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# How Far Can We Go? Finding a Common Way in Clinical Evaluation, Data Generation, and Joint Procurement and Pricing Negotiations

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# How Far Can We Go? Finding a Common Way in Clinical Evaluation, Data Generation, and Joint Procurement and Pricing Negotiations



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## COLLABORATIONS BETWEEN MEMBER STATES IN: INFORMATION SHARING /JOINT CLINICAL ASSESSMENT, JOINT NEGOTIATIONS & JOINT PROCUREMENT

➤ Over the last two years, European Member States have shown an increased willingness to work together on access to medicines

➤ These cross-border processes have the potential to transform the way medicines are currently purchased and could have implications on patient access and the financing of innovation

➤ HOW FAR WE CAN GO COMMON WAY IN CLINICAL EVALUATION, DATA GENERATION & JOINT PROCUREMENT AND PRICING NEGOTIATIONS in CEE REGION ?



	Signed-up ●	Interested ★
<b>Beneluxa</b>	Belgium, Netherlands, Luxembourg, Austria, Ireland	France, Italy, Switzerland, Czech Republic, Romania, Slovenia
<b>CEE collaboration</b>	Romania & Bulgaria, Croatia, Estonia, Hungary, Latvia, Macedonia, Serbia, Slovakia, Slovenia	Poland, Moldova
<b>Baltic Partnership</b>	Estonia, Latvia, Lithuania	
<b>Nordic Procurement</b>	Denmark, Norway, Iceland	Sweden, Finland
<b>FINOSE</b>	Finland, Norway, Sweden	
<b>Southern European +</b>	Cyprus, Greece, Italy, Malta, Portugal, Spain	
<b>Valletta declaration</b>	Spain, Portugal, Italy, Greece, Cyprus, Malta, Ireland, Romania, Croatia, Slovenia	France (observer), Estonia
<b>Iberian partnership</b>	Spain, Portugal	
<b>V4+ (Visegrad) collaboration</b>	Originally: Poland, Czech Republic, Slovakia, Hungary, Croatia, Lithuania Current: PL, SK, HU, LT CZ (observer), LV (invited)	Slovenia

# LET'S DISCUSS ON THE OPPORTUNITIES AND CHALLENGES OF INTERNATIONAL COOPERATION

## HOW CAN THESE INITIATIVES AFFECT THE ACCESS TO TREATMENT IN THE COUNTRIES OF OUR CEE REGION? WHAT IS STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS OF THESE JOINT APPROACHES?



### Agenda:

- Introduction, Joanna Lis
- Joint Clinical Assessment (JCA), Andrzej Rys
- Joint Pricing Negotiation (JPN), Marcin Czech
- Joint Public Procurement (JPP), Iga Lipska
- Discussions - all Panelists
- Q&A
- Key take aways

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# Fair and Affordable Pricing

*(FAAP)*

Platform for strategic cooperation within and above the V4 group

Marcin Czech, Dominik Dziurda, Iga Lipska

# Fair and affordable pricing (FAAP)

## General facts

Area	
<b>Strategic objectives</b>	To improve and facilitate access to effective and affordable medicinal products for citizens of the countries involved To develop methods of cooperation and negotiations
<b>Legal basis</b>	Memorandum of Understanding on cooperation in the field of fair and affordable pricing of medicinal products of 3 <sup>rd</sup> of March 2017, Warsaw, Poland
<b>Participants</b>	Hungary, Republic of Lithuania, Republic of Poland, Slovak Republic, Czech Republic ( <i>observer status</i> ), Latvia ( <i>invited guest</i> )
<b>Activities</b>	7 regional meetings, technical consultation on specific disease areas (e.g. breast cancer)

# Fair and affordable pricing (FAAP)

## Ways of working

Area	
<b>Assumption</b>	Mutual cooperation can make public reimbursement system more efficient
<b>Objectives (What)</b>	To <u>improve and facilitate access</u> to <u>effective and affordable</u> medicinal products To develop methods and modalities of <u>cooperation</u> and <u>negotiations</u>
<b>Methods (How?)</b>	<ul style="list-style-type: none"><li>• Participation in expert meetings</li><li>• Exchanging information</li><li>• Organizing pilot negotiations</li></ul>
<b>Pilot negotiations</b>	<p><i>Tactical goal</i> To achieve common position on certain confidential modalities of pricing of medicinal products (<i>in specific context</i>)</p> <p><i>Strategic goal</i> To <u>develop effective procedures of negotiations</u> To identify elements, that can be included into International Agreement</p>

# Fair and affordable pricing (FAAP)

## Structure and resources

<b>Governing body</b>	Ministers of Health	Decision-taking body
<b>Process management</b>	Coordination committee (designated representatives of each participating country)	Process coordination, Manage communication on behalf of coordination committee. Chairman (Dominik Dziurda, PL) Vice-chairman (Neringa Bernotiene, LT)
<b>Working groups</b>	Analytical group (topic focused technical team) Legal group (legal counsels from each participating country)	Preparation of supportive analytical materials SL, LT, HU, PL (coordination) Legal advice to coordination committee Hungarian leadership

# FAAP Initiative

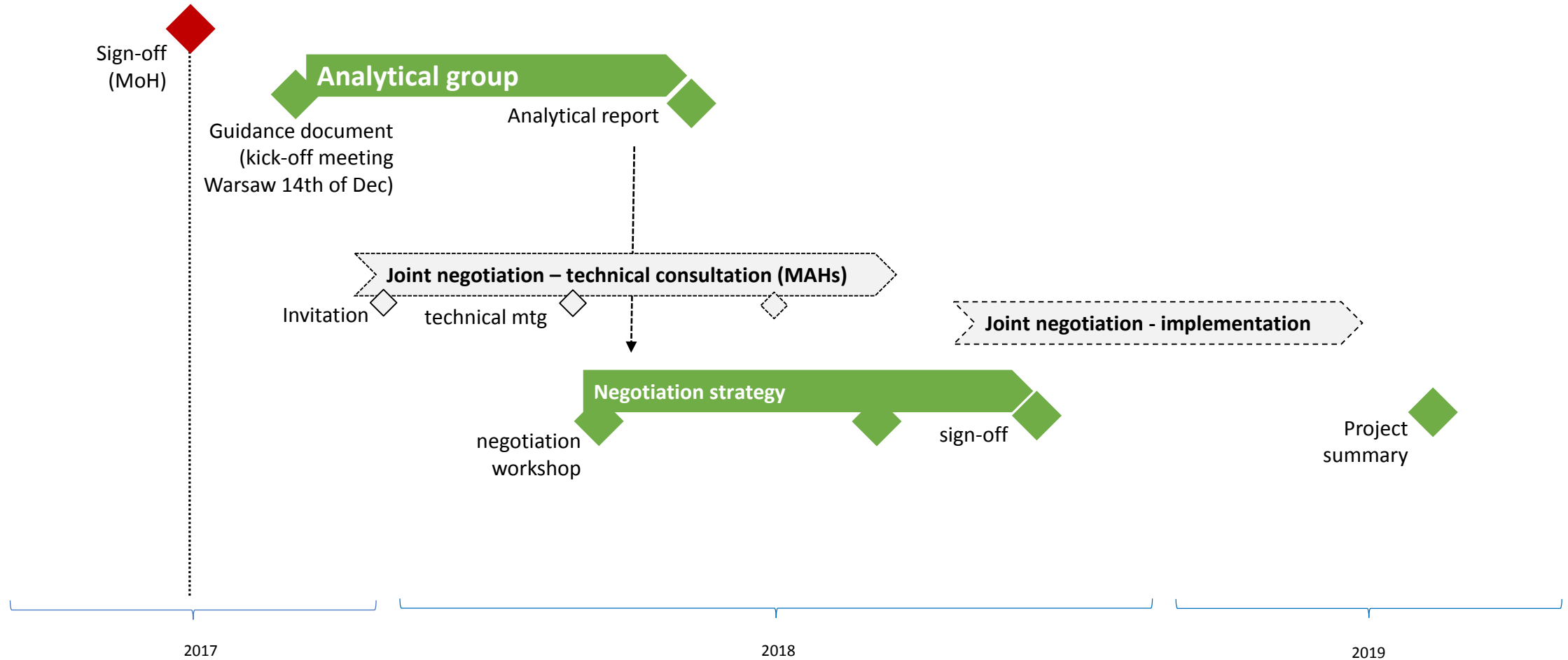
## Key ideas/principles underlying the Initiative

1. Similar socioeconomic and health-related needs and challenges as well as geographic proximity as an underlying factors for close collaboration between Participants
2. Focus on facilitation of access to effective and affordable medicinal products for the service of citizens of the countries involved
3. FAAP initiative should be perceived as a complementary, missing element allowing better proactive preparation of local reimbursement systems for innovation (regional topic-specific reimbursement strategy)
4. Focus on certain modalities of pricing - any variables which specify the availability of medicinal products within national reimbursement system e.g.: clinical characteristics of patients, length of treatment, expected reimbursement mechanism, financial conditions etc.
5. The Memorandum which constitutes the legal basis for the FAAP initiative is not intended to create any legal obligations under domestic or international law.

The ground of the initiative has been the intention of the Participants to effectively utilize the results of the Initiatives for the health benefit of its citizens.

# Pilot joint negotiations

Blueprint / State of play



**Thank you for your attention**

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## Joint Public Procurement

# How Far Can We Go? Finding a Common Way in Joint Public Procurement

Iga Lipska, MD PhD  
*Plenipotentiary of the NFZ President for HB HTA  
National Health Fund, Poland*

*ISPOR, Warsaw 27-28th March 2019  
#ISPORWarsaw*

## Let's set the scene for Joint Public Procurement:

- All countries face budgetary limitations
- Specific CEE situation
  - GDP, expenditure on health care & on pharmaceuticals
  - Health status of the population
  - Planned increase in spending on health care
    - PL 4,78-6,00%
- It raises questions
  - Can we spend the money more effectively?
  - More value? Better health outcomes?
  - What about drug prices?

## Potential for Joint Public Procurement:

- Problem solving requires new approaches
- „*We can't solve problems by using the same kind of thinking we used when we created them*” Albert Einstein
- New approaches cover
  - Processes
    - Predefined, well described, transparent
    - National/international framework
  - IT Tools for electronic tenders
  - Cooperation
    - National, regional, international

## Potential for Joint Public Procurement:

- Is win-win strategy possible at all?
- Payer/regulator perspective
  - Create more competitive environment
  - Structure tender in a transparent way
  - Maintain some degree of prescribing freedom
- Industry perspective
  - Trade off between price and volume
  - Behave in a truly competitive way
- Maintain several suppliers in the marketplace
- Time matters for all stakeholders

## Potential for Joint Public Procurement:

- Well prepared tenders can lead to big savings for health care systems
- Use the results from Auction Theory
  - a branch of Game Theory from economics
- Tender designs and outcomes
- Use successful experience from other countries
  - UK, national tender, haemophilia A, factor VIII
  - The design
    - 3 separate lots with quantity guarantees
    - Manufacturer could only see if their offer was the lowest bid

*„Price is what you pay, value is what you get” Warren Buffett*

Thank you for your attention 😊

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