

A managed care's perspective on access to medicines

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Agenda



Definition of managed care

Private healthcare ecosystem

Integrated medicine benefit management

Objectives and operating model

Current gaps in access to medicine

WHO guidelines on pharmaceutical pricing policies

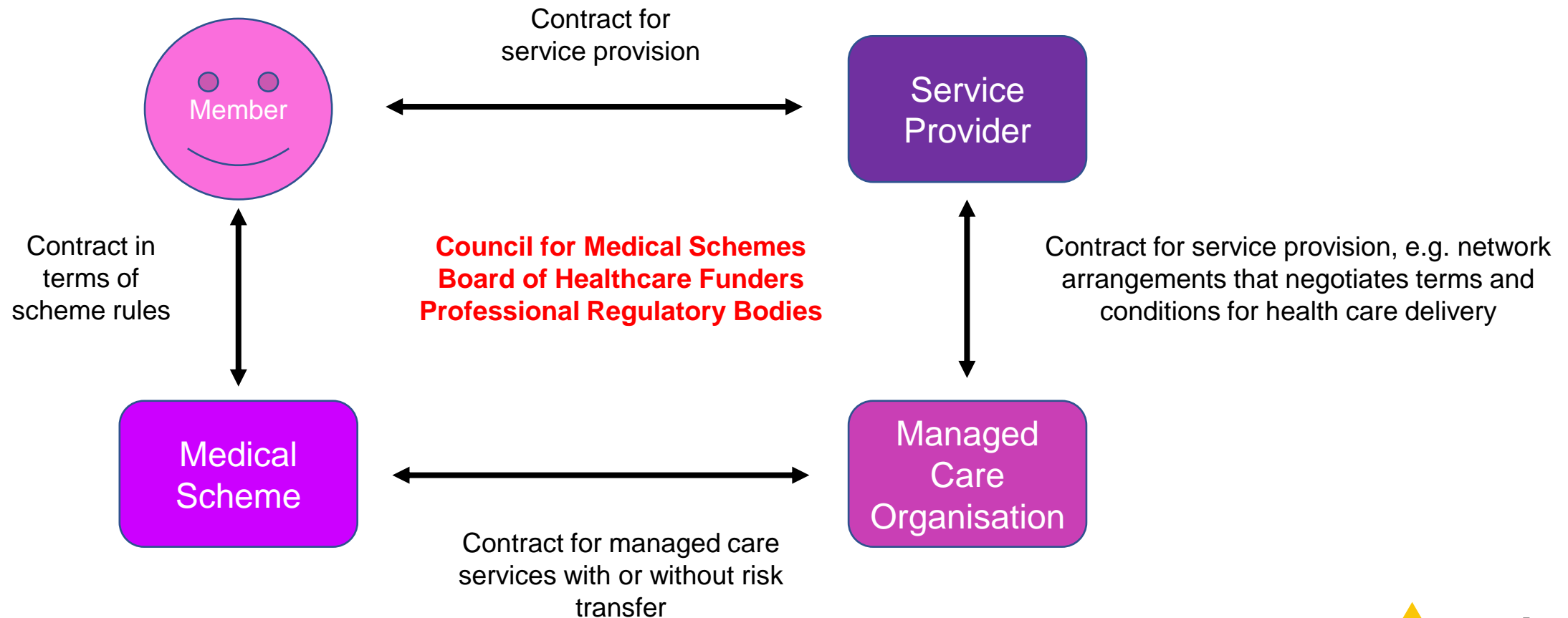
Way forward

Definition of managed care

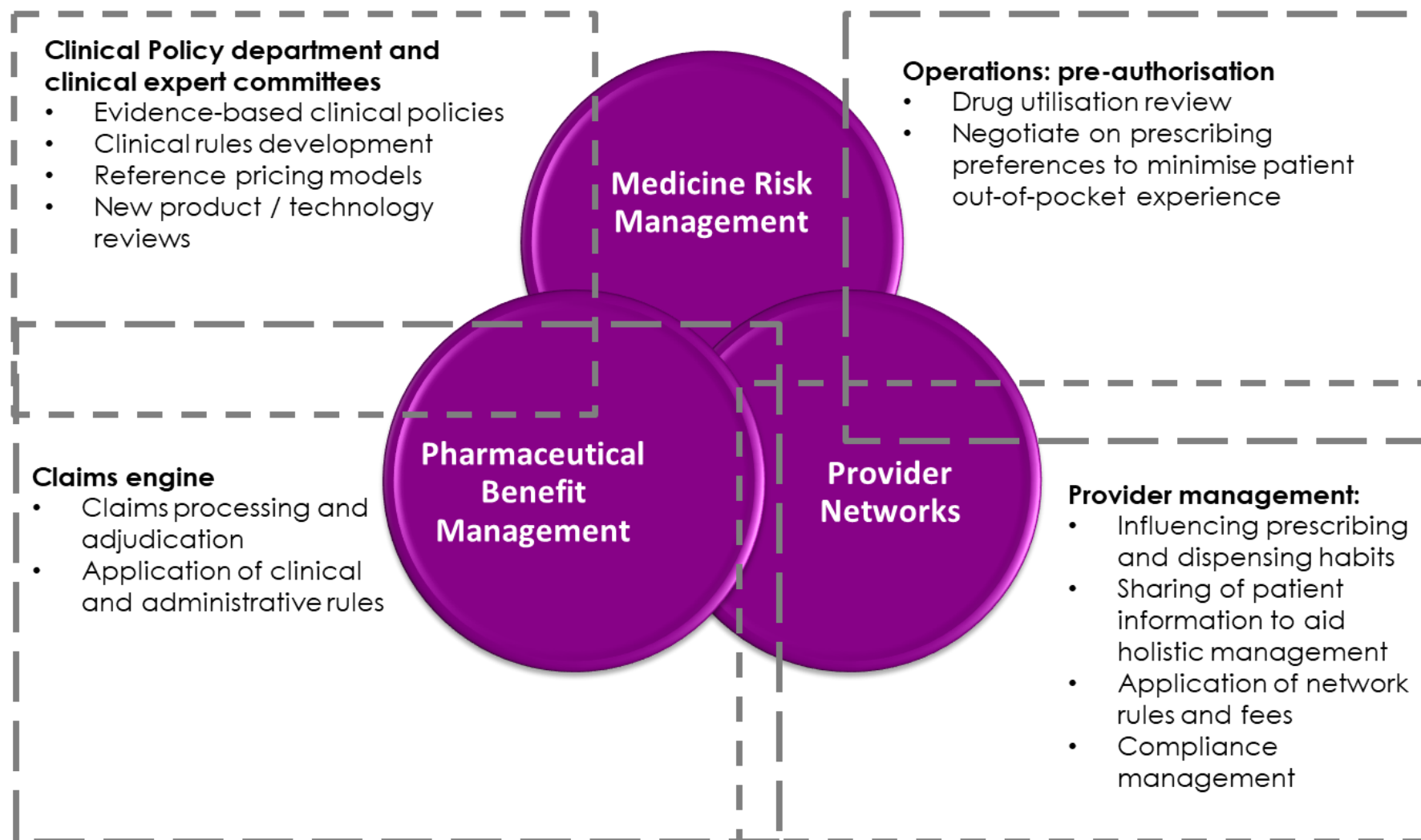
Regulation 15 of the Medical Schemes Acts 131 of 1998:

Managed care – is defined as “clinical and financial risk assessment and management of health care, with a view to facilitating appropriateness and cost-effectiveness of relevant health services within the constraints of what is affordable, through the use of rules-based and clinical management-based programmes”.

Private healthcare ecosystem



Integrated medicine benefit management



Objectives and operating model

Member and Service Provider Contact Centre Support Digital Health Platforms

IDENTIFICATION

AUTOMATED ALGORITHMS

- Electronic health records
- Acute / Over-the-counter medicine
- Health Risk Assessment
- Disease Risk Management
- Hospitalisation

ACCESS

MEDICINE RISK MANAGEMENT

- Pre-authorisation
- Automated disease formularies
- Drug utilisation review
- Benefit design
- Member and provider portals

QUALITY & COST

UTILISATION REVIEW

- Evidence based policies and guidelines
- Formularies/baskets
- Medical Advisory
- Ex-gratia
- Expert panels
- Adverse effect monitoring

UTILISATION

PHARMACEUTICAL BENEFIT MANAGEMENT & PHARMACY NETWORK

- Real -time adjudication
- Clinical rules
- Reference pricing
- Designated service providers

MONITORING & EVALUATION

CENTER OF EXCELLENCE

- Reporting
- Actuarial analysis
- Quality management systems
- Fraud, waste and abuse
- Legal & compliance
- Innovations

Clinical Policy Department
Clinical Expert Committees
Quality Assurance Unit
Risk Management Department

Current gaps in access to medicine

- The existing gap in healthcare access between public and private sector has widened over decades
- Legislative and operational guidelines impacting access:
 - Essential Medicines List (EML) is not inclusive of all the registered products by South African Health Products Regulatory Authority (SAHPRA)
 - Prescribed Minimum Benefit (PMB) algorithms is currently only available for management of Chronic Disease List (CDL) conditions
 - Formularies and guidelines developed by managed care organisations (MCOs) are highly influenced by financial outcomes/affordability
 - Discrepancies in industry in determining reimbursement criteria
 - Single Exit Price (SEP) legislation impacts the availability of products in South Africa and the ability for pricing negotiations to improve access
- Misalignment of incentives between pharmaceutical manufacturers and MCOs

WHO guidelines on pharmaceutical pricing policies

	Pricing Policies	Applied by SA
1	External reference pricing	N
2	Internal reference pricing	Y
3	Value-based pricing	Y
4	Mark-up regulation across the pharmaceutical supply and distribution chain	Y
5	Promoting price transparency	Y
6	Tendering and negotiation	Y
7	Promoting the use of quality-assured generic and bio-similar medicines	Y
8	Pooled procurement	Y
9	Cost-plus pricing for setting the price of pharmaceutical products	N
10	Tax exemptions or tax reductions for pharmaceutical products	Y

Way forward

