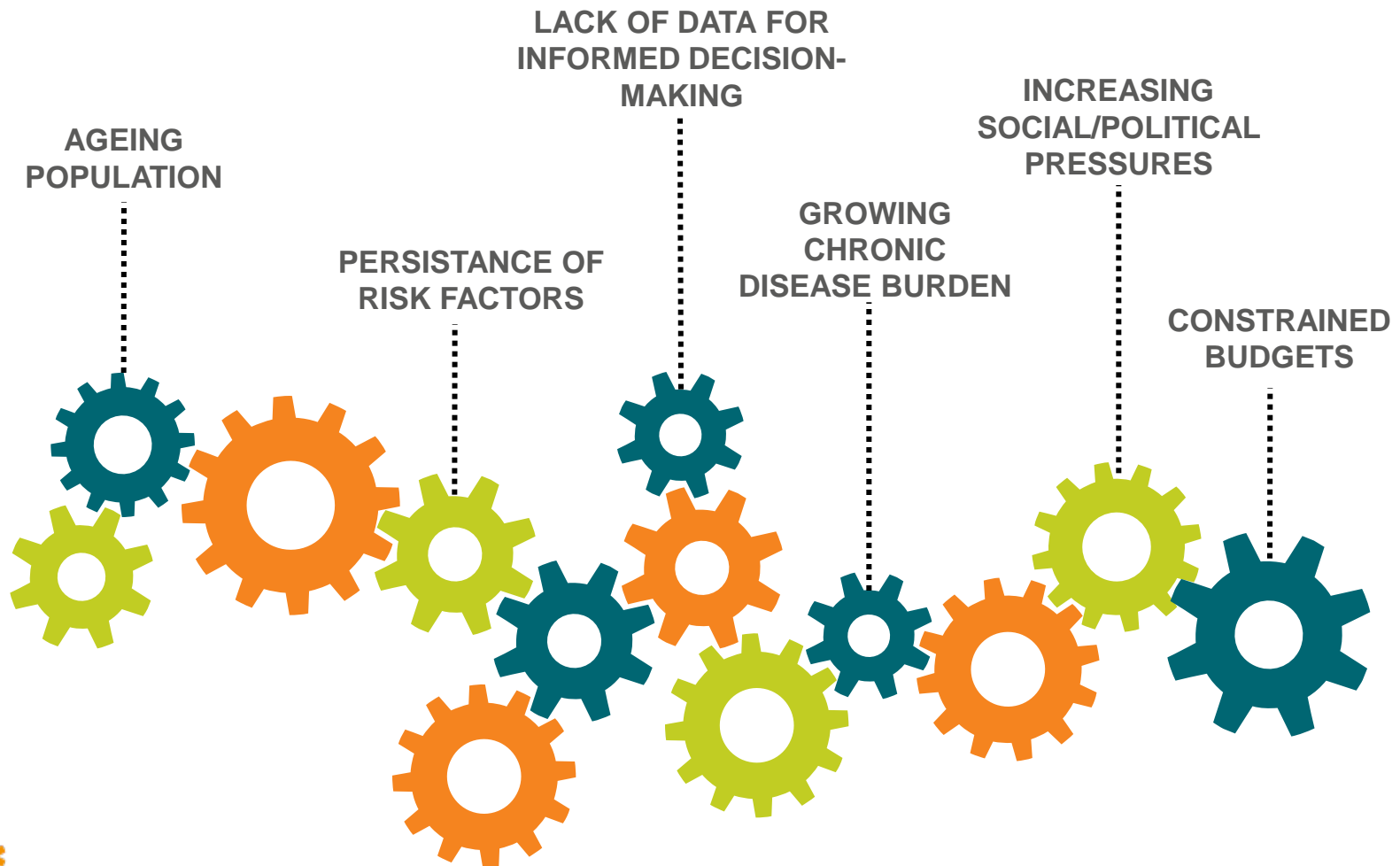


Chronic
diseases

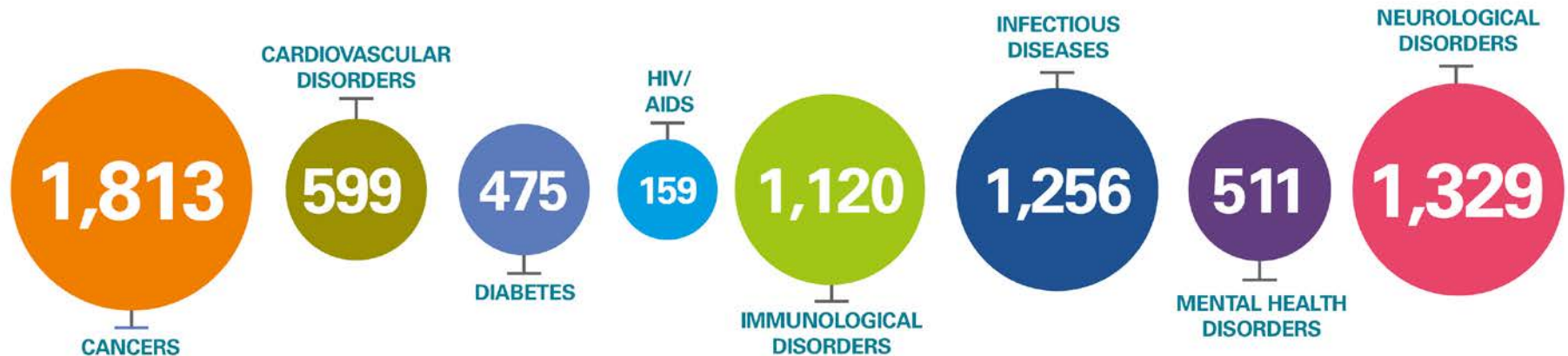
70%
of all illness

2015 - 2025¹

Healthcare systems face significant challenges in expanding access to healthcare, while managing finite resources



Despite the challenges, with over 7,000 medicines in development, new diagnostic techniques, genomic research and advances in data analytics there are many reasons to be optimistic about a *Healthier future for Europe*



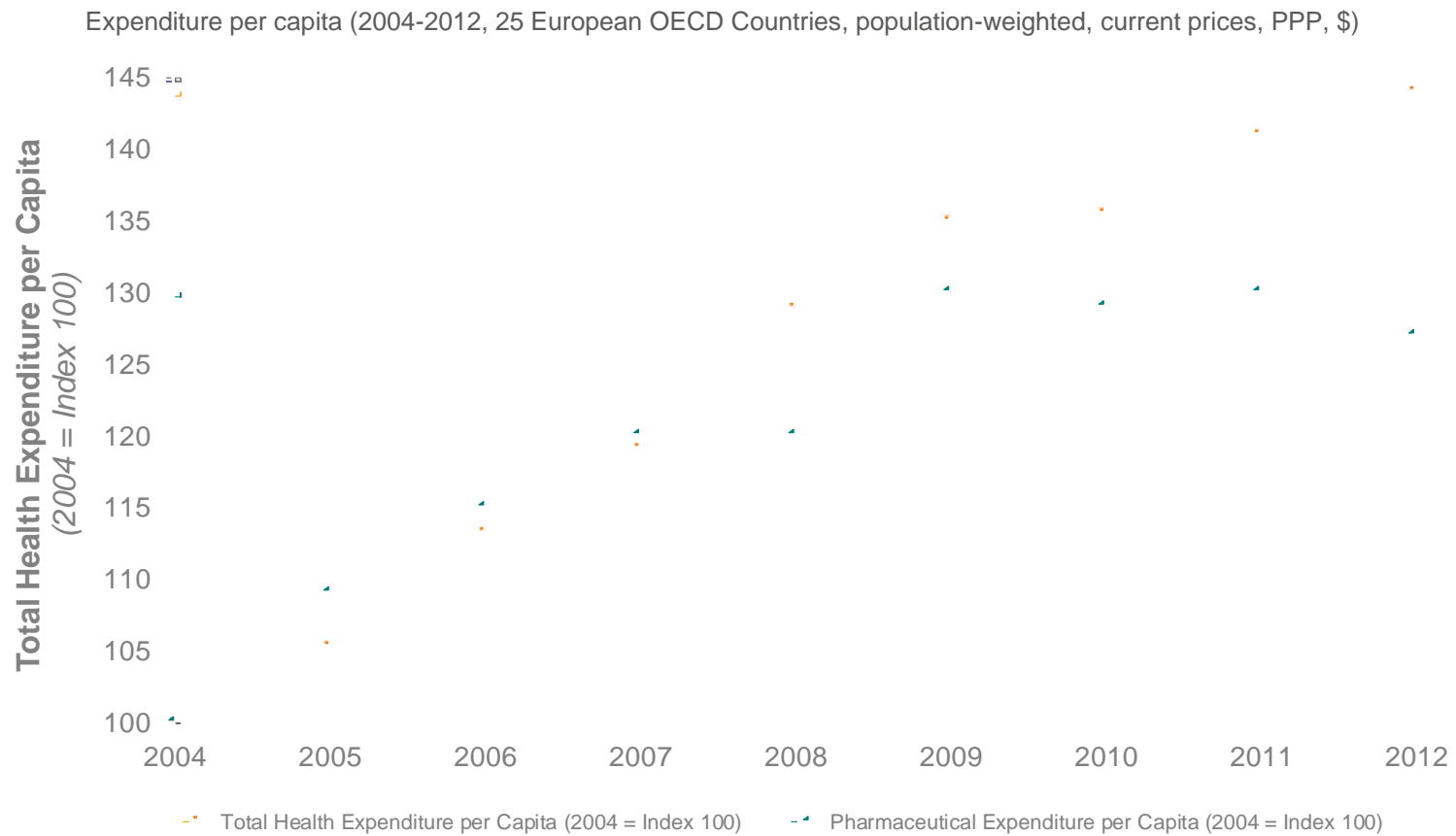
Key questions to address.....

How do you introduce high impact – high value, transformative technologies in to healthcare systems?

How do you make systems more sustainable in the future?

Healthcare expenditure has been growing since the 1990s while pharmaceutical spending declined from 2010 to 2013

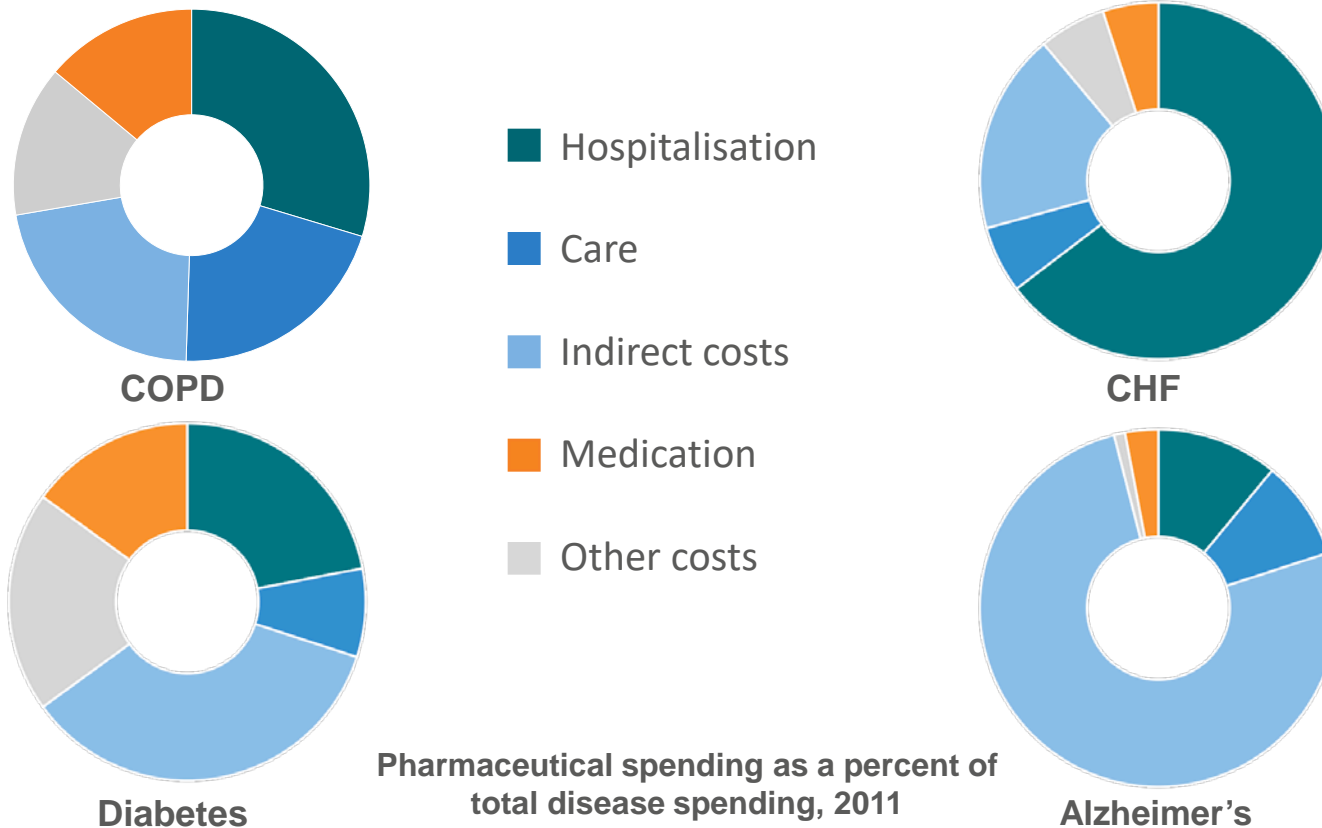
Across Europe, expenditure on total healthcare are growing faster than growth in pharmaceutical expenditure



Medication costs represent a small percentage of total disease spending



In Germany, medication spending is a small share of the total cost of many chronic diseases



Recommendations for introducing new technologies

1	Updating regulatory guidance & procedures	Regulatory guidance is needed to ensure that manufacturers are able to generate the necessary information for HTA / EMA stakeholders to make informed decisions minimising access delays
2	Providing temporary access with clinical uncertainty	RWE generation through temporary access schemes should continue to be utilised to mitigate the benefit uncertainty at launch given limited data
3	Valuing and rewarding innovation	Continual adaptation of HTA / value assessment processes in order to fairly assess and reward the long term clinical, economic and societal value of innovation; given possibility of limited evidence at launch or large patient populations
4	Adapting financing models for upfront investment	Innovative finance models such as annuities should be considered given the long-term, system-wide benefits; these will help overcome limits posed by annual as well as siloed budgets
5	Incentivising treatments to address societal need <i>e.g. antibiotics</i>	Stimulating innovation in an area where there has been little activity and failure to do so could have huge repercussions for society in the future requires funding solutions to numerous scientific, regulatory and business barriers

Recommendations for introducing new technologies



6

Developing novel, integrated care delivery pathways

Health systems and industry should collaborate in order to develop the necessary infrastructure to successfully deliver treatments, as some may not fit traditional pharmaceutical delivery pathways

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Optimising patient/treatment strategies

HCSs and manufacturers need to work together to optimise approaches to managing patients; collaboration is key to optimise patient outcomes and reduce the risk of adverse events

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Improving data collection infrastructure

Infrastructure able to deliver reliable real world data in a timely manner is key to ensure that stakeholders can quickly make informed decisions regarding access and delivery of innovations

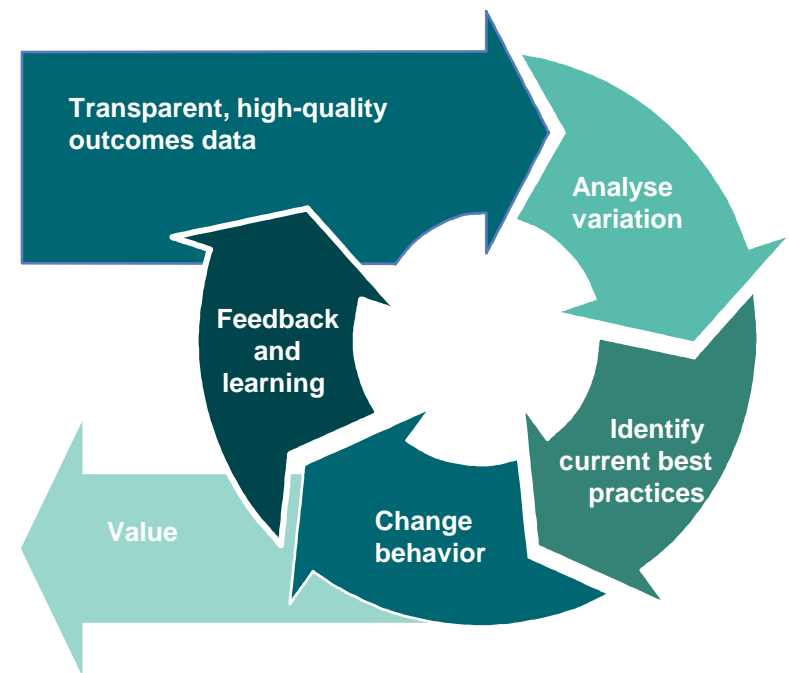
Why the focus on outcomes?

EFPIA believes an outcomes-based system will do a better job of stimulating and rewarding real innovation – the innovation that benefits patients most, and supports health system sustainability

Delivering better outcomes for patients

The objective of outcomes-focused healthcare systems are to deliver **better patient outcomes at the same or lower cost...**

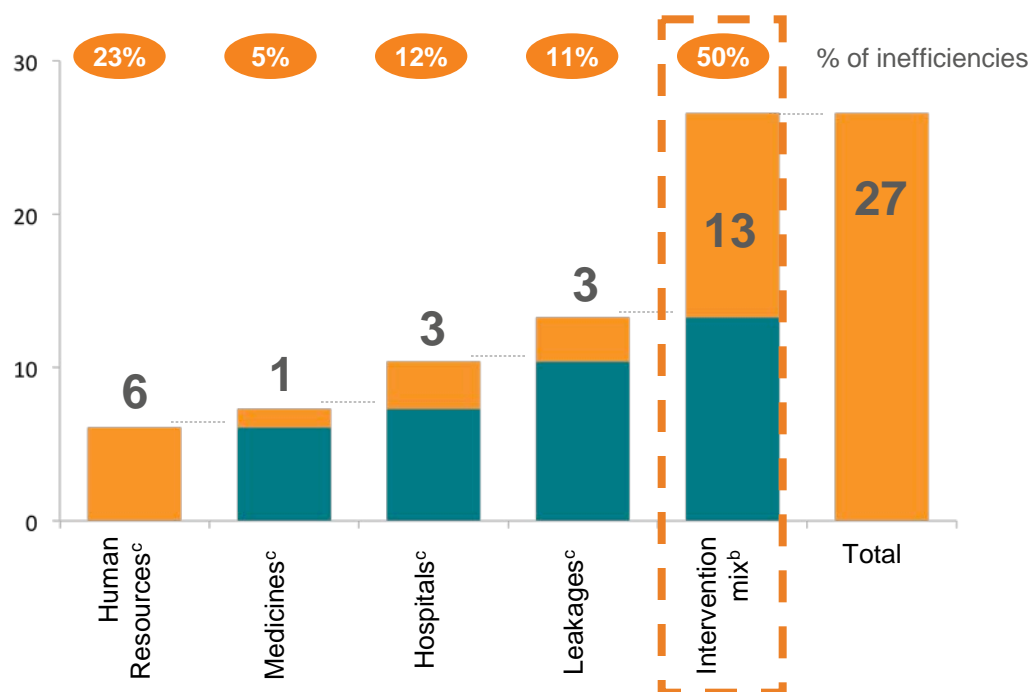
...relying on **quality outcomes data** as the starting point for improving the care cycle



There is an estimated 20-40% waste in health systems, with practice variation accounting for half

There is a ~30% of waste estimated, with practice variation representing half of it

Mean estimate of HC inefficiencies for the 3 country-types combined (%)^a



20-40% of waste for the 3 country-types

Top-down estimate of inefficiencies on low, mid and high-income countries at 20-40% of HC costs

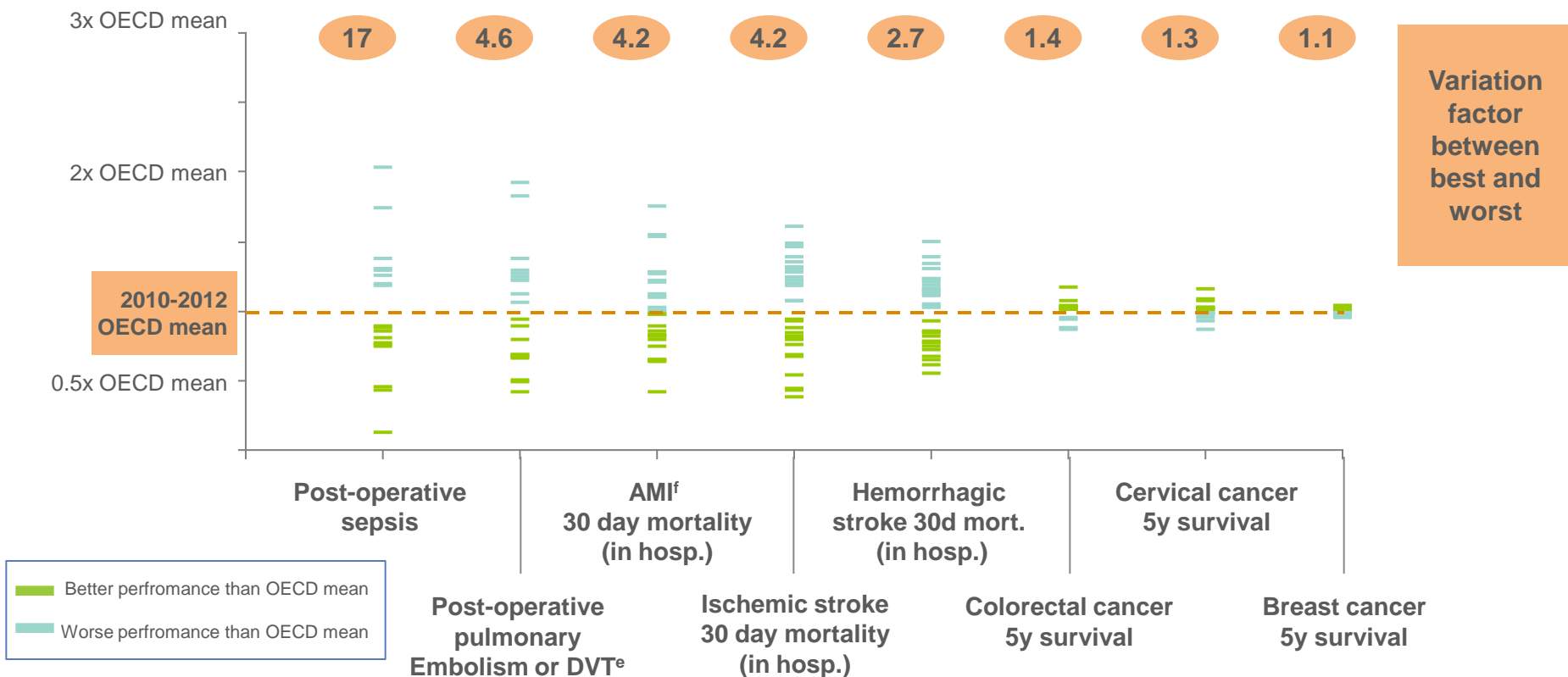
- Mean: 27% of HC costs
- ~50% of inefficiencies in all country types are associated with intervention mix

Differences in inefficiencies (%) by category vary across country types, but are mainly driven by differences in the category's share of total HC costs

- e.g. 10-15% of medicine costs result in 2-5% of total HC costs

Outcomes vary widely among OECD countries

2010-2012 OECD Health outcomes indicators



Barriers to an outcomes-based healthcare system



Technical barriers

Outcomes-based healthcare relies on delivering value, measured as health outcomes divided by cost. It is based on the ability to capture, analyse and utilise outcomes (and financial) data, with standardised definitions of outcomes at the core. Today, the measurement of outcomes is not common practice. Many providers and healthcare systems do not know which outcomes they achieve in which disease area.



Structural barriers

The most significant structural barrier is the fragmentation of healthcare systems. Individual organisation within a healthcare system often have different definitions of outcomes, different incentives and targets, and alternative preferred care pathways.



Financial barriers

Instead of rewarding the long-term improvement of a patient's health, fiscal incentives tend to reward process related measures like adherence to clinical guidance, the number of times a doctor talk to his or her patients about prevention and healthy lifestyles, the number of patients of a certain category that are referred to a specialist or prescribed a certain medication.



Political barriers

System-wide, transformational change is challenging, it requires strong political commitment over a number of years to make it happen. Implementing some outcome-based decisions such as closing hospitals or the transferring of care to the community can invoke strong reactions from local stakeholders who are attached to particular services. The concept of outcomes-based healthcare is intellectually attractive but its implementation can include some difficult, sometimes politically unpopular decisions.

Understand the healthcare challenges

Understanding the epidemiological, structural, technical, financial and political challenges can help inform strategies to move to outcomes-based models of healthcare.



System Readiness Assessment

Using structured analysis of stakeholder awareness, data infrastructure, proof of concepts, and enablers in a local system to obtain insight into areas to develop and invest.

Define health outcomes measures

Defining standardised sets of health outcomes measures for all diseases and conditions, together with patients, that will allow for systematic measurement and comparisons across providers and countries.





Analyse variation

Data analytics provides the key to identifying variances in care and their impact on outcomes, to detect sources of waste and inefficiencies in the system.



Identify best practice

Standardised outcomes measures and quality and transparent outcomes data, coupled with the use of data analytics, will facilitate the identification of best practice for replication across health systems.



Promote proof of concepts

Pilots that have successfully improved outcomes in a specific patient population build trust in the merits of an outcomes-based approach and provide important clues about the practicalities of implementing outcomes-based healthcare.



Develop integrated health information systems

Tools such as electronic health records, disease registries and user-friendly data capture systems all contribute to developing an outcomes-based system.



Build a health data eco-system

To spark, develop and deliver change, data needs to be of high quality and shared across the healthcare system, for quality improvement and research.



Feedback and learn

As clinical practice and service delivery changes, real world evidence and data analytics provide a mechanism for real-time learning and continuous development.



Remove budget siloes and reward quality of care

Establishing flexible and holistic finance systems that promote care integration, and payment models that reward good health outcomes for patients can help facilitate change.



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