DYNAMIC ADJUSTMENT MECHANISM FOR NATIONAL DRUG FORMULARY:

Australia Experience

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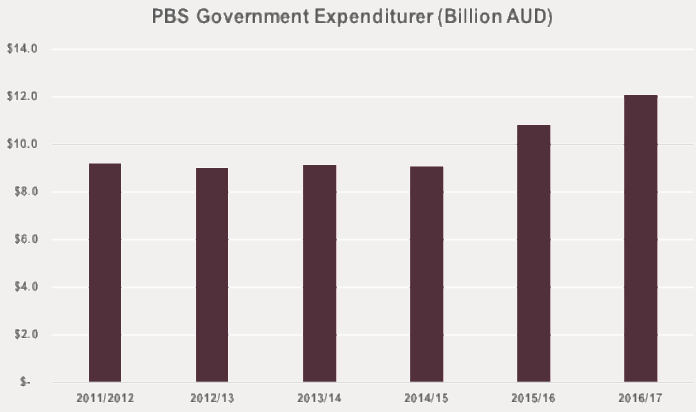
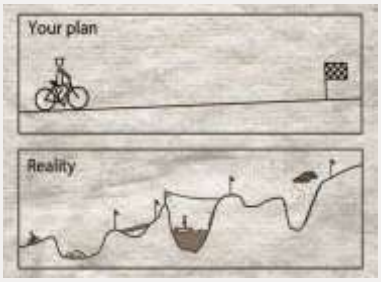
Australia Drug Formulary

- Pharmaceutical Benefit Scheme (PBS): subsidise over 80% of prescription medicines

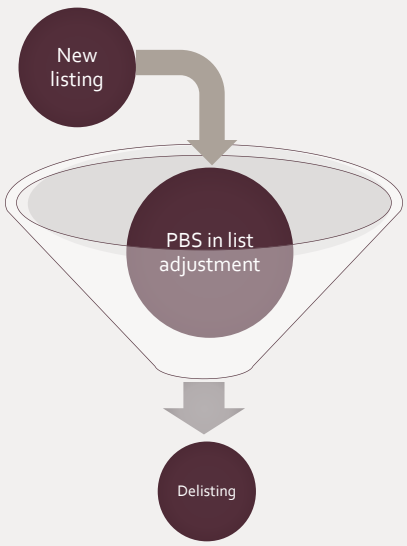


PBS management



- Listing is triggered by HTA submissions but not active selection
- Idealy, new and cost-effective medicines listed will replace old ones, thus improving efficiency of health system
- Reality is:
  - New medicines become additional but not alternative, irrational use cause additional spending
  - Uncertainties around the decision-making
  - Change of clinical guideline
  - Some old medicines were not evaluated with HTA

Dynamic Adjustment Model



Access: new listing

Formulary allocation:
F1: single brand
F2: multiple brands
Plus a combination drug list

- 3 rounds a year: Pharmaceutical Benefits Advisory Committee (PBAC) review submissions and make recommendation (plus special meetings)
- F1: HTA assessment and evidence based decision-making. On average 2.43 submissions to secuer a PBAC positive recommendation[1]
- F2: prove bioequivalent or biosimilar to an existing brand.

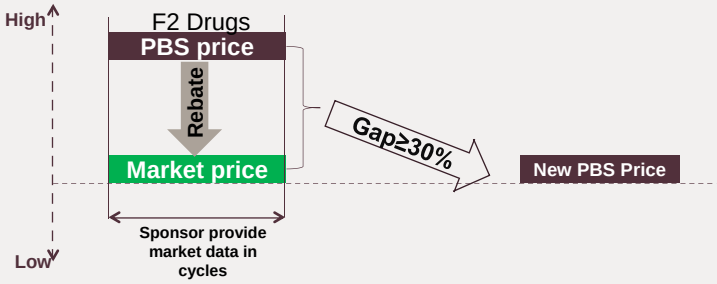
1. Michael Wonder. Medicine Australia Conference Presentation[C]. 14 November 2017.

In-list Adjustment: Post Market Review

- May be initiated at any time, but the main drivers are PBAC recommendations or issues identified from Drug Utilisation Sub-Committee (DUSC) review
- Routine monitary part: DUSC Predicted versus Actual utilisation review, 24 months after listing
- Could cover various aspects: clinical, economics, utilisation, quality use of medicine
- Example: icatibant for hereditary angioedema (HAE)
  - Aug 2012 listed on PBS
  - July 2015 PBAC considered PvA report, which indicated overuse per patient
  - Nov 2016 PBAC considered updated cost-effectiveness model from Sponsor and rejected
  - July 2017 PBAC recommended to revise the restriction

In-list Adjustment: *Price Adjsutment*

- F1 anniversary price reduction: 5Y-5%, 10Y-10%, 15Y-5%
- F2:
  - First New Brand "statutory price reduction ":25% (increased from 16%)
  - Price disclosure:



Delisting

- No systematic review and delisting mechanism
- Reasoning behind:
  - Continutity of use of medicines for patients
  - Administrative burden
  - Lack of incentive
  - Different decision making context to investment and technically, it's challenging to identify items for delisting

Publication

Dynamic Adjustment Mechanism for National Drug Reimbursement List: Experiences from Australia

(医保目录动态调整——澳大利亚管理经验及启示)

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