Programme

EAHP Academy Camp 2013
Pharmacoeconomics – tools, strategies and beyond

An ACPE knowledge based activity
The European Association of Hospital Pharmacists (EAHP) is accredited by the Accreditation Council for Pharmacy Education as a provider of continuing pharmacy education.

Friday, 13 September 2013	
08.00 – 08.30	Welcome – EAHP Director of Education, Science & Research Kees Neef
	Moderator / Stakeholder / Facilitator: Helena Jenzer
08.30 – 09.30	**Seminar I: General, Public Health and Pharmacoeconomics** ACPE Universal Activity Number (UAN): 0475-0000-13-023-L04-P
	Seminar leader: Jean-Christophe Devaud (Centre hospitalier universitaire vaudois CHUV, Service de pharmacie, Lausanne, Switzerland)
	Coffee Break in workshop rooms
09.30 – 11.30	**Parallel group workshops to Seminar I (World Café manner):** • The primacy of politics and economics over hospital practice • Government approaches and chances of success: regulation, deregulation, global budgeting, competition, rationalisation, lean management (and combinations thereof) • Quantity and access restrictions: Lessons learnt from DRG and Managed Care implementations
11.30 – 12.30	Workshop group presentations (15 min per group) and Seminar I Summary
12.30 – 14.00	Lunch
14.00 – 15.00	**Seminar II: From policy (pharmacoeconomics) to science (pharmacoeconomics analysis and research)** ACPE Universal Activity Number (UAN): 0475-0000-13-024-L04-P
	Seminar leader: Olivia Wu (Health Economics and Health Technology Assessment, Institute of Health and Wellbeing, University of Glasgow, Scotland)
	Coffee break in between the workshops
15.00 – 17.30	**Serial plenary workshops to Seminar II:** • Designing a pharmacoeconomic evaluation: a case study • Decision-making based on pharmacoeconomic evidence: a case study
17.30 – 18.00	Workshop and Seminar II Summary
19.00 – 22.00	Dinner at the hotel

Saturday, 14 September 2013	
08.30 – 09.30	**Seminar III: Discrepancy between clinical decisions and economic factors** ACPE Universal Activity Number (UAN): 0475-0000-13-026-L04-P
	Seminar leader: Stefan Vegter (Faculty of Mathematics and Natural Sciences, Unit of PharmacoEpidemiology & PharmacoEconomics (PE2), University of Groningen, The Netherlands)
	Coffee Break in workshop rooms
09.30 – 11.30	**Parallel group workshops to Seminar III (World Café manner):** • Patient Access Schemes • Special status of orphan drugs • Dunner's Funnel (Reimbursement decision scheme)
11.30 – 12.30	Workshop group presentations (15 min per group) and Seminar III Summary
12.30 – 14.00	Lunch
14.00 – 15.00	**Seminar IV: Financing models and the budgeting process** ACPE Universal Activity Number (UAN): 0475-0000-13-025-L04-P
	Seminar leader: Francisco Ventura Ramos (Portuguese Institute of Oncology of Lisbon, Portugal)
	Coffee break in between the workshops
15.00 – 17.00	**Serial plenary workshops to Seminar IV:** • Cost-bearing institutions and passing on of costs • The price and value of life: Who is willing to pay? • Why budgets get out of control?
17.00 – 17.30	Workshop and Seminar IV Summary
17.30 – 18.00	**Summary and closing remarks** EAHP Director of Education, Science & Research (Kees Neef)
19.30 – 22.30	Academy Dinner The Portuguese Association of Hospital Pharmacists (APFH) will kindly invite all participants to dinner in the city. Dress code: business casual.
Sunday, 15 September 2013	
08.45	Meet in hotel lobby
09:00 – 12.30	City Tour. Departure by bus from the hotel.

Academy Camp Abstract

Activity in pharmacoeconomics is among the most requested tasks of hospital pharmacists stipulated in an employment contract. It is widely interpreted as a cost-saving task. Saving can be realised in many domains of hospital pharmacy practice and can include long-term global approaches as well as short-term targeted actions, e.g.

- Cost of medicines provided via the usual supply chain (as cost is the product of the single price and the amount)
- Production and quality control cost
- Overhead cost of administration, quality assurance and allowances
- Human, financial, infrastructure and equipment resources
- Information and knowledge management cost

Savings alone do not warrant the success of a pharmacoeconomics approach. Many factors influence cost and outcome. This Academy Seminar is to give an overview about

- Characteristics of public health and pharmacoeconomics as compared to macroeconomics (Seminar I)
- Scientific methodologies used for pharmacoeconomics analyses (Seminar II)
- Influence of pharmacoeconomics on clinical decisions (Seminar III)
- Financing models and budgeting processes (Seminar IV).

Target group of the seminar

The target group comprises hospital pharmacy managers, mainly heads and/or deputy heads of pharmacy, particularly those from the new EU countries and new members of EAHP.

Contents of the seminars and workshops

Seminar I: General, Public Health and Pharmacoeconomics

Abstract

Pharmacoeconomics as one of the tasks stipulated in a hospital pharmacist's employment contract is to satisfy particularly the financial interests of employers, governments, administrations and taxpayers. However, physicians and patients are further players in public health who have an interest of their own in the outcome of a case. The hospital pharmacist may be in a conflict of interest as he has to integrate clinical, financial and quality of life requests.
Incompatible interests of key-players are the reason why macroeconomic approaches generally fail in public health. The market as coordinating mechanism, true providers, consumers, offer and demand do not exist accordingly. There is much regulation and many ideological doctrines. Advice on how to obtain a favourable cost-benefit ratio is as broad as interests.

Teaching goals

- To distinguish open-mindedly between macro- and pharmacoeconomics
- To assess critically the area of conflict between regulation implemented by politics or governments due to economic reasons and the need for flexibility in hospital practice to override access restrictions
- To evaluate economic items from different points of view, e.g. general, public health and pharmacoeconomics

Learning objectives

Delegates

- comply to the pharmacoeconomic and macroeconomic mind-sets

- apply and compare theories and methods of macroeconomics and markets with practical pharmacoeconomics in the daily work

Workshop content

- **The primacy of politics and economics over hospital practice**
  Politics needs economic evaluation in order to decide on the allocation of scarce resources (i.e people, time, facilities, equipment, and knowledge). Choice must and will be made concerning deployment. Methods such as “what we did last time”, “gut feelings”, and even “educated guesses” are rarely better than structured consideration of the factors involved in a decision which commits resources to some use rather than to another.
  Discussion topics will include:
  - Why not “the primacy of hospital practices over politics and economics?”
  - Why is it difficult to identify clearly the relevant alternatives without systematic analysis?
  - Why is the viewpoint assumed in an analysis important?
  - Why can the uncertainty in scale be critical without attempts to measure?
- **Government approaches and chances of success: regulation, deregulation, global budgeting, competition, managed care, rationalisation, lean management (and combinations thereof)**
  Governments need a bridge between the world of research and the world of decision-making. Health technology assessment (HTA) is an internationally emerging field and has seen continuing growth fostered by the need to support management, clinical, and policy decisions. It has also been advanced by the evolution of evaluative methods in the social and applied sciences, including clinical epidemiology and health economics. Health policy decisions are becoming highly hazardous as opportunity cost from making wrong decisions continue to grow.
  Discussion topics will include:
  - What are the common specifications of these HTA agencies?
  - What are the differences of these HTA agencies?
  - Hospital approaches and chances of success?
- **Quantity and access restrictions: Lessons learnt from DRG**
  The original objective of diagnosis related groups (DRG) was to develop a classification system that identified the "products" a patient received. Since the introduction of DRGs in the early 1980s, the healthcare industry has evolved and developed an increased demand for a patient classification system which can serve its original objective at a higher level of sophistication and precision. Today, DRG is a standard tool for establishing reimbursements to hospitals.
  Discussion topics will include:
  - What is the definition of pharmacoeconomics?
  - What are the goals of pharmacoeconomics?
  - Is there any possible synergy between DRG and pharmacoeconomics?

Seminar II: From policy (-> pharmacoeconomics) to science (-> pharmacoeconomics analysis and research)

Abstract

Pharmacoeconomics is a scientific discipline that evaluates pharmaceutical interventions, taking into account both costs and the value of health benefits. The methodologies used in pharmacoeconomic evaluations may be varied and often complex. The most common approaches include: cost-effectiveness analysis, cost-utility analysis, cost-consequence analysis, cost-minimisation analysis and cost-benefit analysis. Increasingly, policy makers are requiring pharmacoeconomic evidence to support their decisions on the adoption of pharmaceutical interventions within a health technology assessment framework; pharmacoeconomic evaluations are important tools to aid these decisions on the adoption of new pharmaceutical and non-pharmaceutical interventions.

Teaching goals

- To provide an understanding of common methodologies used in pharmacoeconomic analysis
- To recognise the strengths and limitations of pharmacoeconomic analysis

- To illustrate the application of pharmacoeconomic analysis to inform decision-making in healthcare

Learning objectives

Delegates

- understand how health technology agencies in Europe use the evidence of pharmacoeconomics to make policy decisions on the adoption of new interventions
- adapt the pharmacoeconomic approaches accordingly to optimize their hospital's formulary
- provide an added value to descriptive statistical analyses by scientifically writing cost reports

Workshop content

- **Designing a pharmacoeconomic evaluation: a case study**
  Delegates will be invited to design a pharmacoeconomic evaluation to compare the potential cost-effectiveness of a new intervention compared with the existing interventions that are currently used for the management of a given condition.
  Discussion topics will include:
    - What are the appropriate comparators?
    - What is the appropriate methodology for evaluation?
    - What potential data sources are available?
    - How should this information be presented?
- **Decision-making based on pharmacoeconomic evidence: a case study**
  Results from a pharmacoeconomic evaluation will be presented. Delegates will be invited to act as a decision-making committee and make a decision on whether to adopt a new pharmaceutical intervention based on the data presented.
  Discussion topics will include:
    - What are the strengths and limitations of the pharmacoeconomic evaluation being presented?
    - Would the decision-making committee be convinced to adopt the new technology based on the evidence presented?

Seminar III: Discrepancy between clinical decisions and economic factors

Abstract

This seminar will cover the availability of medicines and the reimbursement rules, i.e. marketed drugs are principally available, but are they reimbursed in every case? An ethical and *(logical "and")* financial approach on whether all patients get equal therapies and care will be developed. If not all medicines are readily available to all patients the outcome may suffer. Very expensive drugs such as cytotoxics or biotechnologically produced drugs are restrictedly used. Less available may be as well drugs used in clinical trials, parallel trials, compassionate cases, orphan drugs, and/or preparations.

Teaching goals

- To recognize how clinical decisions are influenced by economic factors
- To analyse patient access schemes and Dunner's funnel as tools for reimbursement decisions
- To evaluate the importance and special status of orphan drugs in personalised medicine

Learning objectives

Delegates

- conciliate interests of therapists, administrators, taxpayers, and patients involved in providing access to therapies and reimbursement decisions
- possess tools to resolve discrepancies between clinical decisions and economic factors.

Workshop content

- **Patient Access Schemes (Reimbursement)**
  More and more, expensive medications are reimbursed conditionally or on patient-per-patient basis. This is called Patient Access Schemes. Some drugs may only be reimbursed if patients show response to the drug. Otherwise, the drug is not billed by the manufacturers. The

objective of the discussion will be to think of the pro- and contra-arguments for such access schemes and how to practically handle them. Delegates may participate by coming up with access schemes for some example drugs and discuss on how those schemes can practically be implemented and measured in the hospital pharmacy?
Discussion topics will include:
    - Is the only appropriate PAS a direct drug discount?
    - Should ALL drugs be reimbursed based on a PAS (specifically, no cure, no pay)?
    - Should a PAS with a stopping rule be mandatory or should clinicians have a "veto" on a stopping rule?
- **Special status of orphan drugs**
Orphan drugs are often expensive, and the scientific basis sometimes is weak, often because of low patient numbers. There are many EU regulations which are lenient towards orphan drug registration and reimbursement as compared to 'normal' expensive medications. In the workshop, a discussion will be held on how to deal with these issues. What are the arguments for and against special rules for orphan drugs? How can data be collected more effectively in order to study the effectiveness of orphan drugs?
Discussion topics will include:
    - Hospital pharmacies should always be allowed to prepare orphan drugs themselves, such as amifampridine, carglutamaatzuur.
    - Orphan drugs should adhere to the same (pharmacoeconomic) criteria as other drugs
    - Governments should be allowed to demand lower prices for very expensive orphan drugs (Myozyme®)
- **Dunner's Funnel**
Decisions on reimbursement are based on cost-effectiveness, but also on other criteria. The Netherlands explicitly uses a system based on arguments of necessity, cost-effectiveness, own responsibility. These can be captured in a picture called Dunner's Funnel. Furthermore, there are proposals to relate cost-effectiveness decisions on clinical severity of disease. Workshop discussion will focus on whether or not a selection of drugs should be reimbursed. What is the conclusion for each of the criteria of the funnel, what do you think is the relative importance of each criteria? Discrepancies with the opinion of the discussion group and the actual clinical decisions will be analysed.
Discussion topics will include (brief materials will be provided):
    - Example drugs: 1) Viagra®, 2) Myozyme®, 3) Lucentis® or Xolair®

Seminar IV: Financing models and the budgeting process

Abstract

In recent years, many governments and authorities have passed from fixed to global budgets allocated to public health hospitals, which have to plan and decide on financial resources on their own. A common way is to pass the token to the departments and clinics, which play the same game again. A hospital pharmacy is at the final position, gets its budget and has to periodically pass controlling. However, the use of medicines depends on the patient-mix which cannot be precisely foreseen. The hospital pharmacist may be in a conflict of interest if budgets may get out of control while he has to defend the patients' interests. As to close the circle to Seminar I, an added value of patients recovered and reintegrated in the production process is booked in another sector outside public health. The public health sector may have no choice than to accept its role as a cost producer.

Teaching goals

- To interpret and anticipate consequences of financing models and budgeting processes
- To get familiar with the theories on budgets and controlling, direct, indirect, intangible costs, virtual and real gains
- To develop coping strategies to cope with additional challenges of drastically restricted budgets in times of economic crisis

Learning objectives

Delegates

- analyse and manage adequately allocated resources

- participate in the bottom-up approach in economic problem solving in the hospital

Workshop content

- **Cost-bearing institutions and passing on of costs**
  Hospitals' financial models are built on cost centres. It is important to understand this construction.
  Discussion topics will include:
  - Global budgets and financial resources
  - Models of financing specifically expensive drugs
  - Restricted budgets and controlling as a tool for cost management
  - Systematic bureaucracy for investment requests
- **The price and value of life: Who is willing to pay?**
  With the introduction of global budgets, the allocation of money to cost centres has to respect not only cost, but also investments. Budgets can be investment killers, if money itself is restricted.
  Discussion topics will include:
  - Virtual and real gains: The added value of recovering and reintegration
  - Finding the adequate benchmarks
  - Additional challenges of drastically restricted budgets in times of economic crisis
- **Why budgets get out of control?**
  The budgeting process takes into consideration latest budgets and movements, as well as previsions. However, it cannot prevent short-term decisions if the balance of gains and costs is not equilibrated. The use of medicines depends dramatically on the patient-mix which cannot be precisely foreseen.
  Discussion topics will include:
  - Budgets and expenditure control
  - Direct, indirect, intangible costs