

SATAG

Quality use of medicine for a healthier South Australia



South Australian Therapeutics Advisory Group

Position Paper

Statewide Approach to the Evaluation of
High Cost Drugs

September 2008

Background

This paper outlines the South Australian Therapeutics Advisory Group's (SATAG) position with respect to the provision of high cost drugs to public hospital patients in South Australia incorporating the principles of equity of access.

Situation Analysis

SATAG has identified a number of factors, some conflicting, which determine the provision of high cost drugs to public hospital patients in South Australia.

Cost Pressures Related to High Cost Drugs

South Australian hospitals have indicated that increasing cost pressures are resulting in them refusing the use of high cost drugs and inhibiting their ability to provide the best possible care. Hospitals have indicated that this situation will continue to worsen as new high cost drugs and broader indications for existing high cost drugs emerge. The advice from the hospitals is that the current system of funding is not sustainable.

Inequity of Access

Decision making at the hospital level has resulted in some hospitals providing access to certain high cost drugs that other hospitals have not been able to provide. Patient access to these drugs can vary depending on which hospital they attend.

Self Funding

Clinicians should provide patients with information on all the available treatment options including those that the hospital does not fund. In some instances public patients have elected to self fund their medication.

The issues around patients self-funding high cost drugs that are not subsidised for them by the PBS, or that the hospitals are unable to provide on a cost basis, will continue.

Patient access programs where the patient or hospital funds part of the cost of high cost drugs are becoming more common. The treatment available to a patient can be dependent on their ability to self-fund the drug, rather than their clinical need.

Other Jurisdictions

High cost drugs have been recognised by all jurisdictions as an issue of increasing concern. At the joint Therapeutics Advisory Groups (TAGs) [now call the Council of Australian Therapeutics Advisory Groups (CATAG)] meeting held in Sydney on 28 Aug 2006, it was agreed that national pharmacoeconomic evaluation of drugs used in public hospitals would be advantageous to avoid duplication of effort, avoid fragmentation and ensure that there was a nationally consistent approach. CATAG are developing a national approach on this issue.

SATAG Position

SATAG supports the development of a statewide formulary for high cost drugs with capped appropriate funding for approved drugs. This process was formulated to address inequities and inefficiencies that may arise in a fragmented system of decision making regarding high cost drugs.

SATAG has developed a framework for statewide decision making which would provide rational, cost-effective and equitable use of high cost drugs (**Attachment 1**).

High Cost Drugs Statewide Decision Making Framework

Below is a description of the process that is proposed for undertaking Statewide Evaluations. Oversight of this process will be provided by the South Australian Therapeutic Advisory Group (SATAG).

It should be noted that the basis for the involvement of SATAG in the framework is dependent on the availability of additional funding to SATAG. SATAG does not have the staffing or financial resources to undertake thorough pharmacoeconomic evaluation of the range of high cost drugs that are being used or considered for use in the public hospitals. Further consideration of the development of a national framework is also recommended

Initial Process

1. Clinician makes application to Hospital Drug & Therapeutics Committee (DTC) for proposed use of a high cost drug.
2. DTC to make initial assessment.
3. If DTC believes use should be considered, application submitted to SATAG.
Submission form will be modeled on QLD & Vic documents.
4. SATAG to canvas all hospitals for potential/current use.
5. SATAG to consider through Statewide Evaluation Group.

Statewide Evaluation Group (EG)

Statewide Evaluation Group will comprise of members with clinical, pharmacy, health economics and ethics expertise, with representation from Health Regions.

Advice from experts will also be required and may be provided on a consultancy basis.

1. Use algorithms to assess application (see Appendix A).
2. As part of evaluation consider:
 - Estimate the number of patients that will be treated
 - Appropriate comparator(s)
 - Comparison with alternative drugs/treatments in regard to effectiveness and cost effectiveness
 - Any data submitted to PBAC
 - Outcomes of PBAC consideration
 - Any data submitted to TGA
 - Outcomes of TGA consideration
 - Cost-effectiveness, including uncertainty in cost-effectiveness ratios
 - State specific information
 - Patient specific information
3. Decision on Statewide Use
 - i. Establish criteria for use if appropriate
 - ii. Predict numbers of patients that will meet criteria & funds required.

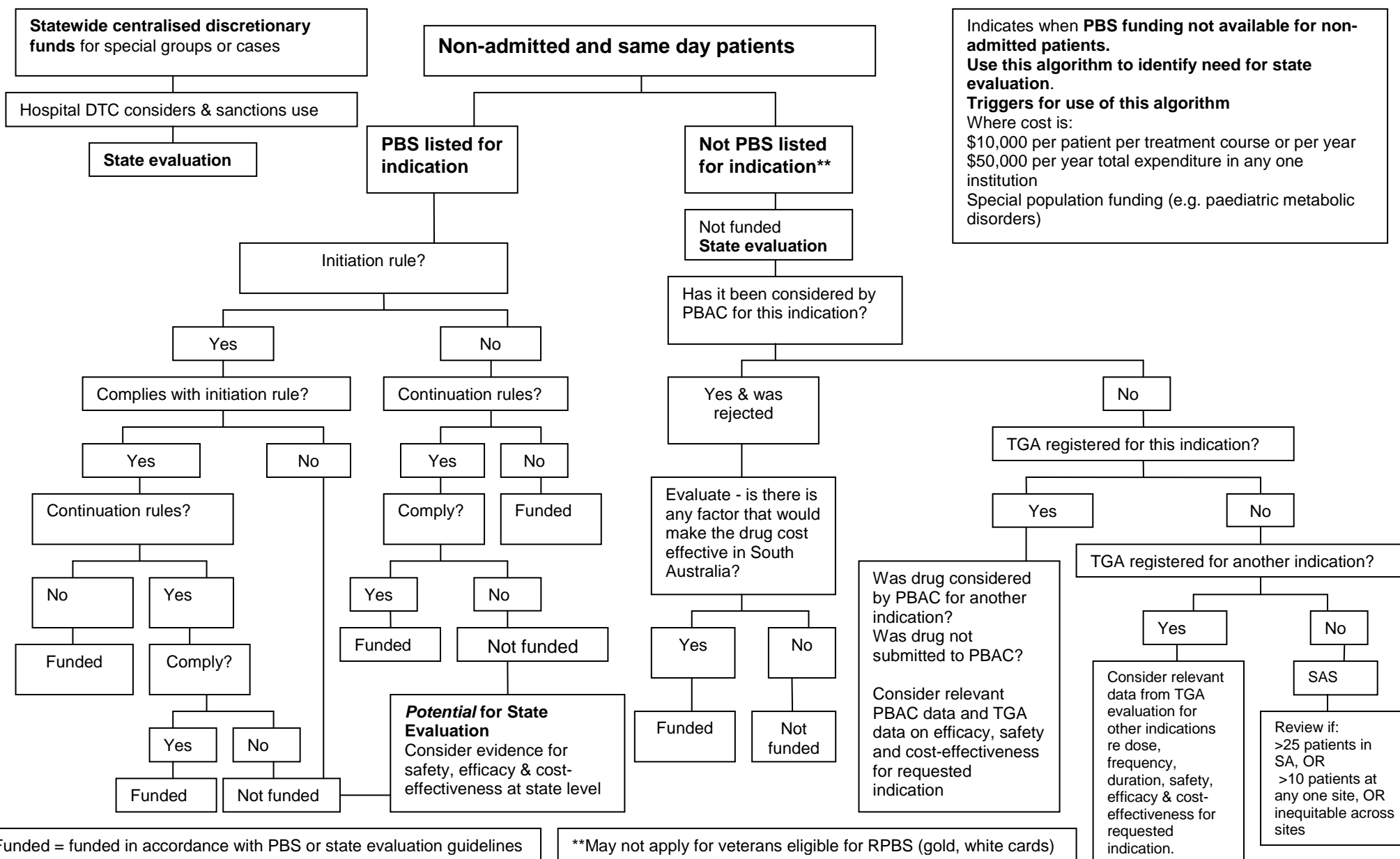
Outcome of Evaluation

1. EG decision submitted to SATAG.
2. SATAG makes recommendation to Department of Health for consideration

Review

1. 6 monthly reporting to SATAG by hospitals.
2. EG to undertake 12 monthly review of program.

Appendix A HIGH COST DRUGS ALGORITHM*



Indicates when **PBS funding not available for non-admitted patients.**
Use this algorithm to identify need for state evaluation.
Triggers for use of this algorithm
Where cost is:
\$10,000 per patient per treatment course or per year
\$50,000 per year total expenditure in any one institution
Special population funding (e.g. paediatric metabolic disorders)

HIGH COST DRUGS ALGORITHM

