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Managing Medicines Benefits in the Developing Country Context

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## Benefits Management in the UHC Context



The goal of UHC is to ensure that all people have access to "promotive, preventive, curative and rehabilitative health interventions for all at an affordable cost, thereby achieving equity in access." [WHO]

The goals of adding a medicines benefit under UHC are to

- ensure that all covered patients/eligible users have equitable access to medically necessary high quality health products; and
- ensure that providers and consumers use the products appropriately.
- ensure that the program is financially sustainable



# Financial Sustainability Equation



#### **Demand**

- ➤ Availability
- **≻**Affordability
- ➤ Perceived quality
- ➤ Alternative choices
- >Administrative controls

#### **Financial resources**

- ➤ Government financing
- **>**User fees
- ➤ Social insurance
- ➤ Private Insurance
- ➤ Community financing
- ➤ Donor financing

### **Quality of care**

- ➤ Availability of medicines
- ➤ Selection of medicines
- ➤ Quality of medicines
- ➤ Quality of services
- ➤ Appropriate use

#### Costs

- **≻**Administration
- ➤ Cost of health products
- ➤ Contracted services
- **≻**Personnel
- ➤ Other Operating costs
- ➤ Capital

Adapted from MDS-3, Figure 11-1



# "Decision Elements" in Benefit Management



- Program Design and Administration
- Contracting and Reimbursement Strategies
- Product Selection/Product Cost Control Strategies
- Product Purchasing Strategies
- Utilization Review and Utilization Management Strategies
- Educational strategies for providers and plan users

Adapted from Faden et. al. Working Paper 2 – The Role of Health Insurance in the Cost Effective Use of Medicines. May 2011.



# Decisions – Contracting and Reimbursement



In-house services vs. contracted services provided to users

Open access vs. Preferred Providers (individual or network)







Formulary list – how restrictive and what exceptions

Policies on generic and therapeutic substitution

User copays (how structured and what exemptions?)



### Decisions – Utilization Management



Reviewing utilization by providers and patients to identify potential problems with inappropriate medicines utilization as well as fraud and abuse.

Prospective or retrospective review



# The Way Forward – MSH perspective



I think we can all agree that medicines benefit programs are an essential component of moving towards UHC

Through the SIAPS program we hope to be able to add value in helping countries evaluate their options for implementing or revising medicines benefit programs that are appropriate for their particular context.

We believe that one need is a practical framework and guide to the key elements, decision factors, and options regarding medicines benefit management. Stronger health systems. Greater health impact.









Saving lives and improving the health of the world's poorest and most vulnerable people by closing the gap between knowledge and action in public health.