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Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive



Medicines Management
Programme

The Sustainability of Irish Pharmaceutical Expenditure

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Content

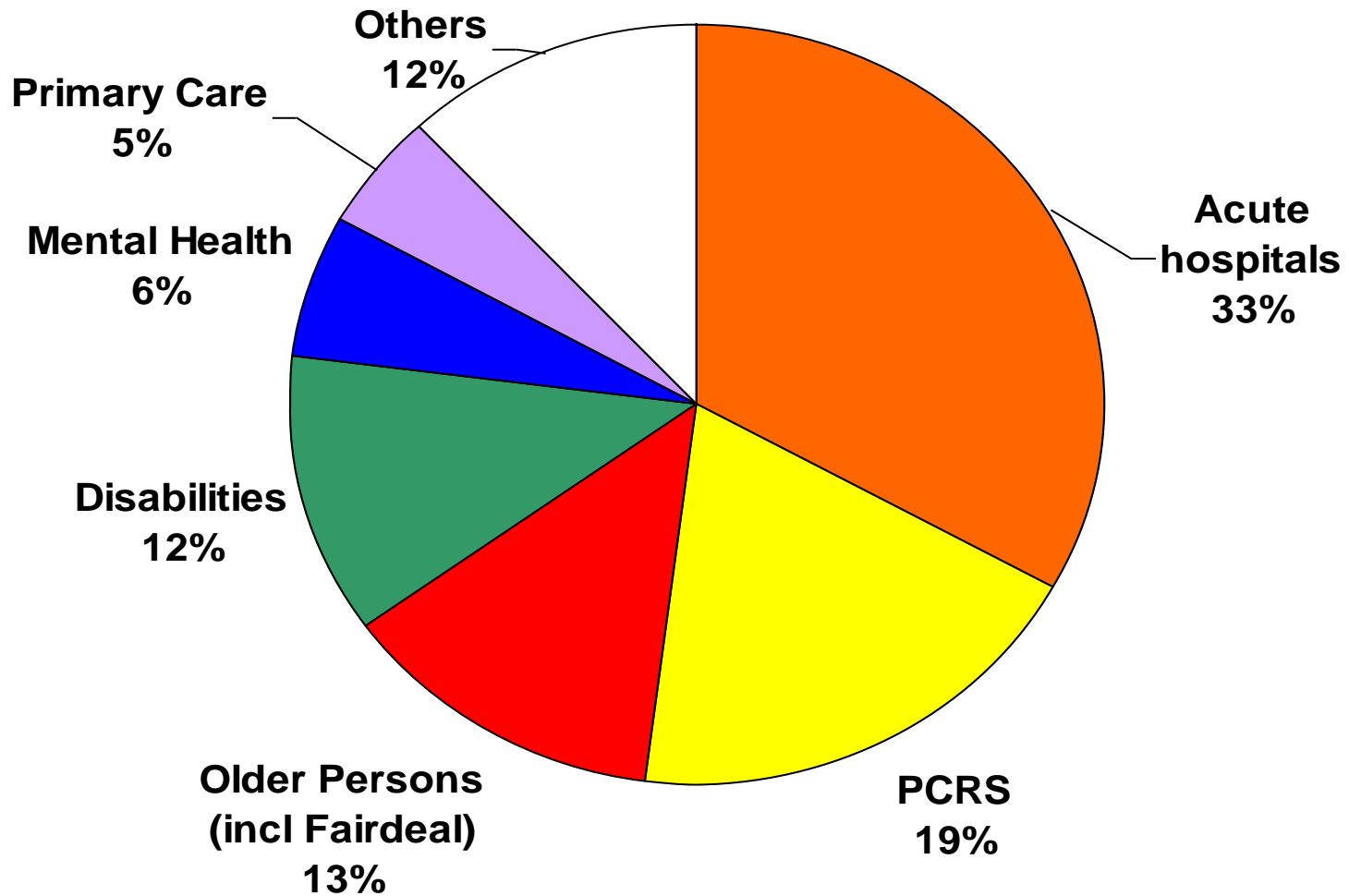
- Overview of Irish Health Services
- Community Drug Prescribing Trends
- Driving Efficiencies:
 - Cost Containment Measures
 - Reference Pricing
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Irish Health Services

- The health & social services of 4.6m people
- €12.1bn net revenue budget
- 97,500 employees (largest employer in country)
- Complex and varied services:
 - 550,000+ inpatient cases, 750,000 day cases
 - 15m + GP consultations
 - 70m prescription items
- 2015 €115m net increase



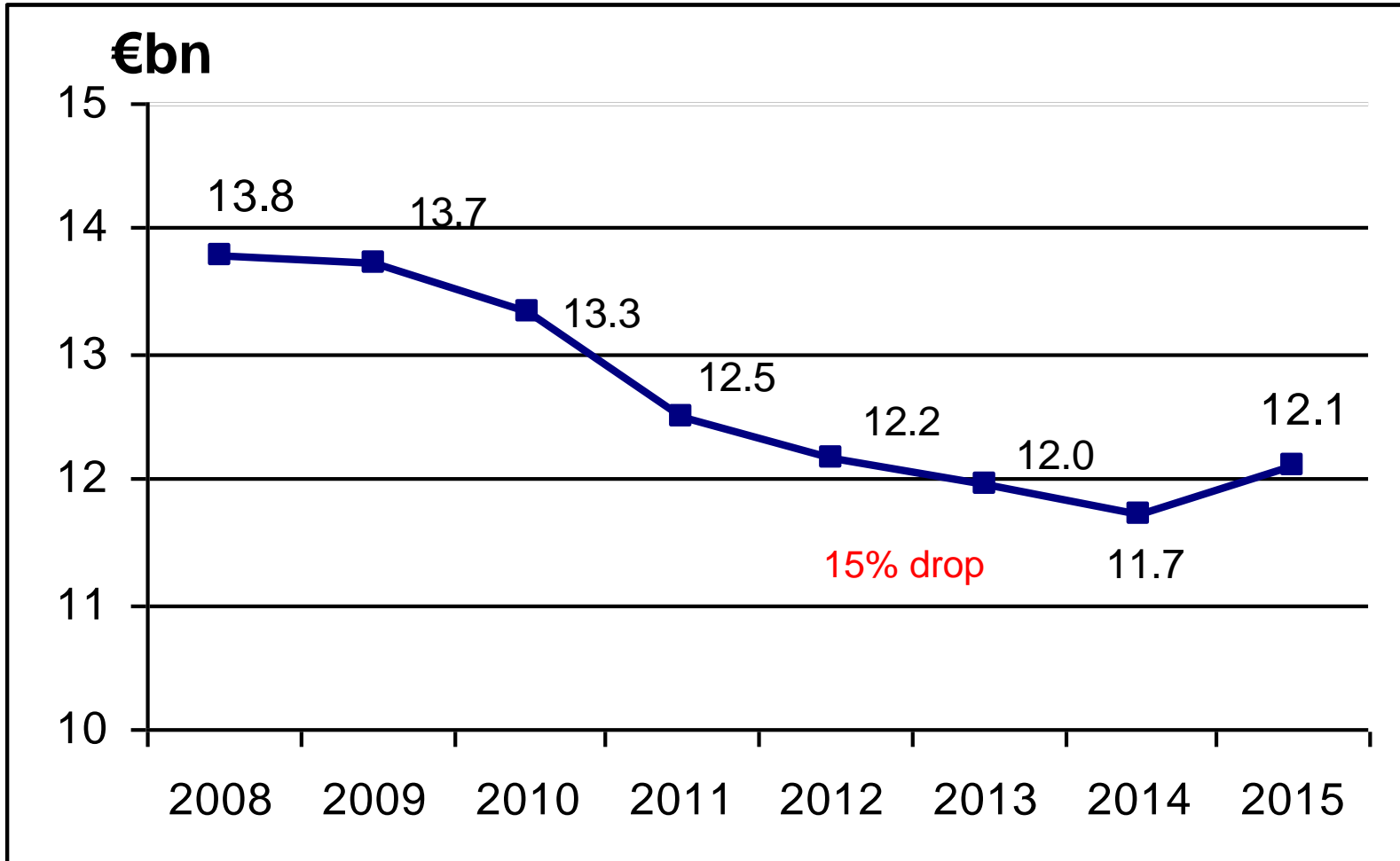
HSE Care Group Spend



Source: HSE Management Data Report Nov 2014



Government Net Funding to HSE



Source: 2015 DoF Budget and HSE monthly performance reports. Available at:
<http://www.hse.ie/eng/services/Publications/corporate/performance-reports/MonthlyPRs.html>

Note: All figures presented are net of income charges.



Community Drugs - PCRS

Currently:

- Reimbursement Service
- €2,300m* spend
- GMS 'medical card' scheme €1,716m ('14)

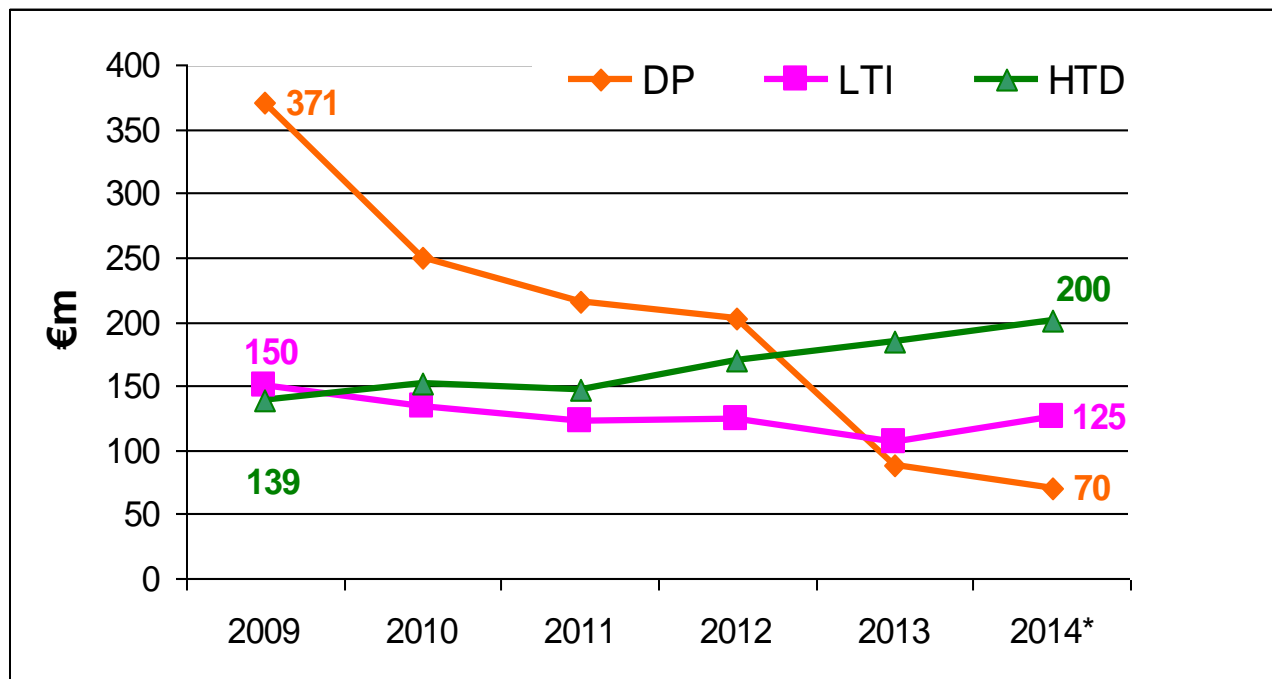
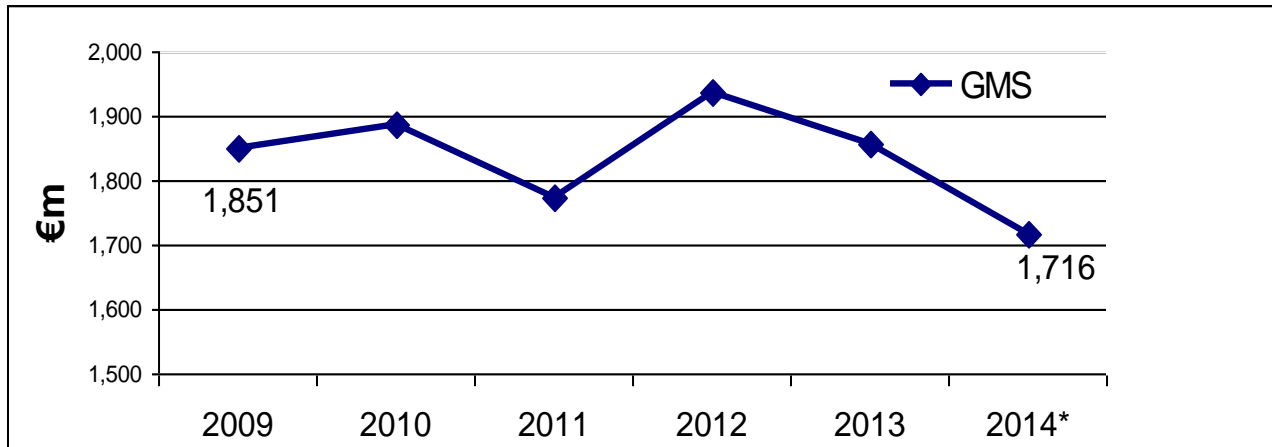


2015:

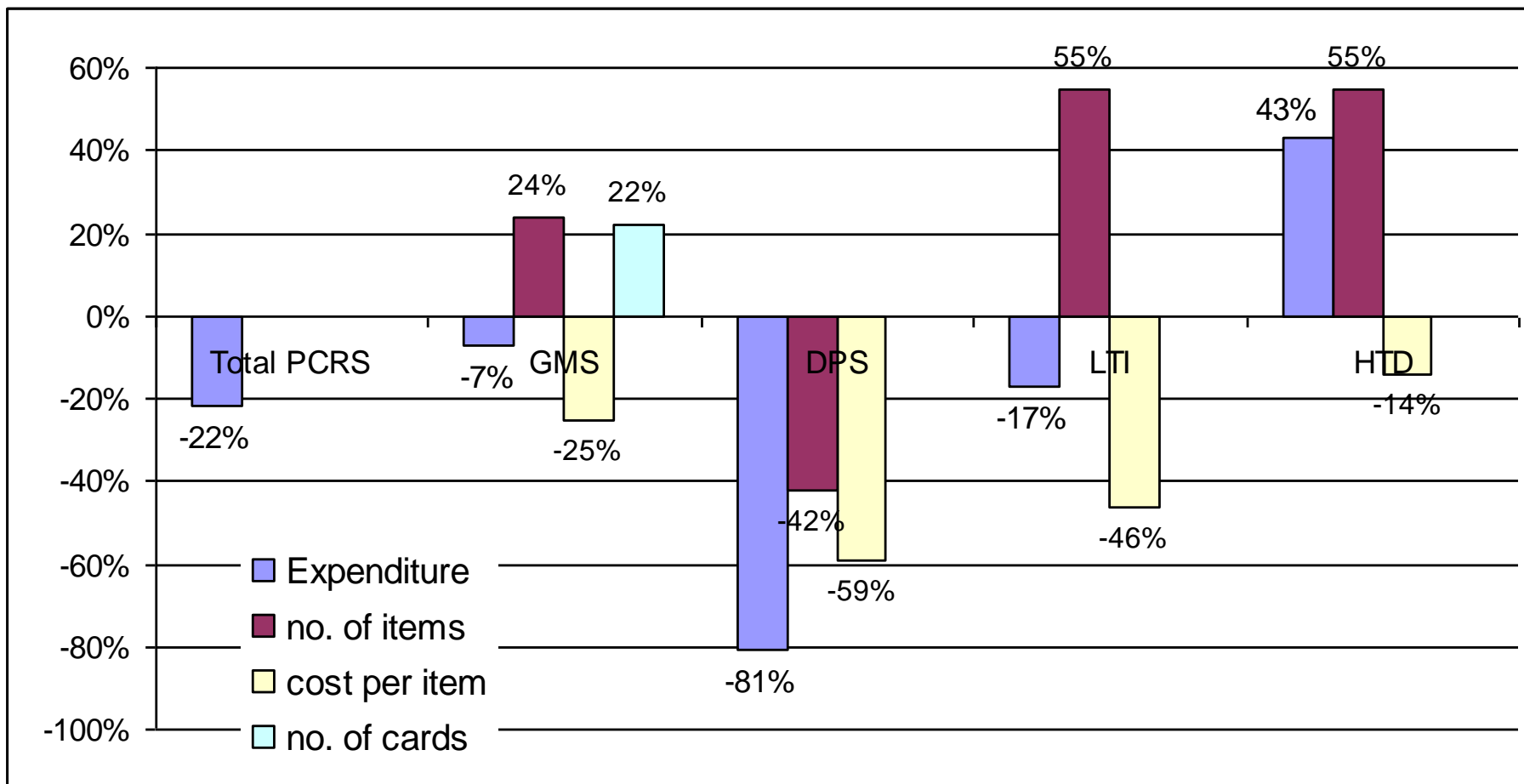
- Budget €2,486m
- Universal GP service
- Hepatitis C €30m
- Savings target of €95m



PCRS Schemes 2009-2014



PCRS Schemes 2009-2014



Driving Efficiency?



“First we’re going to run some tests to help pay off the machine.”

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Some Cost Containment Measures



Estimated 2011 Savings (€380m):

1. Reduce ex-factory price of drugs €200m
2. Reduce pharmacy dispensing fees and mark-ups €100m
3. Restrict scheme coverage and increase patient co-payments €80m

Source: Walshe V, Kenneally M. The Sustainability of Irish Pharmaceutical Expenditure. Value in Health 2013, 16(7): A469.



Reference Pricing

- The HSE sets a price for the original branded product and its generics
- If the patient wishes to obtain the original product they will have to pay the difference between the reference price and the product's price
- Some 37 products have been reference priced to date

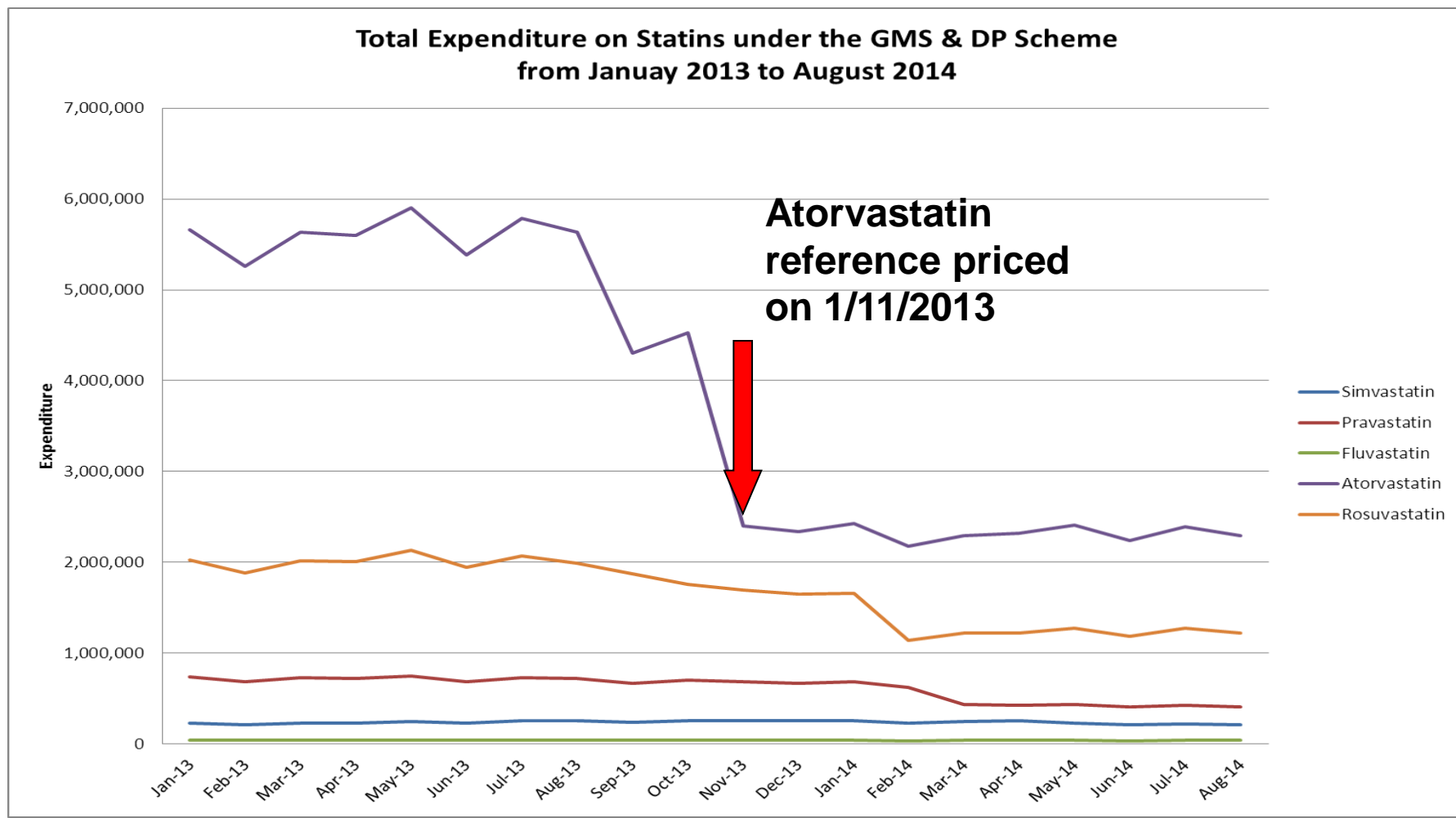


- The Statin Atorvastatin (Lipitor) was the first drug to be reference priced Nov 2013
- The PPI Esomeprazole (Nexium) Jan 2014.

Reference Pricing: Statins

Total Statin Expenditure: Aug 2013 = € 8.6m → Aug 2014 = € 4.2m
GMS & DP

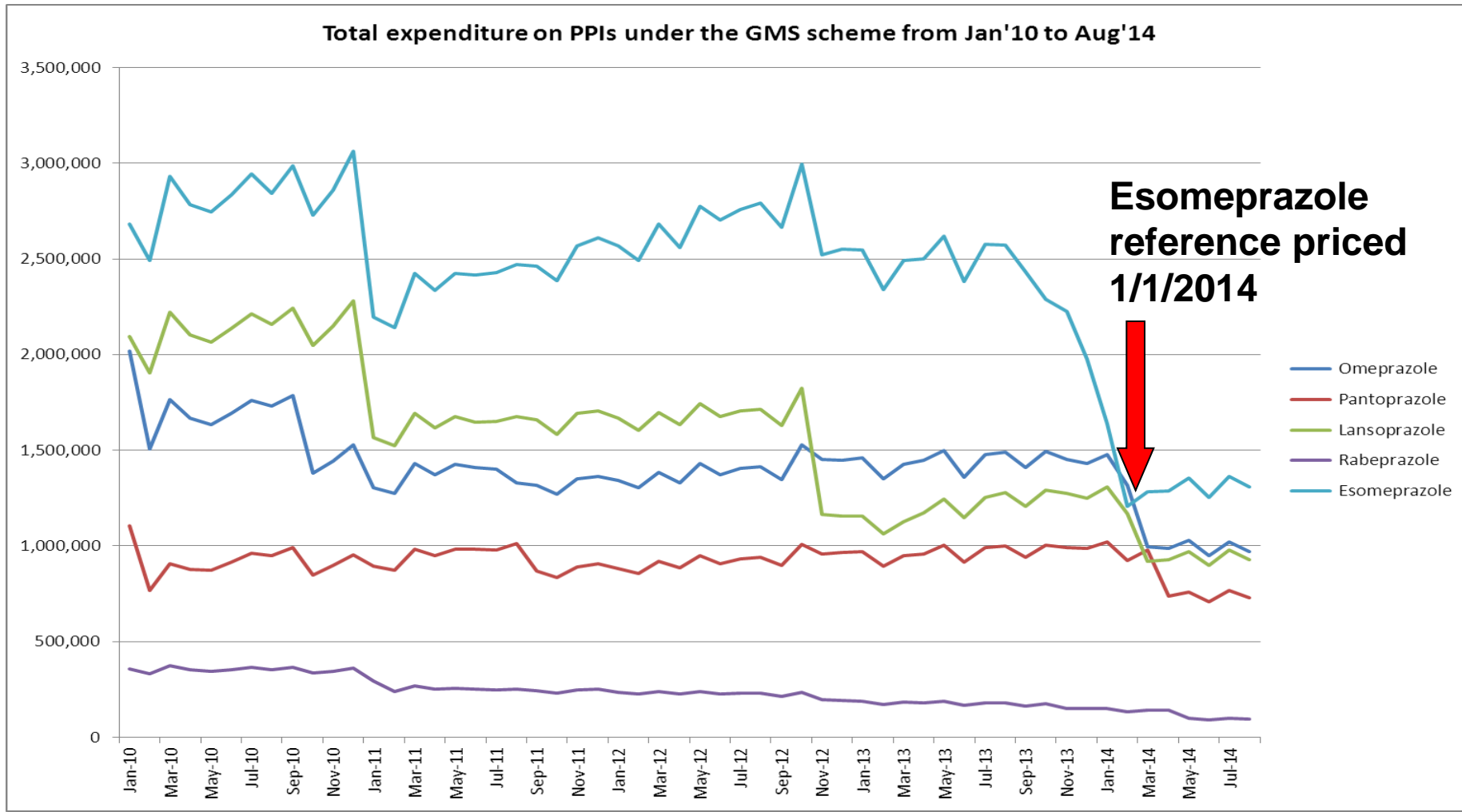
Savings = € 4.5m/ month



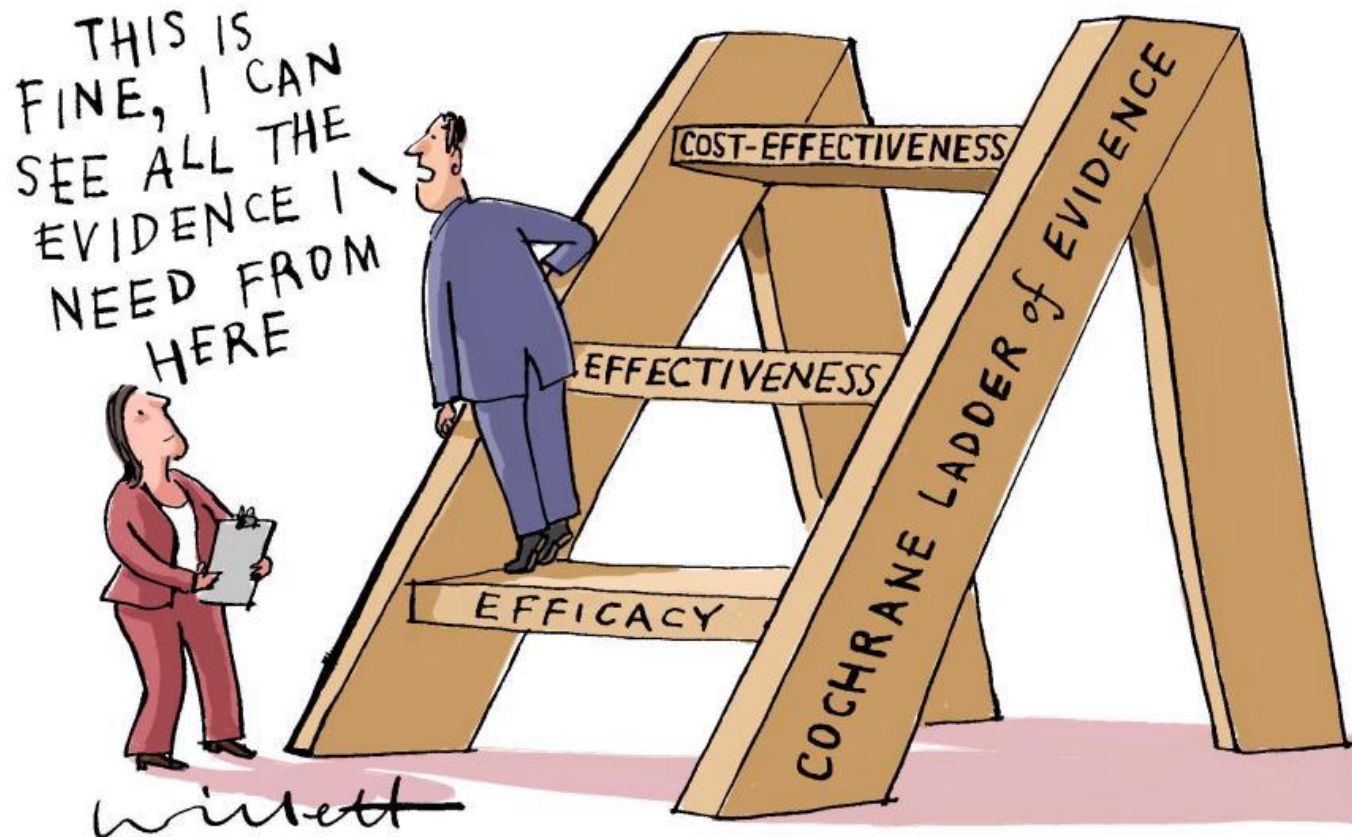
Reference Pricing: PPIs

Total PPI expenditure: Aug 2013 = € 7.4m → Aug 2014 = € 4.5m
GMS & DP

Savings = € 2.9m /month



Informed Advice



Decisions around new medicines have implications for other services. Järvinen T L N et al. *BMJ* 2011;342:bmj.d2175

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Medicines Management Programme

- Preferred Drugs Initiative

- Identifies a single drug

- Evaluation process:

- ‘how well the drug works’
- ‘how much and how often’
- ‘does it affect other drugs’



- Prescribing tips and tools and information for patients provided

Expenditure of Preferred Drug Classes

Jan-June 2013 v Jan-June 2014

6 month savings = €42m

Drug Class	Exp €	Exp %	Δ prescribing rate
PPI	-13.5m	-31%	9%
Statin	-25.2m	-49%	17%
ACE	-1.3m	-11%	5%
ARB	-2.2m	-19%	0%
TOTAL	- €42.2m	-35%	n/a



Health Technology Assessment

“is a multidisciplinary field of policy analysis. It studies the medical, social, ethical, and economic implications of development, diffusion and use of health technology”

INAHTA: 1998



Ivacaftor (Feb 2013)

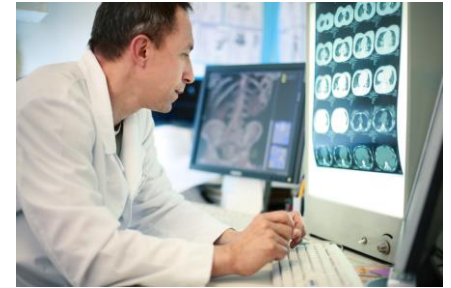
- New cystic fibrosis drug
- €234,000 per patient per annum
- 120 patients
- Cost €28m per annum

Eculizumab (Feb 2015)

- Blood disorder
- €430,000 per patient per annum
- 6 -10 additional patients
- Cost €3m per annum

Other Initiatives

- Prescribing tips for antibiotics
- Guidance provided on New Oral AntiCoagulants (NOACs)
- ‘Appropriate’ usage of blood glucose test strips for Type 2 Diabetes
- Review of inhaled products for Asthma/COPD
- Review of oral nutritional supplements



Conclusion

- Dual challenge of reducing costs while improving patient outcomes/ safety/ quality
- Continued demographic pressures and increasing demand/ technology advances
- Shift from cost containment to evidence based and cost-effective initiatives

**Sustainability of Irish Pharmaceuticals Expenditure
and the Healthcare System?**