Ensuring no one is left behind

Lesson learnt from Thai UHC

Netnapis Suchonwanich
Deputy Secretary General
National Health Security Office
# Health insurance schemes in Thailand

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Civil Servant Medical Benefit Scheme (CSMBS)</th>
<th>Social Health Insurance (SHI)</th>
<th>Universal Coverage (UC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduced in</td>
<td>1960s</td>
<td>1990s</td>
<td>2001</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>Govt. employees &amp; dependents, retirees</td>
<td>Private sector employees:</td>
<td>Rest of population</td>
</tr>
<tr>
<td>Pop Coverage</td>
<td>5 million (8 %)</td>
<td>9 million (14 %)</td>
<td>49 million (78 %)</td>
</tr>
<tr>
<td>Funding</td>
<td>Govt. budget</td>
<td>Payroll contribution Tripartite</td>
<td>Govt. budget</td>
</tr>
<tr>
<td>Payment to health facilities</td>
<td>• Fee-for-service for OP • DRG for IP</td>
<td>• Capitation for OP • DRG for IP • on top for high cost drugs (J2) and CA protocol</td>
<td>• Capitation for OP • DRG with global budget for IP • on top for high cost drugs (J2) and CA protocol</td>
</tr>
</tbody>
</table>
The balanced perspectives

- **BUDGET**
- **PATIENT**
- **PHARMA**

Access and efficacy

Health Fund

Adequacy

Efficacy
Strategic Purchasing & Manage to Get Equitable Access

• Include new expensive interventions into the benefit package through strict health technology assessment.

• developed purchasing skills, in the context of a single purchaser and competitive multiple sellers.

• Negotiating for the lowest possible price given assured quality, resulting in cost savings.
The journey before becoming the benefit package in Thailand

- High budget impact drug
- HTA
- NLEM Sub committee
- NHSO Board

- priority setting
- CPG/EPG and Protocols
- Price negotiation
- Distribution plan
- Monitoring and evaluation
- Feedback loop
- Appeal process

Cost effectiveness, incremental cost effectiveness ratio (ICER)
- not more than 1.2 GNI per capita for a QALY gain (160,000 Baht per 1 QALY gain)
# National Essential Drug List (NLED)

## Concept
cover drugs needed for protection & treatment of health problems of Thai people at essential level in an economic & cost-effective manner.

## Selection criteria

<table>
<thead>
<tr>
<th>Health need</th>
<th>Safety</th>
<th>Efficacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance</td>
<td>Quality</td>
<td>Cost-effectiveness</td>
</tr>
<tr>
<td>Treatment cost</td>
<td>Affordability</td>
<td>Equity</td>
</tr>
<tr>
<td>Availability</td>
<td><strong>Budget impact</strong></td>
<td></td>
</tr>
</tbody>
</table>
Work flow of NLED price negotiation

AGENDA SETTING

- NLED associate working group
- NLED committee
- Health economics working group

PROCESSING

- NLED Price Negotiation Working Group
- Health economics working group

DECISION MAKING

- NLED committee
Contents for NLED price negotiation

**Review framework**
- Contexts
- Clinical aspects
- Epidemiological data
- Usage & Costs
- Economics study
- Budget Impact
- Policy recommendation

**Benchmark Price**
- Health economics information
  - Incremental Cost Effective Ratio (ICER)
- International Reference Price
  - Basket (UK Canada Australia)
- Domestic Reference Price
  - Specialty hospitals, public hospitals
- Standard Treatment
Negotiation plan

1. Planning by Time-series forecasting method ➔ No. of target patients

2. Budget impact Analysis

3. Simulation with reference prices

4. Select the negotiation model
   - Threshold price
   - “choose one” policy
   - Cap fiscal budget for the item
Performance of the negotiation

(from March 2010-Aug 2012)

Negotiated items
80 items

Passive method
19 Items

Activemethod
61 items

Min 5 %
Max 60 %

Min 5 %
Max 80 %

Active method discount around 34.28 %
Passive method discount around 14.14 %
Total discount around 2,400 million Bht.
Level of price and pricing measures

ED price Work group (117 items)
Avg price cut 30%
- saving estimation 1,500 m baht (50 items proposed)

NHSO Pooled purchase

MOPH (National Drug System Development Committee)
reference price, single source price etc.
Routine service:

- Capitation for OP, PP
- DRG with global budget for IP

Reimbursement design for special items in pharmacy:

Central Bargaining

- Central procurement
  - Reimburse
  - Medicine

- Local purchasing
  - Reimburse
  - Case management with on top medicine cost
Cost saving from NHSO central procurement

From 2010- 2014

Using Purchasing price in 2009 as basic price

<table>
<thead>
<tr>
<th>Item</th>
<th>Saving (Bht)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARV Non CL</td>
<td>5328.59 million Bht (177.61 million USD)</td>
</tr>
<tr>
<td>ARV CL</td>
<td>10165.19 million Bht (353.84 million USD)</td>
</tr>
<tr>
<td>J2 and Clopidogrel</td>
<td>6830.37 million Bht (227.68 million USD)</td>
</tr>
<tr>
<td>Flu vaccine</td>
<td>266.47 million Bht (8.88 million USD)</td>
</tr>
</tbody>
</table>

With in 5 years implementation
Saving 768.01 million USD
Dispensing Data (OP+IP)

Working code in hospital dataset

standard code in standard dataset

Mapping tool

NHSO

Project A

Project B

Project C

JMS

VMI-GPO

Process tracking
Quality assurance

- Every purchased item has to be prepared for the qualified medical Specification before the national bargain.
- Multiple source of data provided for medical specification management referenced from:
  1. Pharmacopeia such as USP, BP, European Pharmacopeia
  2. Expert’s opinion
  3. Stakeholder’s opinion
- Pre marketing surveillance from medical science center and international lab for CL drug
- Post marketing surveillance for product analysis.