Letter from the Editor

Health Policy in Latin America:
Considerations on Health Financing and Expenditures, and the Decision-making Process to Incorporate Health Technologies in Paraguay

Outcomes Research in Latin America:
Budget Impact Analysis as an Input for Decision Making in Health Care

Message from the ISPOR Latin America Consortium

Conferences & Training

ISPOR Regional Chapter News
Dear Friends,

It is a pleasure to present the fourth issue of this year’s *News Across Latin America*, which we features two interesting articles. The first article presents reflections for funding and health coverage in Paraguay, which corresponds to a number of articles published in this newsletter on the development of technology assessment and decision-making processes in countries of the region. The second article discusses the methodological guidelines for budget impact analysis in Colombia, which is one of the first regional examples of guidelines generation for conducting these studies.

In addition, the newsletter includes a variety of news from numerous activities undertaken in the region. In this context, we highlight the creation of the first ISPOR Student Chapter in Colombia, an initiative applauded by the ISPOR Latin America Consortium. It is also worth noting the continuing education activities recently organized by the Regional Chapters in Mexico, Brazil, Peru, Ecuador, and Chile. We hope to continue these initiatives that strengthen the sustained growth of our disciplines of interest in the region.

Finally, we welcome the publication of volume 5 of ISPOR’s Scientific peer-reviewed journal *Value in Health Regional Issues*, which provides a means of disseminating scientific works focusing on issues of Latin America, Asia, Africa, and Eastern Europe. In this newsletter (page 5), Journal Co-Editor-in-Chief Dr. Federico Augustovski presents some of the interesting articles and makes recommendations for further reading.

We hope that this set of publications will serve as an incentive to generate more research focused on Latin America, which we invite you to share at our next congress next September 2015 in Santiago, for which the abstract submission start date is January 19, 2014.

Congratulations and best wishes for the New Year,

Manuel Espinoza S., MD, MSc, PhD
Editor-in-chief
*News Across Latin America*
Considerations on Health Financing and Expenditures, and the Decision Making Process to Incorporate Health Technologies In Paraguay

Ruben Gaete, MS, President of the Paraguayan Health Economy Association and Coordinator of the Community System of Health Care for Pregnant Women and Newborns “Project, BID/JPO - Resource Centre for Information and Development, Asuncion, Paraguay

Health Financing and Expenditure

Health financing refers to the movement of resources from their funding sources to the financial agents in health. In Paraguay, the financial bodies are clustered into three subsectors that composing the health care system. Each subsector has its own mechanisms and sources of funding.

The General Budget of the Nation finances the public sector via: (a) resources from the public treasury generated by fiscal income/taxes; (b) foreign loans; and (c) institutional resources collected from the payment of certain fees, donations, and other resources. In 2011, the budget of the Ministry of Public Health and Social Welfare (MSPBS) depended on financing from treasury resources (88%), foreign loans (2%), and institutional resources (10%). In 2002, the percentages were 77.7 %, 6.5% and 15.9%, respectively. The numbers indicate that the MSPBS financing dependent on the public treasury resources have increased over the last decade, which in return has decreased the relative weight of foreign loans and institutional resources, which is auspicious because it represents a decrease in out-of-pocket spending for the average families.

National universities (health departments) and military and police health care, which are also part the public health subsector, are financed primarily by tax revenues.

The Social Security Institute (IPS) is financed by: employer contribution (14%); by the workers monthly salaries (9%); and state contribution (1.5 % ) of the salaries reported by employers. The 14% employer contribution includes a 1.5 % that the IPS collects and transfers to the MSPBS to fund prevention programs and cover the expenditures of the National Program of Vector Borne Diseases (SENEPA). Some groups, such as teachers working in public and private sectors, are organized into different categories with special contribution schemes. Financing for the IPS health expenses via the Sickness and Maternity Fund stems primarily from taxes collected from the total amount of wages (9%). There are indicators that demonstrate a high social insurance evasion by employers, and the state's failure to enforce compliance to this mandatory contribution is partly responsible for the significant... Read More >>

...Read More >>
Budget Impact Analysis (BIA) can be defined as an evaluation assessment of health care technologies that provides information for decision making regarding the effect on the aggregate budget (whether from the perspective of health care system in general, the insurer, the provider, or the user) of the purchase and use of a particular health care technology. Budget Impact Analysis estimates the financial consequences of incorporating health care technology in the specific context of a given health care system (1). It is a tool that not only provides information for decision making, it contributes to resource planning (2). BIA serves as a complementary analysis to the economic evaluation of health care technologies: for example, a new medication may seem to be a cost-effective alternative, however it may not be affordable for an institution or a system within a given coverage plan (3).

Colombia is one of the leaders in the application of BIA in the context of Latin America. Recently, in the latest update to the Mandatory Health Plan [POS: Plan obligatorio de salud] in Colombia, a significant number of this type of analysis was developed to support the decision-making process on which technologies to include in the national benefit plan. The objective of this article is to describe the model that Colombia’s Institute of Health Technology Assessment (IETS), formulated and adopted for conducting BIA in the context of the development of health technology assessment, which may also serve as a model for other countries in the region.

**The Colombian Model**

The proposed model for developing BIA in Colombia is structured in stages, as shown in Figure 1. The calculation portion focusses on two scenarios: a ‘current’ scenario, which refers to the current treatment recommended for a particular health condition along with the technologies commonly utilized and/or those treatments currently financed by the benefits plan; and a second scenario, referred to as the ‘new’ scenario, describing the treatment or new technologies subject to analysis.

In stage one, the total population is estimated, from which the target population will be calculated by using incidence or prevalence rates. According to the literature (1), it is suggested that the total population corresponds to the national population. Meanwhile, stage two, identifies incidence or prevalence rates associated with the indication from the technology under evaluation, in order to estimate the number of people with the health condition... Read more >>
Dear Colleagues,

Volume 5 (December 2014) of Value in Health Regional Issues focuses on papers from the Latin America region. It is now the eighth issue in our three years of existence, and the third looking at Latin America. It also reflects the regional growth of health economics and outcomes research in Latin America. Our aim is challenging: to encourage and enhance the science of health economics and outcomes research and its use in supporting health care decisions. The current issue contributes to this aim in many aspects: we have several full economic evaluations and cost of illness studies focusing on older and newer health technologies for non-communicable health problems in Argentina, Brazil, Colombia, Mexico, and Uruguay; we also publish interesting and timely health policy and conceptual papers that describe the process of updating the Mexican Health Care Formulary and Supply Catalog (the “Cuadro Básico”), provide guidance on adapting global pharmacoeconomic models, or reflect about the relation of health, socioeconomic status, and migration. It is our hope that the contents facilitate and contribute to evidence-based health policy and decision making in our region, and we hope you enjoy reading them.

FEATURED ARTICLES:

“Guidance Document: Global Pharmacoeconomic Model Adaption Strategies” (The press release for this article can be found here: http://www.ispor.org/vihri/economic_studies-global-guidance-model_adaptation.pdf)

“Asthma Control and Cost in Latin America” (The press release for this article can be found here: http://press.ispor.org/?p=1704.)

“Cost-effectiveness Analysis of Aторвастатин versus Rosuvastatin in Primary and Secondary Cardiovascular Prevention Populations in Brazil and Colombia” (http://www.ispor.org/vihri/economic_evaluation-cardiovascular_prevention-Brazil-Colombia.pdf)

“The Update of the Health Care Formulary and Supply Catalog in the Context of the Health Technology Assessment” (The press release for this article can be found here: http://www.ispor.org/vihri/health_policy_studies-HTA-formulary_studies-Mexico.pdf)

Sincerely,

Federico Augustovki, MD, MSc, PhD
CONGRESSES & TRAINING

Health Economic Evaluation Courses: Open Registration Period
Santiago, Chile

ISPOR Chile & the University of Chile School of Public Health – are holding a series of short courses tailored for health economic evaluation professionals. For more information and registration details, please write to Ms. Camila Quiriland via email: camilaquiriland@med.uchile.cl

- Tariff Policies and Pharmaceutical and Devices Reimbursement
  17-19 December 2014
  Louis Garnson
  Nicolás Silva Illanes

- Health Technology Assessment Methods and Processes
  7-9 January 2015
  Antonio Santa-Santamaria
  Marcela Carbaci-Rabeta

Abstract Submission Opens: 19 January 2015

FIRST PLENARY SESSION: Is HTA Fair? Analyzing the HTA Process in Latin America & Its Implications for Access to Health Care

Health technology assessment (HTA) is increasingly being used by public and private payers in Latin America to assess the effectiveness and efficiency of health care technologies for their populations – but is it fair? HTA has been implemented as a way to enable better decisions that balance varied societal and stakeholder perspectives and needs, however a question still remains regarding whether the decisions being made fairly represent all stakeholders. Panelists will discuss these issues from a perspective of working in equity matters while reinforcing a rigorous scientific method to evaluate the usefulness of drugs and devices for their populations.

SECOND PLENARY SESSION: Access to High Cost Drugs in Latin America: Who Goes First?

Health systems in Latin America are currently experiencing constant pressure from patient groups, many of which are supported by the manufacturers themselves, as they seek access to high cost drugs via the prosecution of claims in the court system. The end goal of these claims is to ensure the financing of high-cost medicines. In response to this trend, given the natural complexity of pharmacological therapies, countries are now developing strategies to finance access to high cost drugs. Given the scarcity of available resources, it is necessary to prioritize their allocation. This session aims to review these activities in the region, and inquire about some of the critical aspects of prioritization, namely: Have certain health problems been favored and why? What types of drug therapies have high priority? Who makes these assignments? What criteria are used in the prioritization process? Are certain patient groups privileged and why? Are these solutions long or short term answers? In short, who comes first and who must wait for access to expensive drugs?
ISPOR Chile Held a Seminar on the Incorporation of Equity Impact Analysis in Health Economic Evaluations

Santiago, Chile

ISPOR Chile — in collaboration with the Chile Epidemiology Society (Socephi) and the Chile Health Society (Sochisal) invited Dr. Richard Cookson of the Centre for Health Economics at York University to speak on the subject of health inequalities impact analysis at the Public Health Institute of Chile on September 30. View the agenda or visit the chapter webpage.

ISPOR Mexico Held its Third Seminar Titled, “Current and Future Status of Health Technology Assessment in Mexico”

Mexico City, Mexico

From October 8-10, 2014 this seminar examined 14 themes and offered three workshops at an introductory, intermediate and advanced level. View the program or visit the chapter webpage.

ISPOR Peru Presented the Chapter’s 2014 Keynote Speeches on Pharmacoeconomics

Lima, Peru

On November 24 2014, ISPOR Peru offered an international perspective on pharmacoeconomics with the help of Dr. Diego Rosselli, MEd, MHP, the international keynote speaker from Colombia. For more information, visit the chapter webpage.

ISPOR Ecuador Organized a Seminar on the Role of Health Technology Assessment in the Prioritization and the Public Financing of Medication in Ecuador

Quito, Ecuador

ISPOR Ecuador – The seminar organized on November 28 addressed the following themes: How can the right to health and high-quality health service be guaranteed to citizens with a limited budget? How do we select which medication to finance to guarantee access and maximum health benefits. For more information, view the agenda or visit the chapter webpage.

NEW! The ISPOR Javeriana University Student Chapter

Bogota, Colombia

This November ISPOR welcomes its first Latin America Student Chapter, located at the Javeriana University in Colombia, led by Camilo Castañeda as President; Pieralexandro Lasalvia as Vice President; and Alejandro Ruiz Patiño as Secretary/Treasurer.

“The vision of the Javeriana University Student Chapter in Colombia is to become the first Latin American student group dedicated to research and the socialization of pharmacoeconomics in the region through academic, research, and training activities. We hope to be a reference center for students from different disciplines interested in developing research related to pharmacoeconomics and clinical health outcomes. We will serve as an unconditional support to the ISPOR Colombia Regional Chapter, promoting the incorporation of new members and providing academic, research, and logistical support.”

—Camilo Castañeda
President
Javeriana University Student Chapter

For more information contact Mary Helen Pombo at mhpombo@ispors.org