RISK-SHARING AGREEMENTS (RSA) IN EMERGING MARKETS: IS IT A WAKE-UP CALL OR IS IT INNOVATION TOO LATE?

Subbotina E, MSc\textsuperscript{a}; Yong C, MPH\textsuperscript{b}; Chowdhury C, MSc\textsuperscript{c}; Duttagupta S, PhD\textsuperscript{b}

\textsuperscript{a}CBPartners, London, UK; \textsuperscript{b}CBPartners, New York, USA

Objectives

Recent years have witnessed emerging market (EM) countries adopting various forms of RSAs in order to manage public financing of innovative pharmaceuticals. Their implementation has been heavily dependent on aligning the local healthcare policy, infrastructure, financing principles and stakeholder engagement, and government resources. This paper discusses EM RSA experience in Korea, Taiwan, Russia, and Taiwan. It also explores the extent to which EM countries have followed Israel as a model for RSA implementation.

Methods

A review of published papers, public presentations, and local healthcare policy documents was undertaken for this research. RSAs were selected based on their similarity to each other in terms of purpose and implementation. The four-year implementation timeline set for RSAs in Korea could be more suitable to analyse the progress and methodology in Korea (HIRA is currently conducting research to assess the success of a recent RSA pilot).

Results

General Overview

- Common themes across the RAs in EMs include evolution of legislative guidance, infrastructure capacity, stakeholder engagement, and healthcare financing uniformity (FIGURE 1).
- While Korea has been the most advanced, several high-cost needs with limited treatment alternatives and poor patient outcomes, the RSA types vary around purpose of their pursuit (FIGURE 2).
- Taiwan has focused on disease-oriented pay-for-performance programmes, targeting key public health priorities, with therapy-oriented RSA experience limited to occasional pilot-type agreements.
- Korea applies RSAs as a tool to facilitate broader access to high-cost therapies, inspired by the “Four Critical Illness Coverage Enhancement Plan” set in 2013.
- Russian RSA pilots are in development, but predominantly aim to define more effective financing principles for high-cost medications.
- Despite having excellent healthcare data systems (e.g., Taiwan’s National Health Insurance Research Database, Taiwan Cancer Registry), Taiwan’s NHIA (National Health Insurance Administration) still requires a change in the law to set up data sharing and involve all necessary parties in the process.
- The four-year implementation timeline set for RSAs in Korea could be more suitable to analyse the programmes in countries compared to a year-on-year timeline currently planned for the pilot RSAs in Russia.

Conclusion

- Country-specific factors, including local healthcare policy, infrastructure, financing principles and stakeholder engagement, will ultimately shape the success or failure of RSAs in EMs.
- While the EM countries are at various stages along their development of the RSA environment, they differ in market size and degree of healthcare system centralisation, which helps to translate the variability in existing RSA agreements.
- The financing infrastructure in another important consideration for RSA implementation: early regional or national level in Korea, an ongoing programme in Russia, an engaged in the single-payer structure systems found in Korea and Russia. The EM countries seem to have taken a more systematic and clinical approach to their RSAs.
- Stakeholder engagement is another critical component when developing an RSA policy. While Korea has focused on disease-oriented pay-for-performance programmes, targeting key public health priorities, with therapy-oriented RSA experience limited to occasional pilot-type agreements, Russia’s regulatory framework seems to be more focused on economic aspects of healthcare financing.

References