

November 12-15, 2023, Copenhagen, Denmark

Moving to Outcomes-based Agreements in Algeria: Sharing Experiences between Saudi Arabia and Algeria

Gihan Elsisí^{1,2}, Ahmed Aljedai³, Hajer Almudaiheem⁴, Mansour AlHowimel⁵, Hana Abdul kareem⁶, Meriem Hedibel⁷

¹ HTA Office, LLC, Cairo, Egypt, ² Economics Department, American University in Cairo, Egypt, ³ Ass. Dep. Minister of therapeutic affairs, KSA, ⁴ Director of Drug Policy and regulation, Ministry of health, KSA, ⁵ Pharmacoeconomic Senior Manager, National Unified Procurement Company "NUPCO", ⁶ Drug Policy and economic center, National Guard Health Affairs, KSA, ⁷ Ass. Professor, Health Economics, University of Algeria.

Introduction:

One of the major policy tasks of the Algerian National vision 2030 is enhanced quality of life for Algerians through reform in the public health sector. Outcomes based agreements (OBAs) use is a core element of any public health care reform. Algerian payers need actionable OBAs to stratify populations and identify specific interventions that can improve patient outcomes. In Kingdom of Saudi Arabia (KSA), the use of OBAs is expanding (22 ongoing OBAs for 6 years). The OBAs conducted in KSA by MOH and renewed every 3 years after settling the financial based agreements controlled by NUPCO. Algeria is eager to learn from Saudi development experience. The aim of this study was to identify the challenges and the recommendations for implementation of OBAs in Algeria.

Methods

A focus group was formed as a national initiative activity by the Algerian government and three representative authorities in KSA: Ministry of Health (MoH), NUPCO and National Guard Health Affairs. This group consisted of various policy makers with experience in health economics, outcomes research, public health, and health policy. Both Saudi and Algerian parties held in-depth discussions and identified the challenges and the recommendations for OBAs implementation in Algeria.

Results

The focus group agreed that the main challenges in OBAs implementation were reliance on traditional payment models, complexity in regulatory system, lack of healthcare infrastructure and gaps in operational capability. The two key recommendations that could help in OBAs implementation are building capabilities of policy makers in health economics to focus on outcomes that matter to ensure health system efficiency, and establishment an effective policy ecosystem for building robust data infrastructure to enable measurement of costs and outcomes in a transparent way.

Example on outcome based contracts in US

Sacubitril/ valsartan drug indicated for congestive heart failure, in which the manufacturing company and the payer were engaged in a contract that necessitates an additional debate for the payer, if the drug didn't achieve the heart failure admission reduction it achieved in the clinical trials.

Benefits vs drawbacks of OBAs:

Benefits

1. Payers won't pay for expensive drugs that don't show efficacy outside of the clinical trials.
2. Contracts that are based on clinical evidence creates a good public long-term relationship between the manufacturer and the payer.
3. Drugs are retained in a formulary only based on outcomes allowing a shared financial risk between the payer and the manufacturer, and manufacturer retained sales volume.

1. Outcome measurement constraints limits the generalizability of OBAs due to limitations in the recorded data, and the surrogacy of most clinical outcomes reported in the contracts that aren't directly related to the patients' health.
2. Rebates may not compensate for the costs paid for unmet effectiveness.
3. Costs that are incurred by patients at a point of sale will not be repaid because the rebates might be calculated many months or years after the prescription filling.

Drawbacks

Outcome based contracting methodologies and analytics platform :
2

- 1- **CEA/CUA based pricing:** the widely used CEA and CUA are integrated with methods to estimate price based on PSA estimated of ICER and ICUR.
- 2- **WTP:** based on base case CUA estimates of QALY from 1st method, and considers 4 WTP scenarios based on GDP per QALY gained.
- 3- **Reference based pricing:** not directly related to OBAs, but it is considered a comparative method that compares the price in the country with other countries that use OBAs
- 4- **Safety based pricing:** payback amount is based on the undesirable risk, which is the risk margin exceeding the risk difference between two comparable treatments in the real world practice is used to estimate the corrected probability.
- 5- **Risk of efficacy failure:** a new, sophisticated method to detect the proportion of patients having unadded clinical benefits of new drug compared to the SOC.
- 6- **Adherence based pricing:** evolved from the 5th method, where adherence is a crucial factor of drugs' efficacy and outcomes.

**Conclusion**

OBAs based on mortality event reduction, hospitalization reduction, and other outcomes that could be tracked with health system is a win for all stakeholders leading to healthier lives, improve the quality of care, and lower healthcare costs. The two countries agreed to make concerted efforts in expanding mutual cooperation in the implementation of OBAs in Algeria.

Address correspondence to:*Gihan Hamdy El-sisi, MSc, PhD**

Managing Director, HTA Office, Middle East and North Africa

Health Science Policy Council Advisor, ISPOR

Assistant Professor_Health Economics, American University in Cairo

Founder and Former Head of Pharmacoeconomic Unit, CAPA, MoH, Egypt

Health Economics Consultant, World Health Organization EMR Office & USAID

Email: Gihan.elsisi@htaoffice.com

Acknowledgment

Yousra Hamid, Msc., Research assistant, HTA Office, Middle East and North Africa .

References:

1- Seeley E, Kesselheim AS. Outcomes-Based Pharmaceutical Contracts: An Answer to High U.S. Drug Spending? Issue Brief (Commonw Fund). 2017 Sep;2017:1-8. PMID: 28953345

2- Nimer S. Alkhatib & Ivo Abraham (2020) The six Delta platform for outcome-based contracting for pharmaceuticals, Journal of Medical Economics, 23:11, 1209-1214.