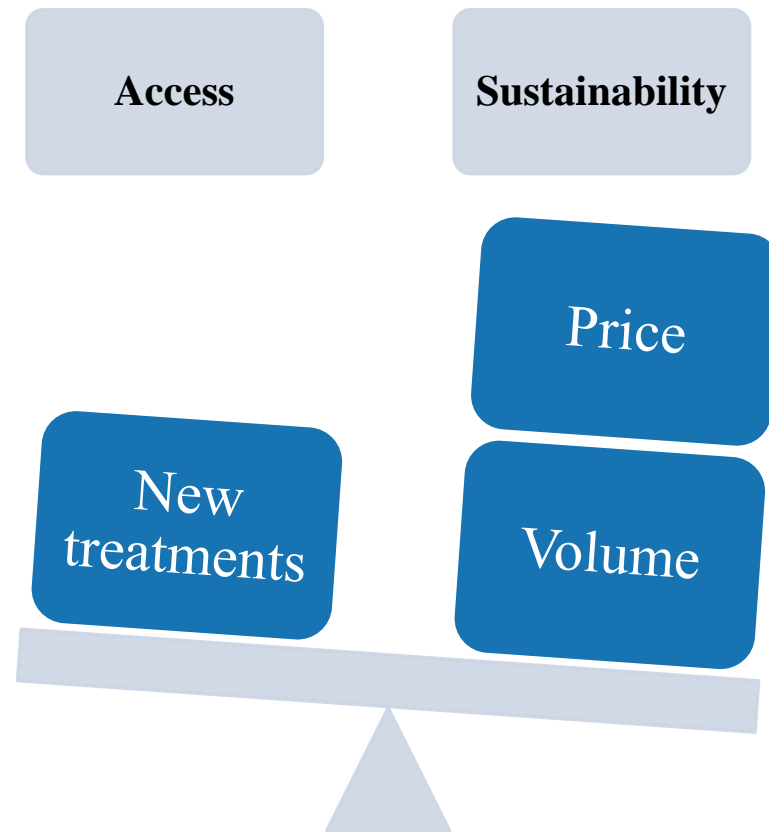


The Public Drugs Bill: access and sustainability

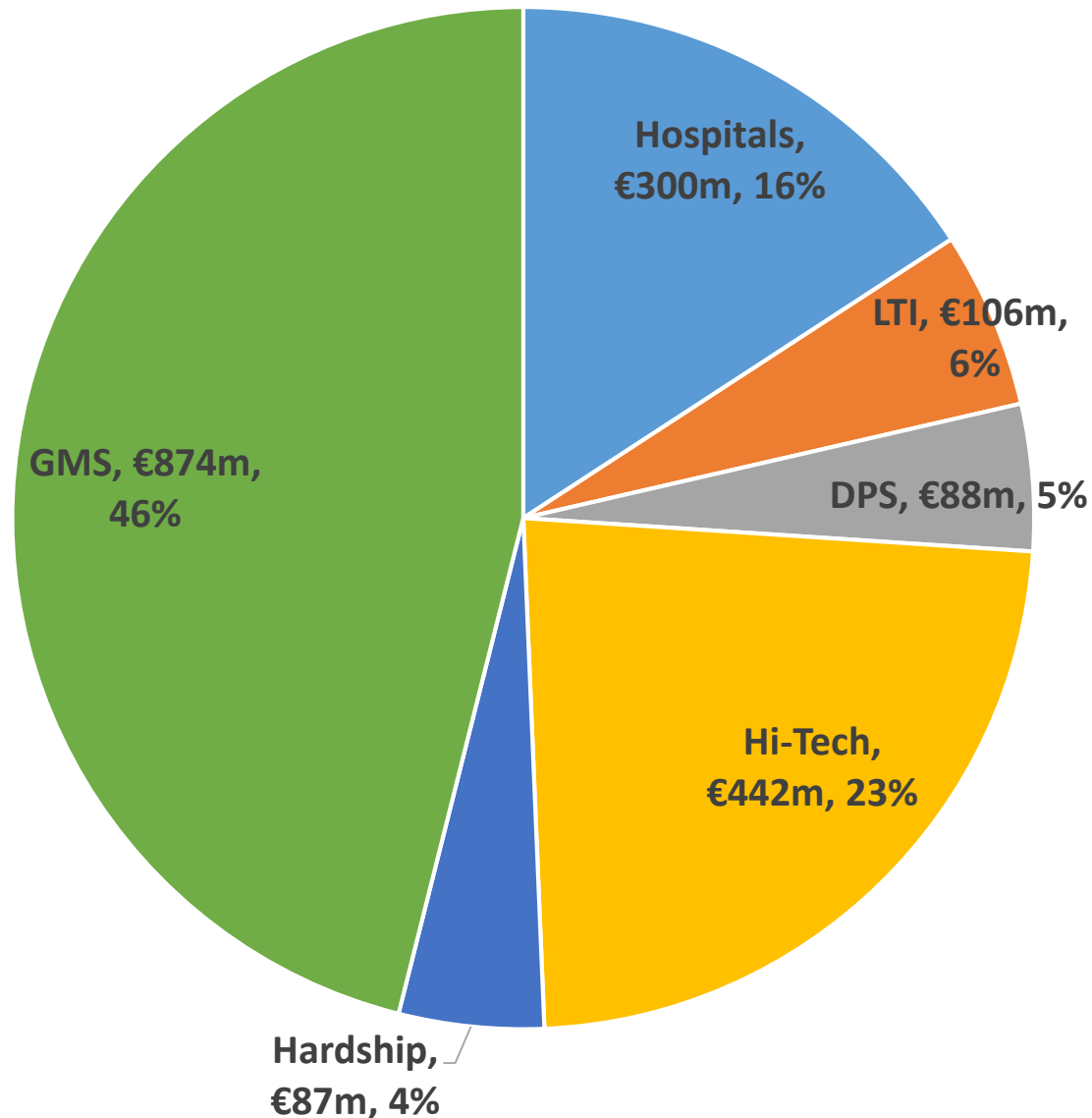
Niamh Callaghan



Outline of presentation

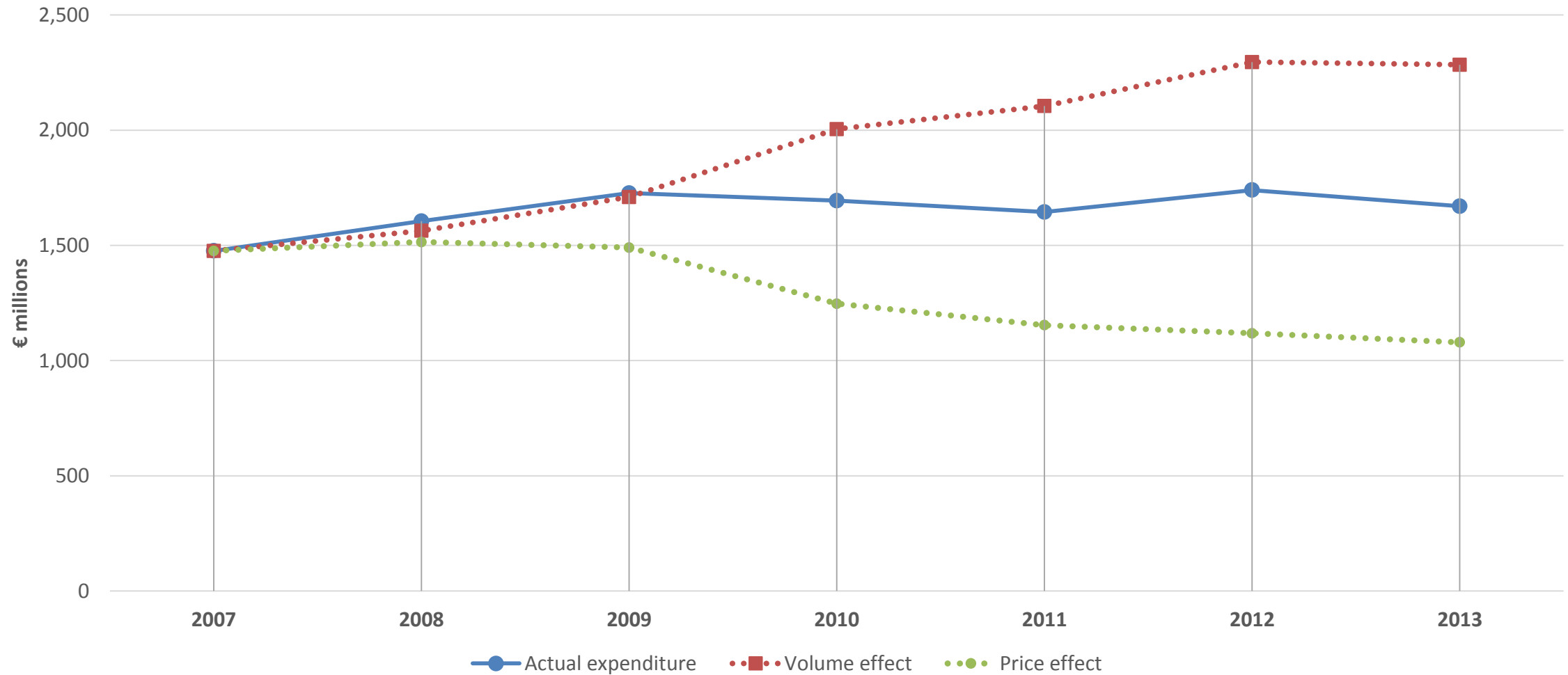
1. Successful cost containment during the recessionary period
2. Illustration of the large pipeline of new innovative medicines
3. Consideration of new policy levers for the reimbursement of new drugs and the pricing structure for the current stock of drugs

Drugs bill= €1.9 billion



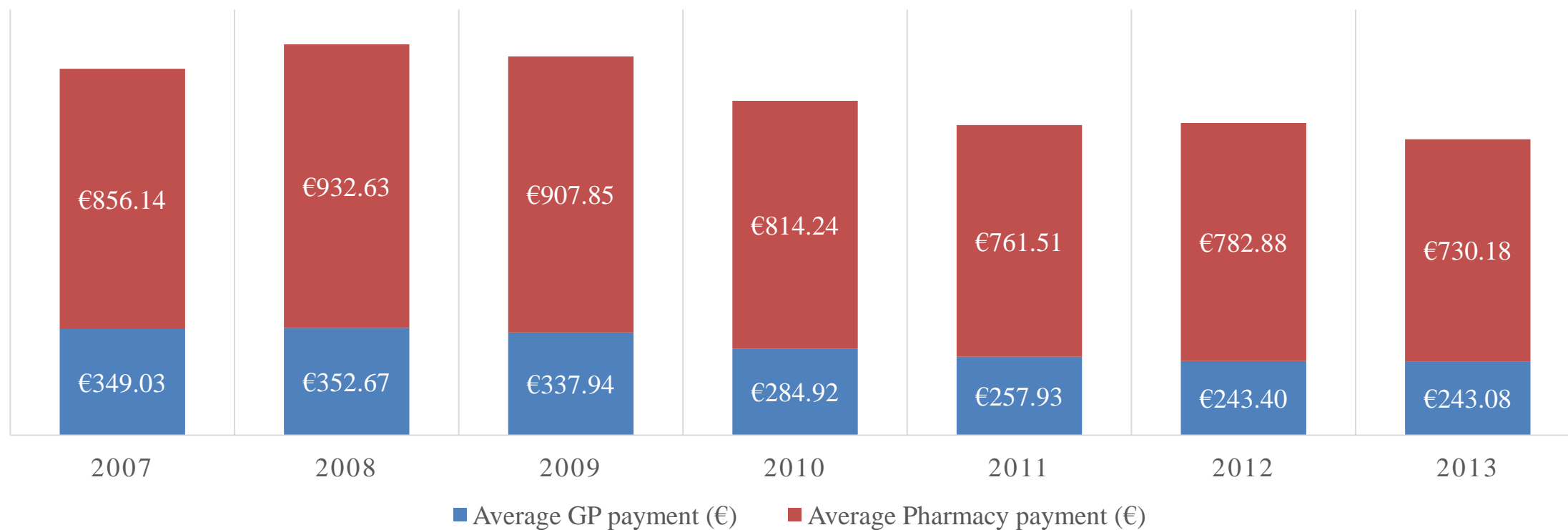
- **14%** of HSE expenditure
- **€1.6 billion** or **84%** of the public drugs bill is concentrated in a primary setting
 - Composition of spend has undergone significant change over past few years

Decomposition of price and volume effect for GMS expenditure (base year = 2007)

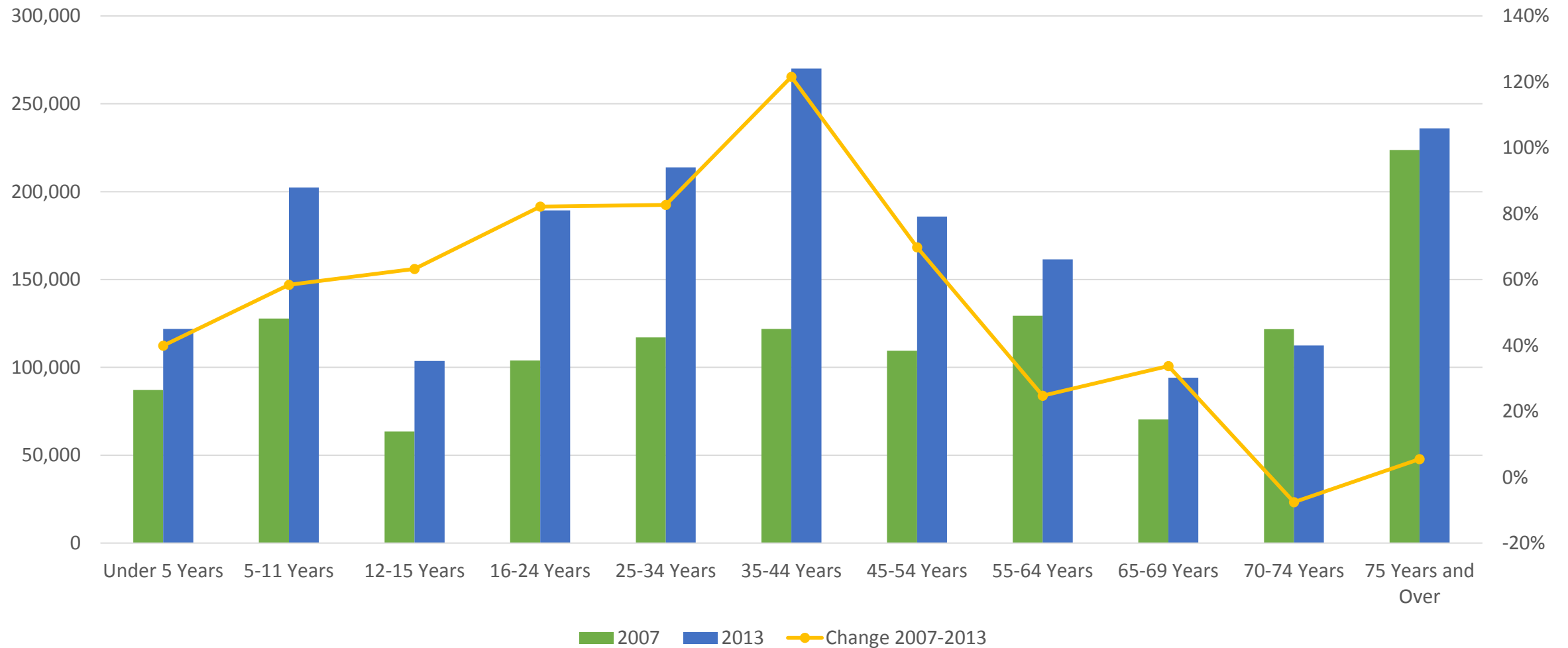


Trend Analysis - Price

- Reductions in card costs driven by:
 1. Reduced drugs prices
 2. FEMPI reductions on GP fees and allowances
 3. Changing demographic profile of cardholders

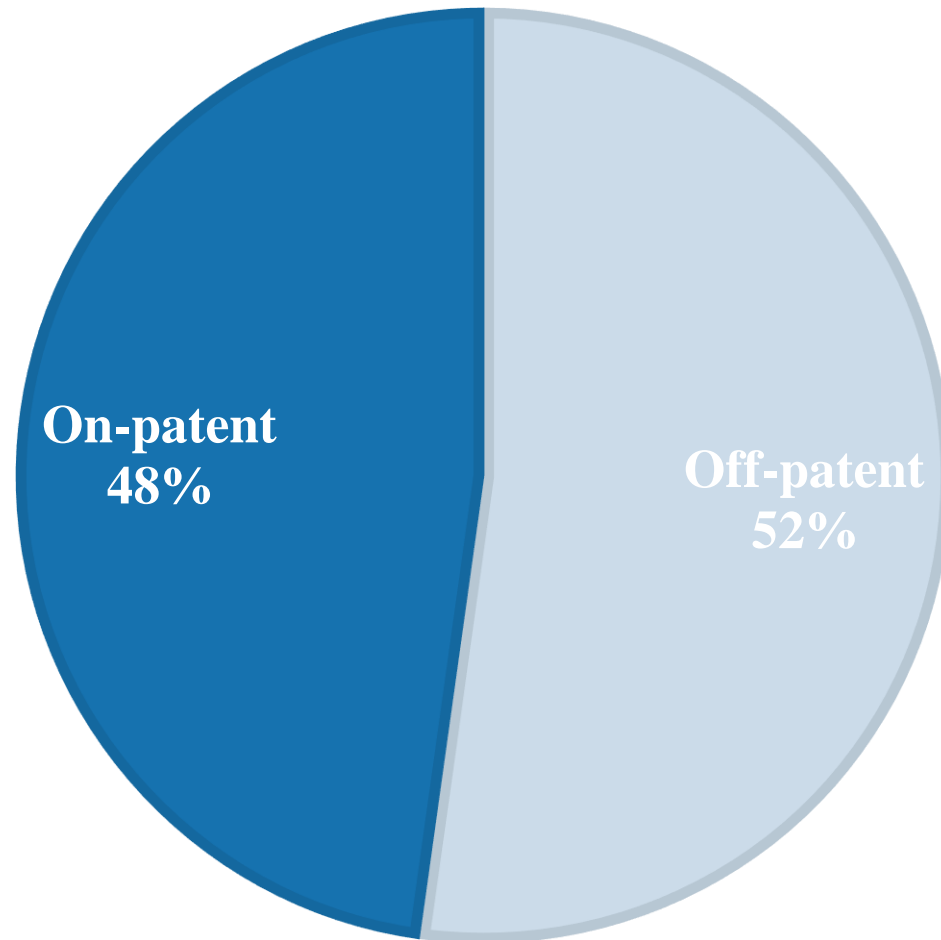


Medical Card Age Distribution – 2007 versus 2013

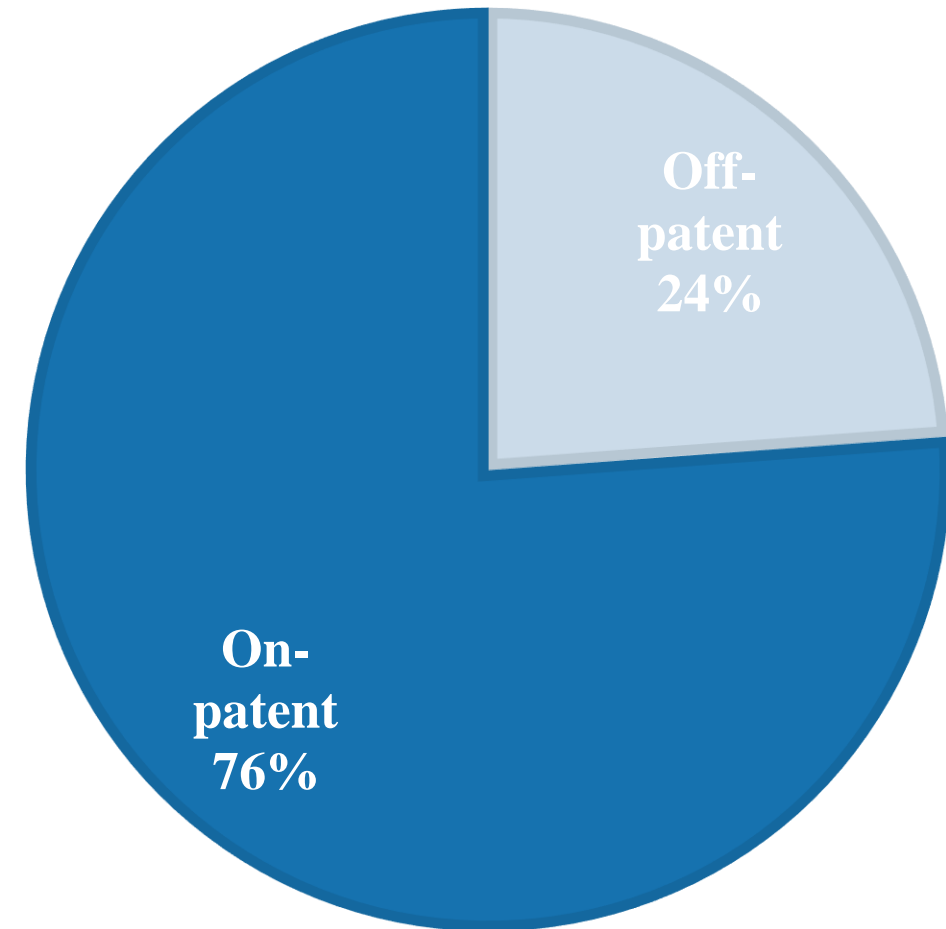


Drugs Market

VOLUME



VALUE



Policy Levers (1)

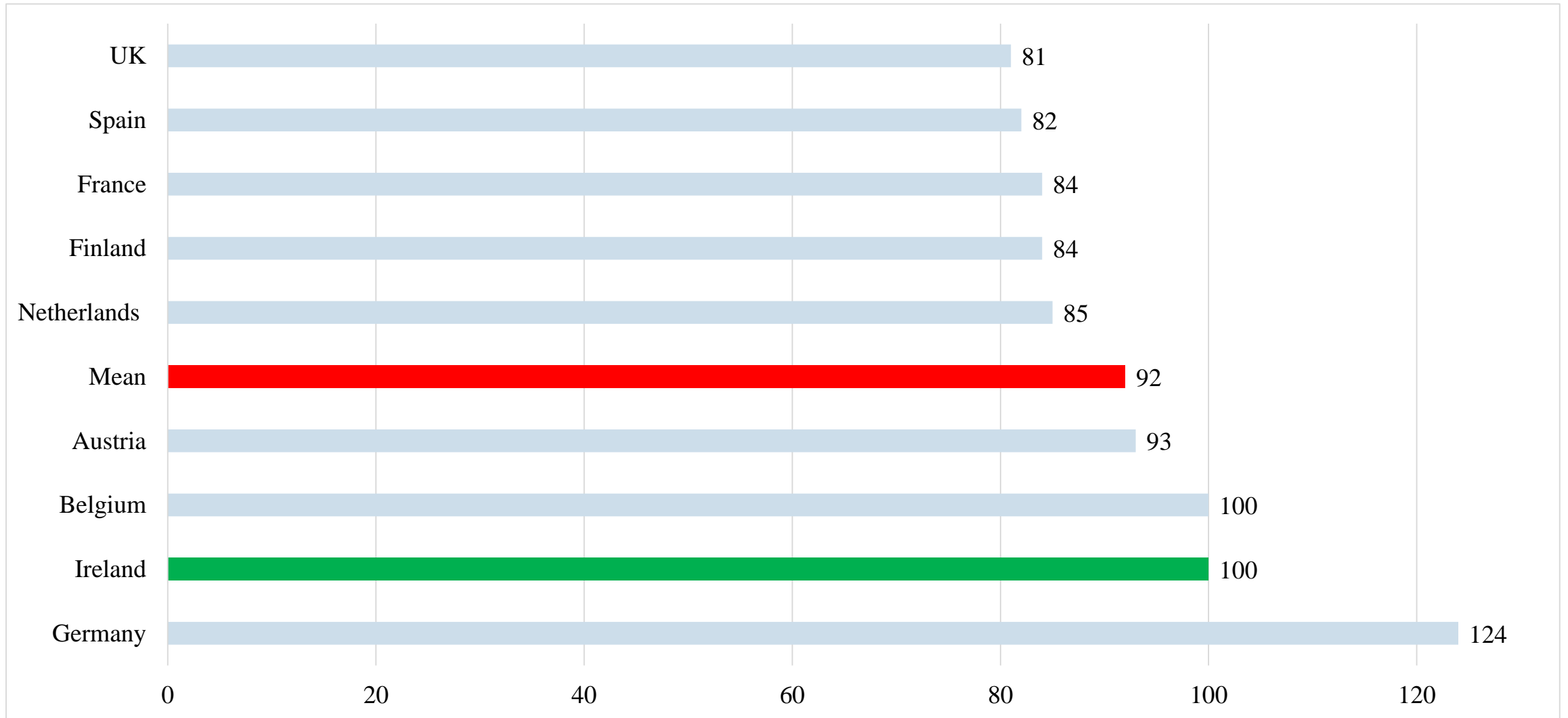
Off patent

- Reference pricing
- APMI price agreement

On patent → existing stock

- Industry price agreements with IPHA
 - Drug price reductions concentrated on GMS drugs
 - Provision for new drugs expenditure of €70m p.a

Comparison of pharmaceutical price levels in Europe (2011 prices)



Policy Levers (2)

On patent → new drugs

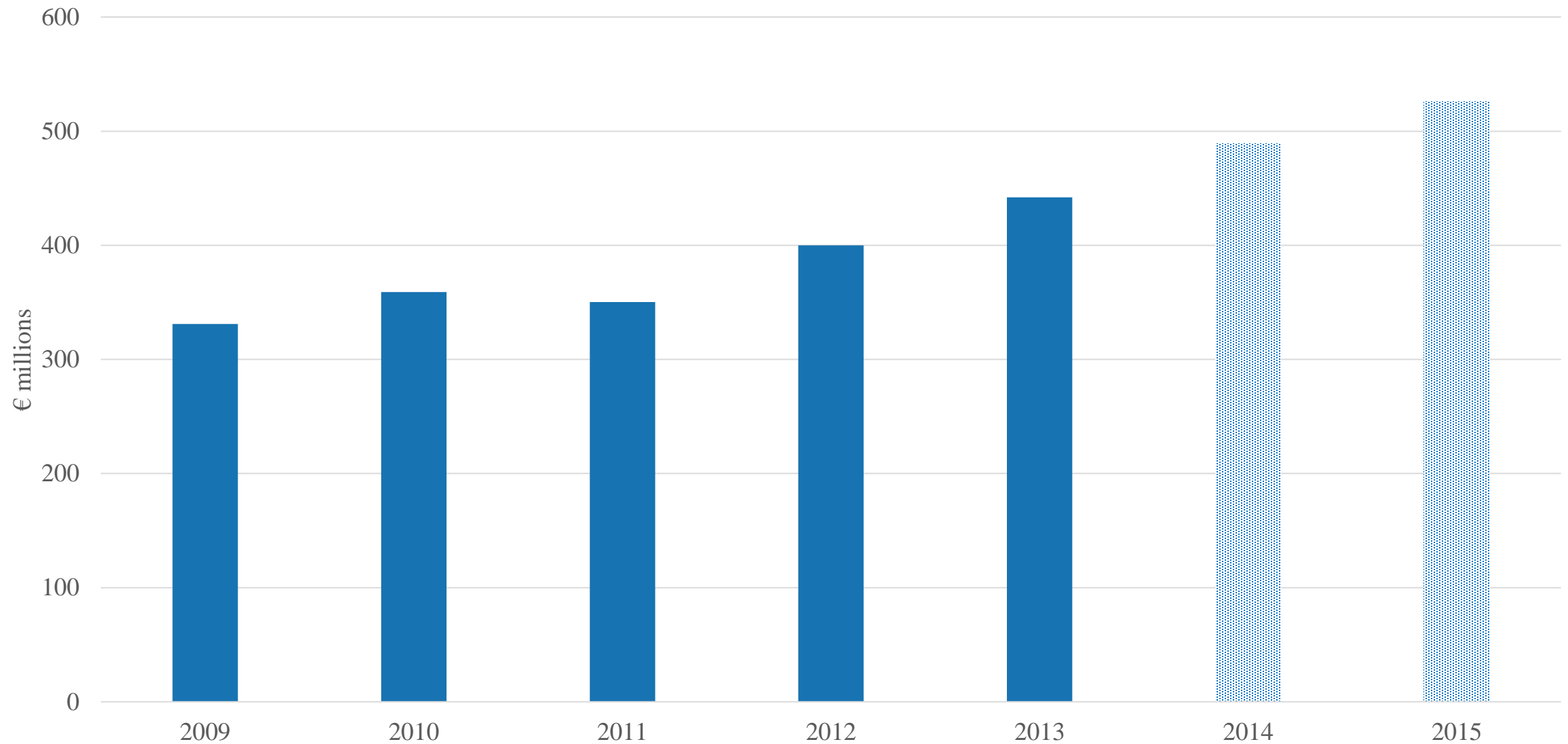
➤ Health Technology Assessment

- Quality-adjusted life year (QALY) threshold = €45,000

“common currency to assess the extent of the benefits gained from a variety of interventions in terms of health related quality of life and survival for the patient”

- Patient access agreements

Hi-Tech Drugs Scheme



Future policy options?

1. Next IPHA Agreement

- Changes to reference price basket?
- Budget cap?
- Further exploration of use of QALY?

2. Reform of current reimbursement decision-making model for new drugs

- Separate fund?