



## 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

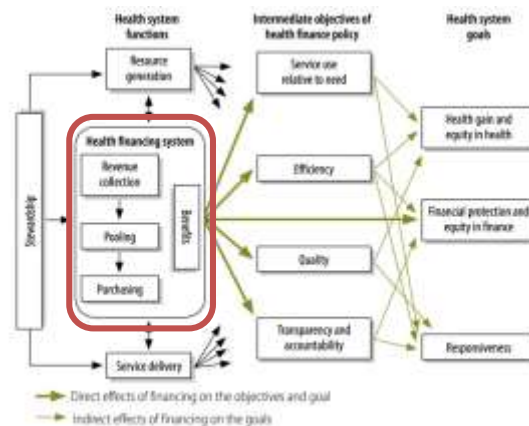
Former Director National Health Fund (FONASA) - Chile

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

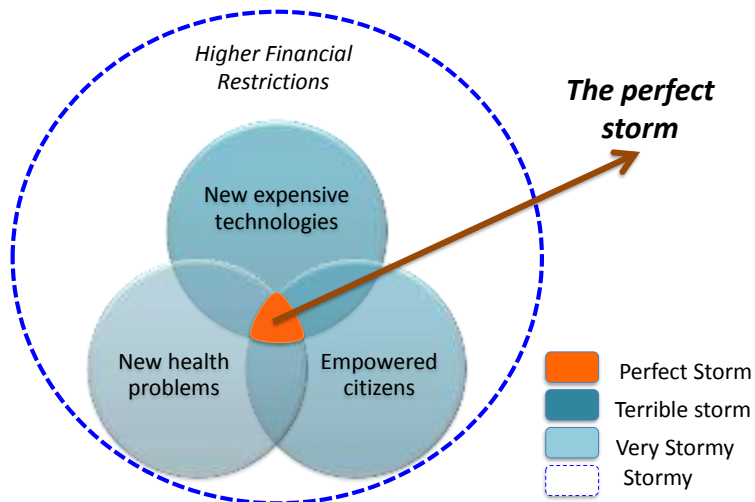
# High cost drugs



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



## RSAs in LATAM: Challenges and some proposals

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

Public systems for purchasing and contracting	
Challenge	Proposal
<ul style="list-style-type: none"><li>• Given the fact that drugs are seen as supplies, they are subject to public purchasing procedures and laws, and consequently, based on price negotiation.</li><li>• The last, generates a counteracting environment for RSA complex negotiations.</li></ul>	<ul style="list-style-type: none"><li>• 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.</li></ul>



## RSAs in LATAM: Challenges and some proposals

Methodological framework	
Challenge	Proposal
<ul style="list-style-type: none"><li>• 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.</li><li>• Diversity of approaches: misunderstanding of the concept and scope.</li></ul>	<ul style="list-style-type: none"><li>• A LAC methodological framework (good practices guidelines) for stakeholders confluence and dynamic work.</li></ul>

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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