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de Saúde Pública

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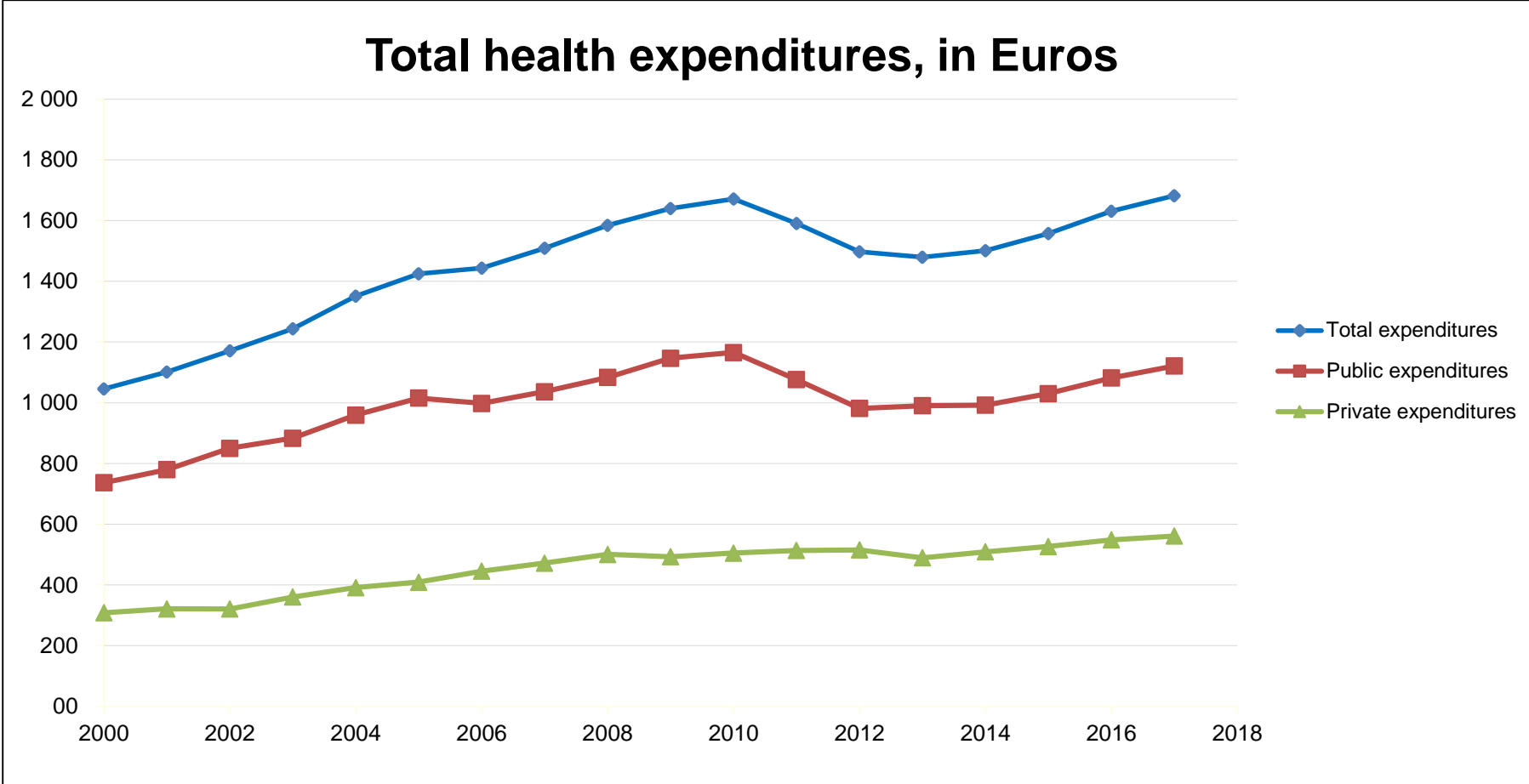
Sustainability and access: the Portuguese case

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*Estrutura de Missão para a Sustentabilidade do Programa
Orçamental da Saúde*

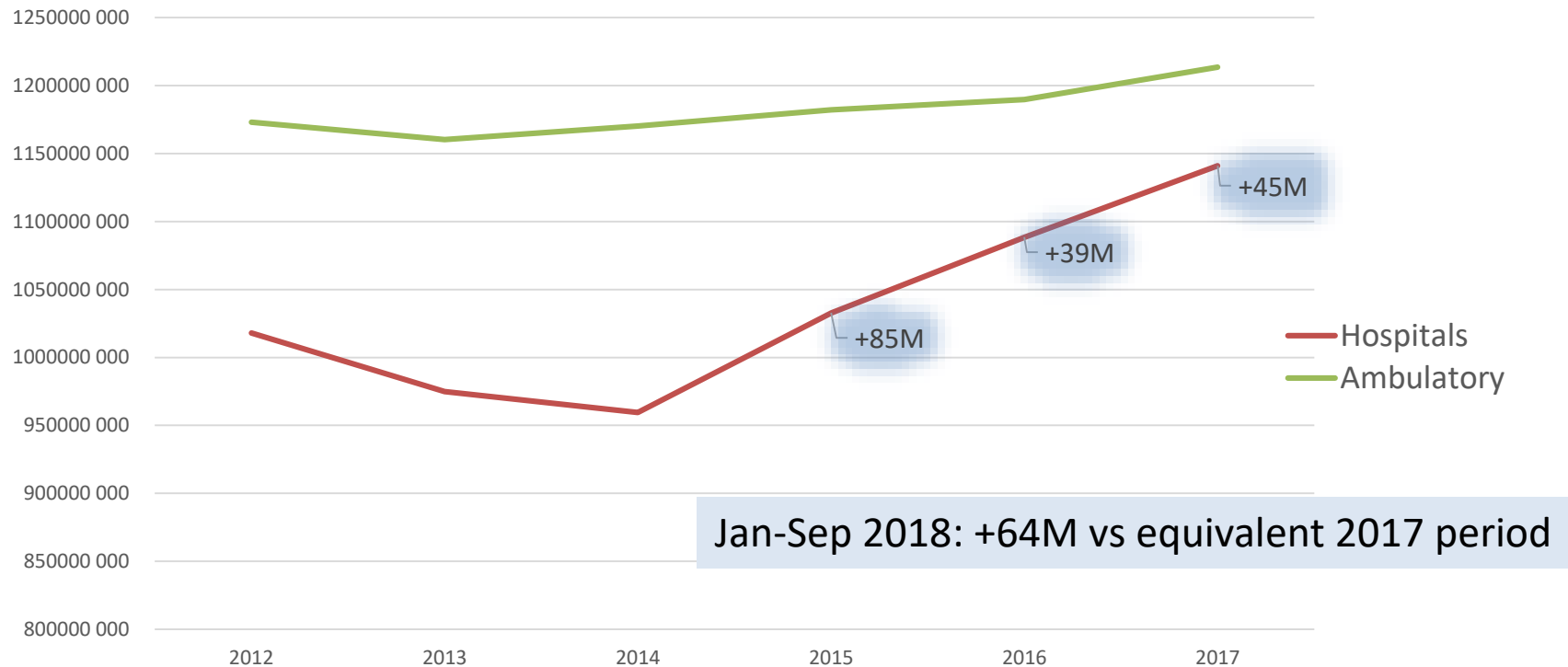
Setting the scene: health expenditures



Sources: OECD, INE



Drug-related public expenditures (NHS/SNS)



| | Variation in expenditures 2015-2017, euros |
|------------------------------------|--|
| Total public expenditures | +613.5M |
| Public drug expenditures | +116.0M (18.9%) |
| Public hospital drugs expenditures | +84.6M (13.8%) |

Source: DGO, ACSS, Infarmed



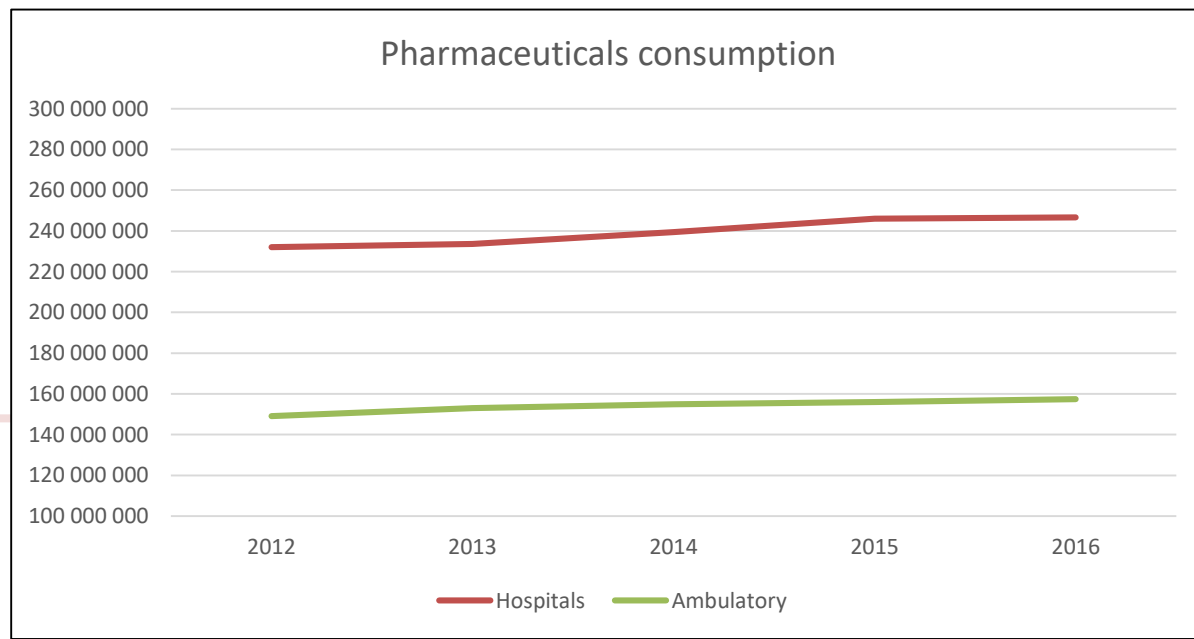
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Drug-related public expenditures

✓ Increase in expenditures =

increase in price x increase in consumption

✓ 2015-2017: 84.7M increase in hospital expenditure: 55,7M is due to price increase, 29,5M is due to consumption increase

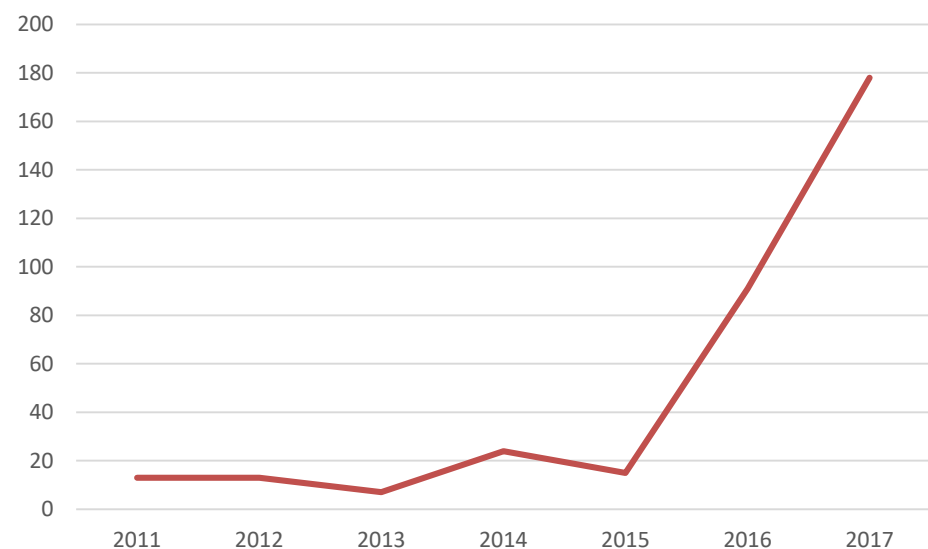


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Drug-related public expenditures

✓ Increasing financing requests and approval



Sources: Infarmed, Ministry of Health



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What can be done?

✓ Increase the health budget is feasible, but how?

| | Unfeasible | Unfair | Inefficient |
|--------------------------------|------------|--------|-------------|
| Cuts in other public budgets | | X | X |
| Tax increases | | | X |
| Increase the public debt | X | X | |
| Health financing privatization | | X | X |

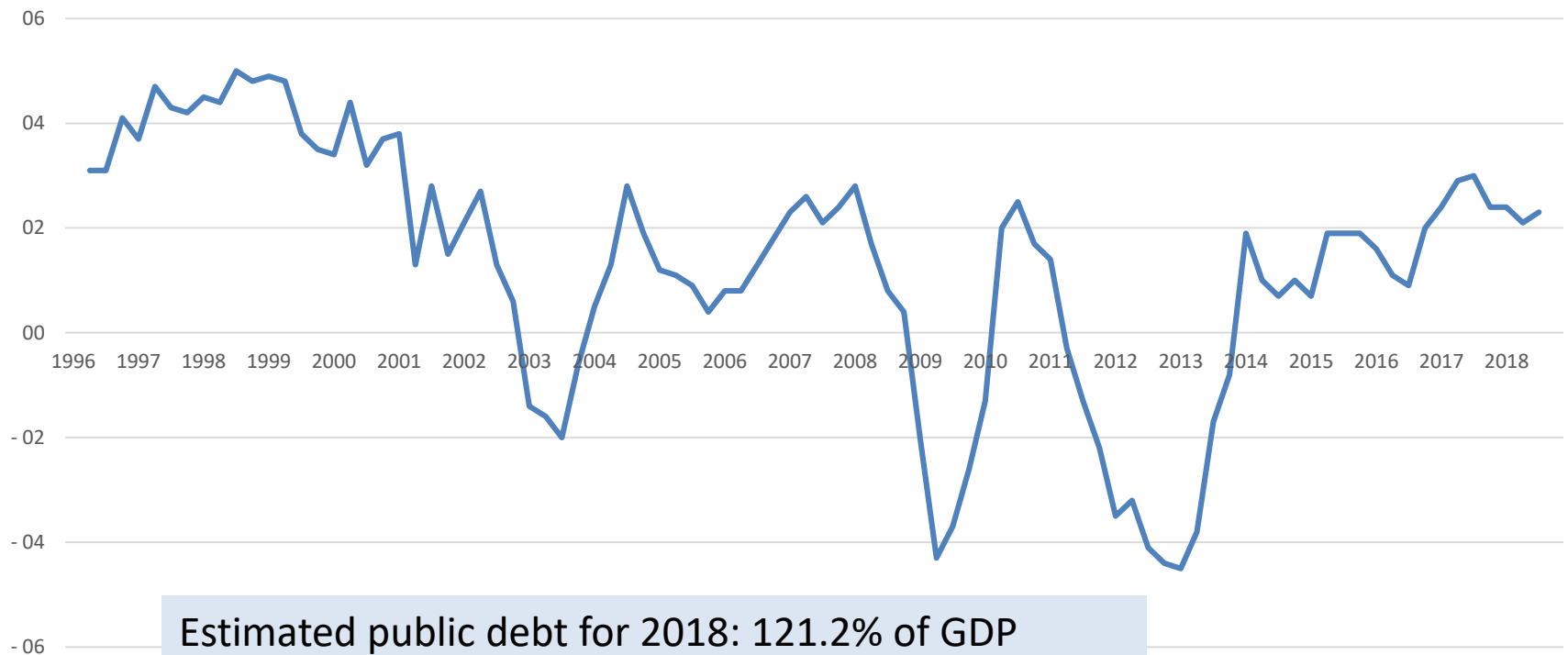
And if higher budgets, should it go to pharmaceuticals?



And we can't count on high economic growth

✓ Recovering from the Great Recession

Trimestral GDP growth, Portugal

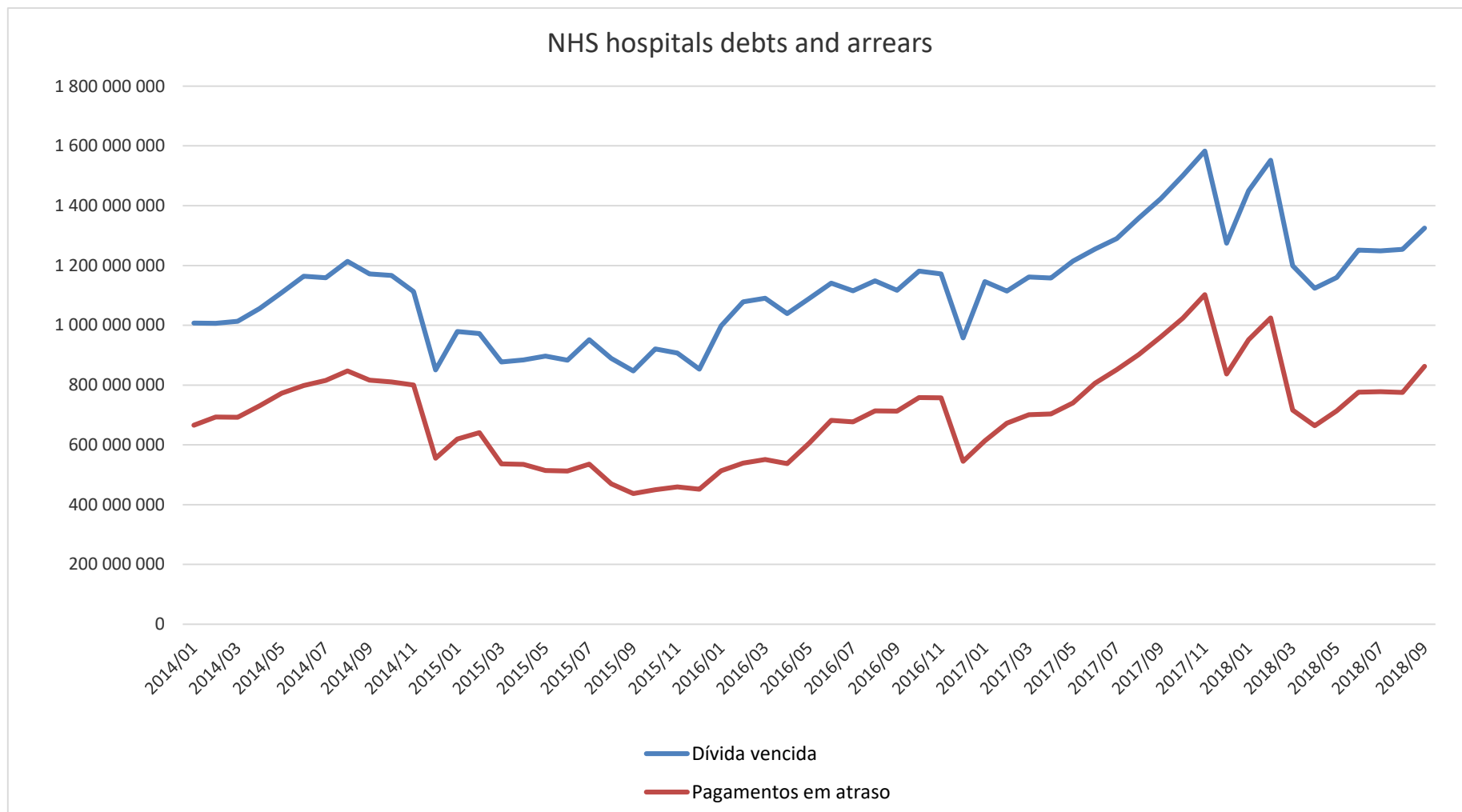


Sources: INE, DGO



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With adverse circumstances



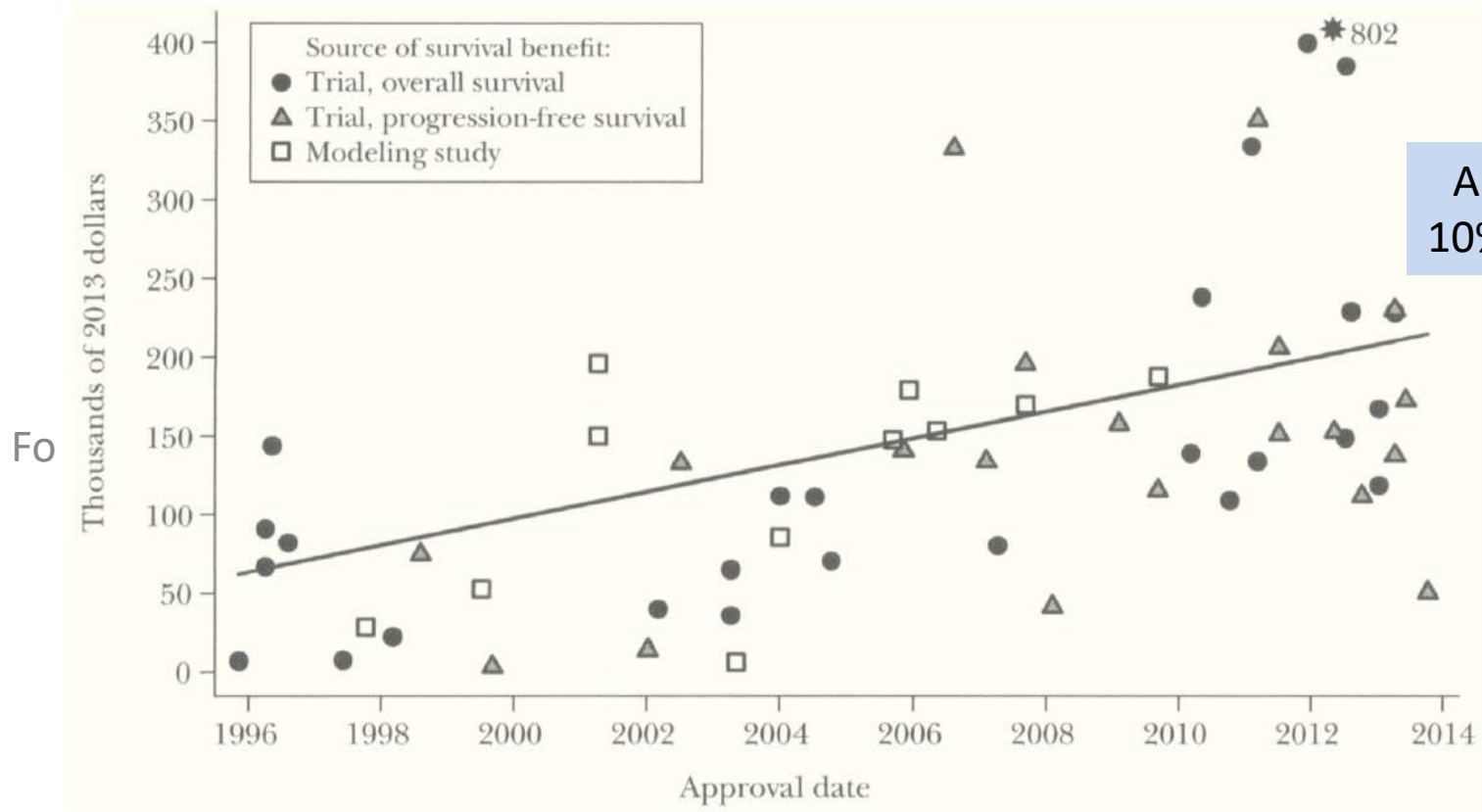
Source: INE, DGO



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The issue is not a specific to Portugal

Drug Price per Life Year Gained versus Drug Approval Date



“The cost of the new generation of drugs is getting out of all proportion to the added benefit” (Cavalli, *The Lancet* 2013)



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HTA is crucial

- ✓ Investment in effective and cost-effective drugs
- ✓ More and better evaluation of old drugs: investment in valuable drugs financed with removal of old non-effective ones, and/or price cuts (drug management system)
- ✓ Investment in a HTA system guided by public interest: scientifically robust, independent, and with sufficient resources



Re-thinking price definition

- ✓ Value-based prices: not sustainable, economically inefficient
- ✓ Ongoing work: revision of economic guidelines, central procurement, incentives for generics and biossimilars, internal and external referral
- ✓ It is also about consumption: up-to-date and implemented clinical guidelines, INN prescription, national drug list



For debate

- ✓ Post-Troika era (post-traumatic stress disorder)
 - ✓ Save the Portuguese NHS: re-invest, re-motivate, re-cover
 - ✓ Under still difficult economic circumstances
- ✓ Pursue the search for efficiency, with a better allocation of resources: drugs prices and consumption under scrutiny



Portuguese context

✓ Orçamento do SNS: transferências do Estado

| | Em milhões de euros |
|------|---------------------|
| 2010 | 8.698 |
| 2011 | 8.140 |
| 2012 | 7.498 |
| 2013 | 7.801 |
| 2014 | 7.582 |
| 2015 | 7.874 |
| 2016 | 7.922 |
| 2017 | 8.078 |
| 2018 | 8.427 |
| 2019 | 9.013 |

Fonte: Direção Geral do Orçamento



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