

Insights from a payer for value-based contracts

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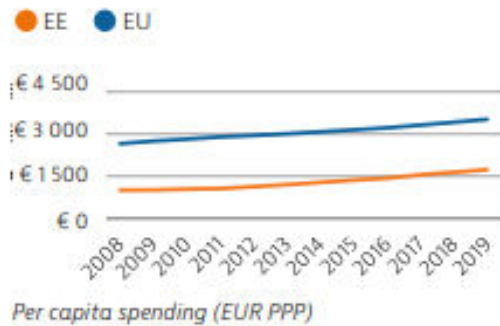
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This presentation represents the views of the speaker
and not necessarily those of Estonian Health Insurance Fund.



Estonia

- Population size – **1,33 million** (stat.ee)
- GDP per capita in PPS **86%** in relation to EU average (Eurostat)
- Health Care budget for 2022: **1,86 billion €**
 - ambulatory drugs **212 million €**, hospital drugs ca **82 million €**



Health system

In per capita terms, spending on health in 2019 was EUR 1 733, which is less than half the EU average. Total health expenditure was also significantly lower when measured as a share of GDP (6.7 % compared to an average of 9.9 % of GDP in the EU). Around three quarters of health spending in Estonia comes from public sources, with one quarter from out-of-pocket payments – mostly for medicines and dental care.

Where should we invest public money to maximize health gains for Estonian people?



Clear criteria do guide the value determination



- Medical efficacy
- Unmet need/ alternatives
- Cost-effectiveness
 - Budget impact
- Uncertainties?

"In God we trust. All others must bring data."

W. Edwards Deming



Managed Entry Agreement

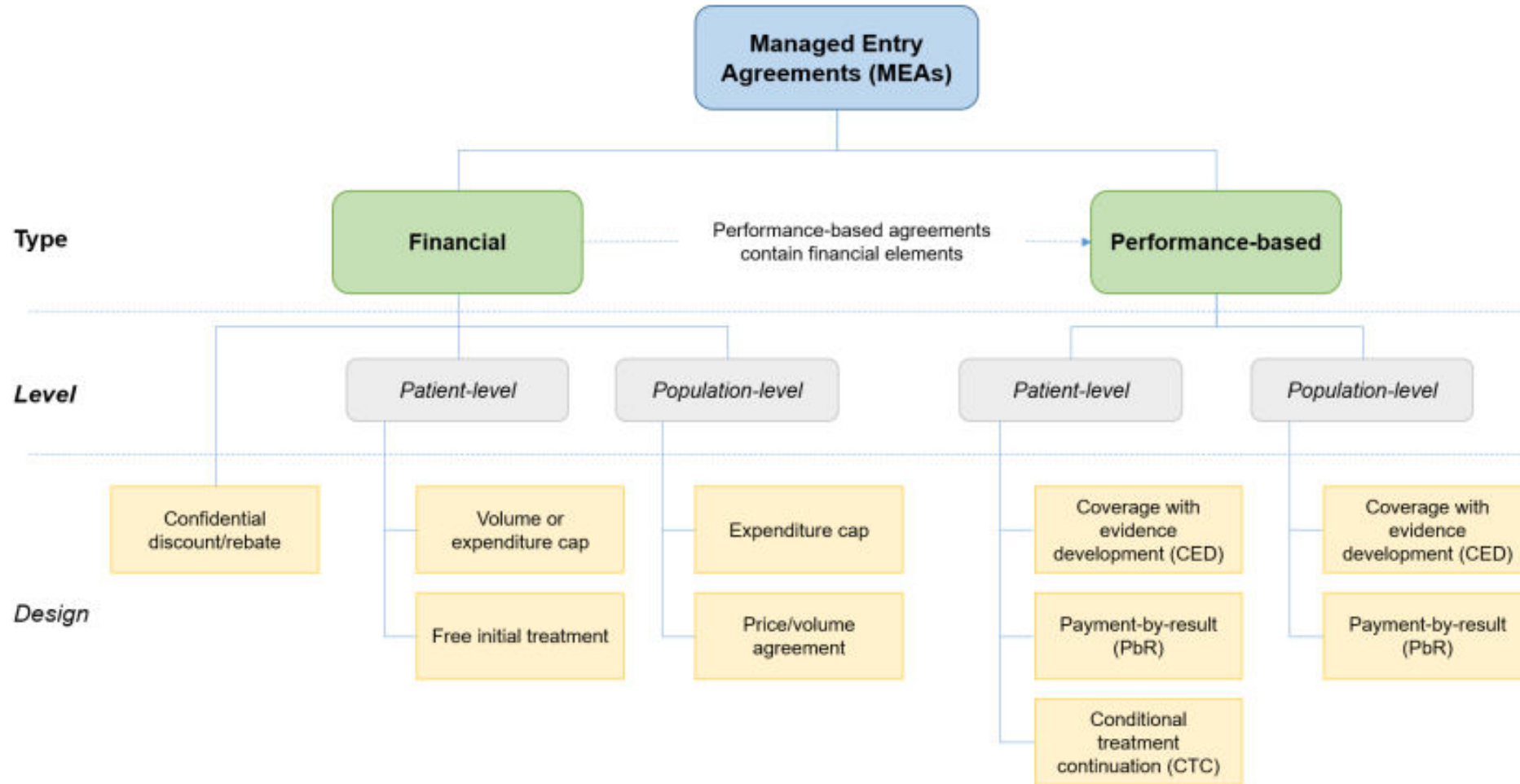
an arrangement between a [pharmaceutical] manufacturer and payer/provider that enables access to [i.e. coverage or reimbursement of] a health technology subject to specific conditions'. These arrangements can use a variety of mechanisms to address uncertainty about the performance of technologies and/or to manage the adoption of technologies in order to maximize their effective use, or limit their fiscal impact.

'Klemp M, Frønsdal KB, Facey K (2011). What principles should govern the use of managed entry agreements? International Journal of Technology Assessment in Health Care, 27(01):77–83.



Which agreement to choose?

Figure 1.1. A taxonomy of Managed Entry Agreements



Wenzl, M. and S. Chapman (2019), "Performance-based managed entry agreements for new medicines in OECD countries and EU member states: How they work and possible improvements going forward", OECD Health Working Papers, No. 115, OECD Publishing, Paris, <https://doi.org/10.1787/6e5e4c0f-en>.
 Source: Authors based on Carlson (2010), Ferrario and Kanavos (2013) and Gerkens et al. (2017)

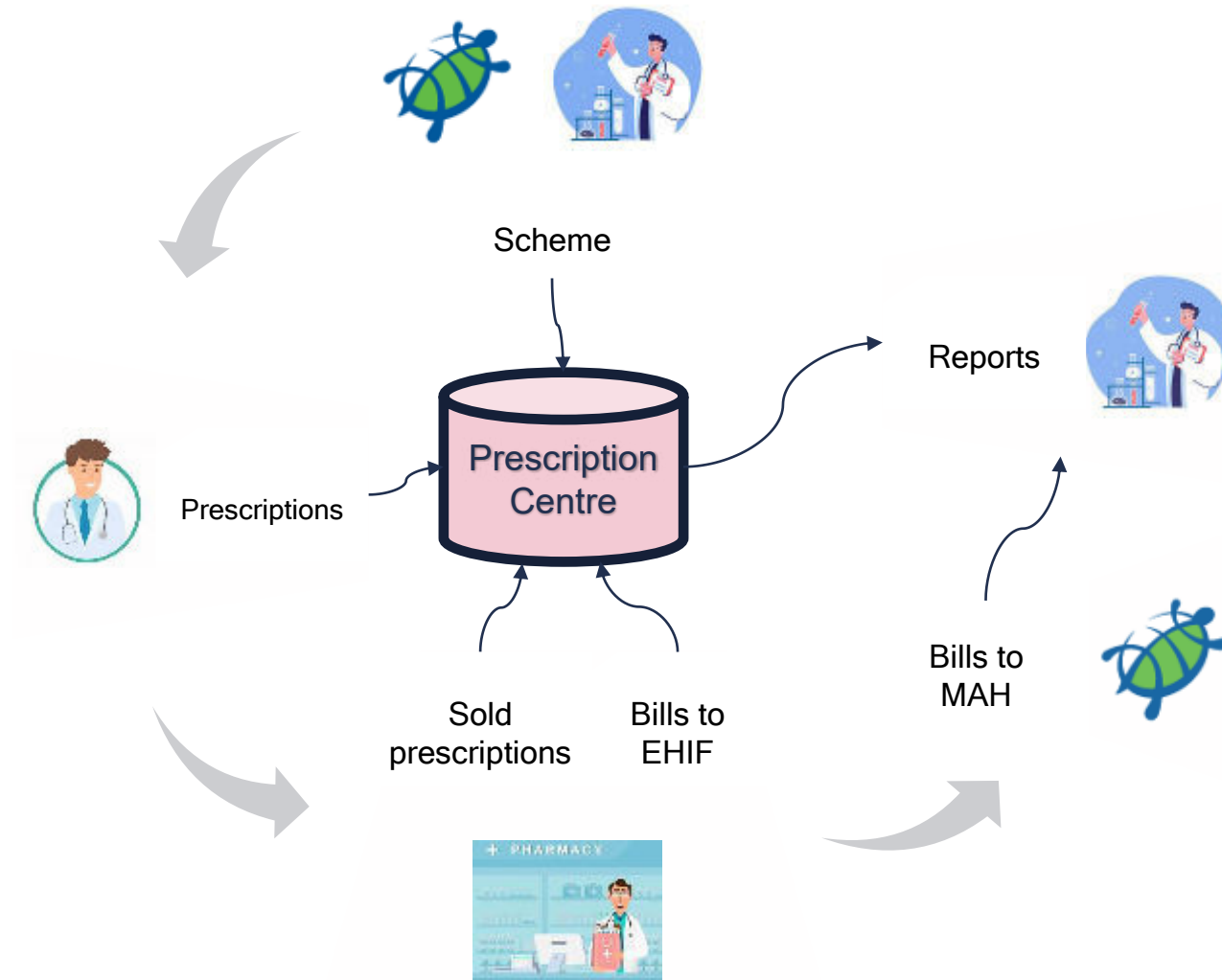
Value-based contracts

Key learnings

- Identify the risk!
- Will the planned agreement help to minimize the uncertainty?
- KISS
- Clear entry and exit criteria
- Collaboration with doctor societies is important
- Mutual trust and openness is basis for a good agreement

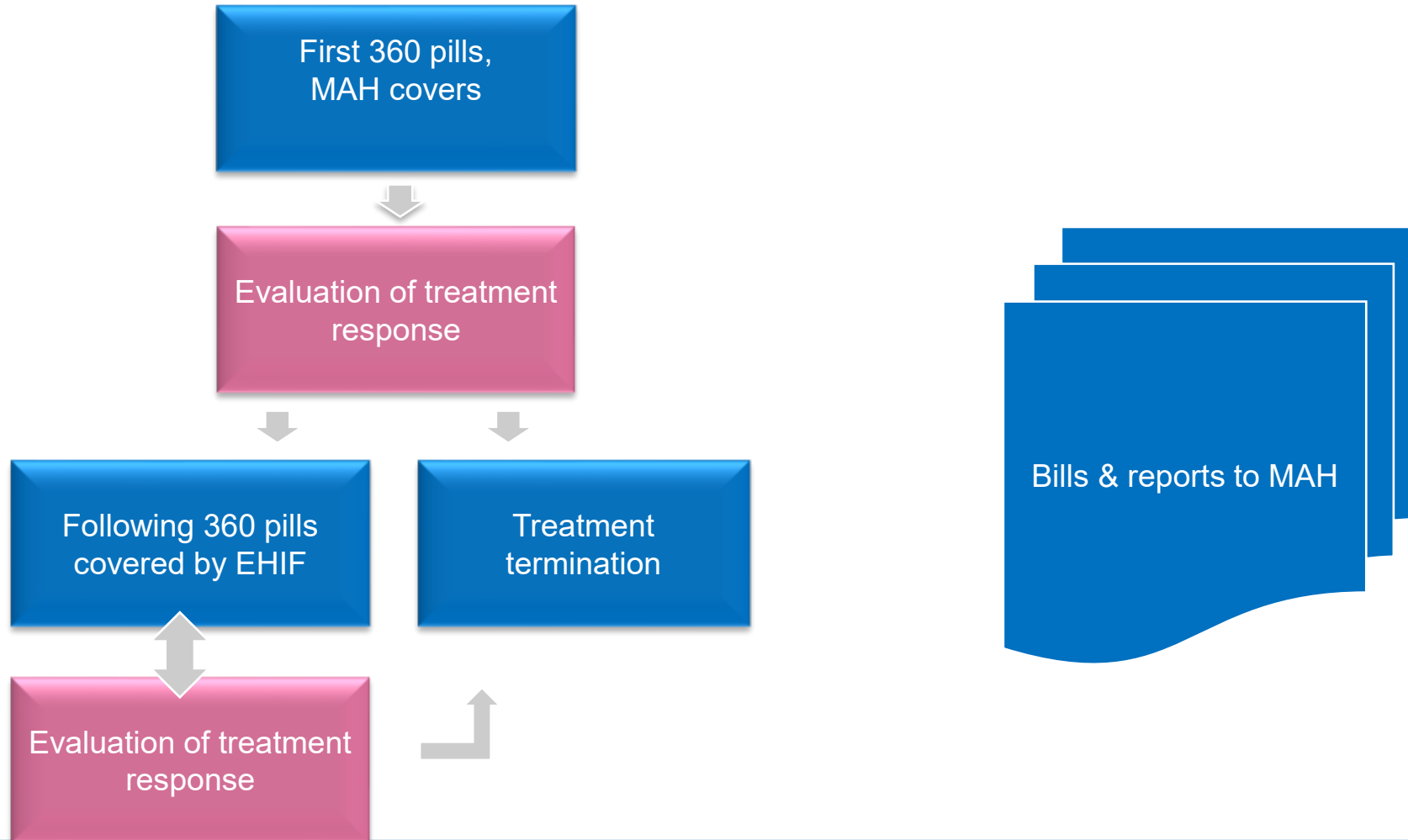


Value-based agreements in digital reality



Example

Product X is reimbursed for the cancer treatment, if patients ECOG status is 0-1 and previous 3 months of treatment was successful and thereafter every 3 months treatment disease remains stable (no progression based on CT or other relevant diagnostic test).



Thank you!

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