



RISK-SHARING AGREEMENTS:

Perspectives and challenges for their implementation in Latin America: The Insurer perspective.

Rony Lenz A - MA

ISPOR Chilean Chapter Past-President

Assistant Professor University of Chile - School of Public Health

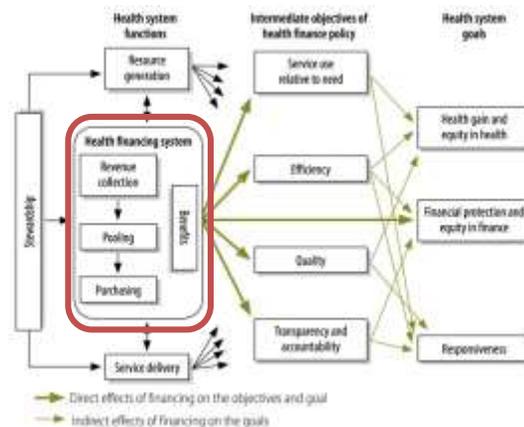
Former Director National Health Fund (FONASA) - Chile

World Bank Consultant in Finance and Health Reform

Payer's role in LATAM (a comprehensive view)



- Health care access
- Burden financial risks
- Promotion of solidarity and equity



Kutzin, 2013

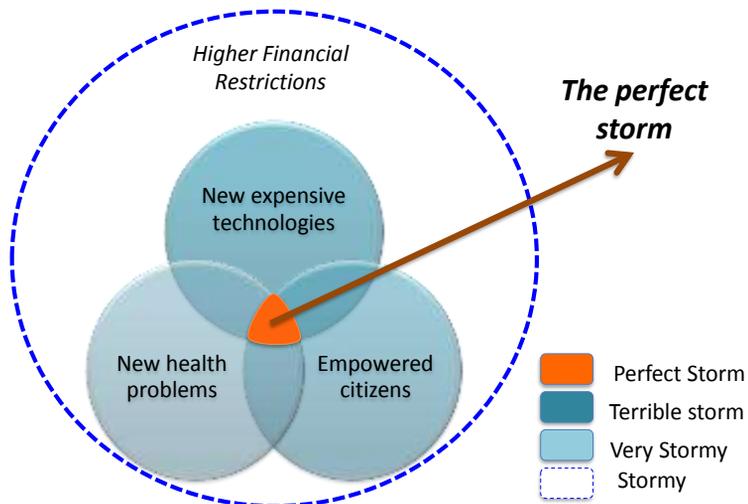
High cost drugs



What is the challenge for payers?

- New and expensive technologies (i.e. high cost drugs).
- “New” health problems: elderly, NCDs, rare diseases.
- Empowered citizens demanding better access: rights perspective.
- Higher financial constraints.

Current panorama for payers





Risk- Sharing Agreements



Payment mechanism that helps to deal with the perfect storm situation, given the fact that:

- Evidence-based approach
- Focus on effectiveness rather than efficacy
- Specialized providers with clinical governance and accountability procedures.
- Eligibility criteria for selecting patients whose benefit is most likely.
- Reimbursement attached to drugs` performance.



RSAs in LATAM: Challenges and some proposals



Financial coverage of drugs	
Challenge	Proposal
<ul style="list-style-type: none"> • Lack of financial coverage of drugs in health plans in LATAM (out-patient): High out-of-pocket expenditure. • Insurers are not used to provide coverage of drugs: "inputs" instead of part of the process of care. 	<ul style="list-style-type: none"> • Progressive coverage of drugs. • To consider expenditure on drugs in price of health plans estimations. • The definition of a comprehensive strategy for a higher financial coverage: <ul style="list-style-type: none"> • More health contributions • Priority setting according to health problems • Value for money
Clinical governance	
Challenge	Proposal
<p>Poor clinical governance in providers due to:</p> <ul style="list-style-type: none"> • Fee for service payment mechanisms and retrospective budgets. • Public healthcare supply captured by Unions. • Weak incorporation of clinical guidelines and clinical protocols. 	<ul style="list-style-type: none"> • Promote performance and results-based payment mechanisms. • Accomplishment of clinical guidelines and clinical protocols. • Decentralized models of hospital management.



RSAs in LATAM: Challenges and some proposals

Information systems	
Challenge	Proposal
<ul style="list-style-type: none">Fragmented information systems.Production-based information systems.Poor registry quality.Limited access to data bases for management.	<ul style="list-style-type: none">Increase expenditure in IT.Promotion of information strategies for integration and inter-operation.Decrease basic data submission by health care professionals (workload).Integration of information systems: patients and providers.

Public systems for purchasing and contracting	
Challenge	Proposal
<ul style="list-style-type: none">Given the fact that drugs are seen as supplies, they are subject to public purchasing procedures and laws, and consequently, based on price negotiation.The last, generates a counteracting environment for RSA complex negotiations.	<ul style="list-style-type: none">By seeing drugs as part of process of care, they become part of another purchasing system (a more flexible one): health care instead of supplies.



RSAs in LATAM: Challenges and some proposals

Methodological framework	
Challenge	Proposal
<ul style="list-style-type: none">Lack of a reference methodology for RSA construction at the same level than the existing for other payment-mechanisms: no decrease in payer's perception of uncertainty.Diversity of approaches: misunderstanding of the concept and scope.	<ul style="list-style-type: none">A LAC methodological framework (good practices guidelines) for stakeholders confluence and dynamic work.

Payers extreme financial focus	
Challenge	Proposal
Budget impact concern over other variables, particularly: performance.	Support the development of HTA agencies to stress decision-making in health financing: To raise the standard in payer's decision.



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