By Dr Jeremy Lim, Editorial Board Member

WHICH DRUGS SHOULD A COUNTRY SUBSIDISE?

The Experience of the Australian and Canadian Systems and Implications for Singapore

Which drugs are in Standard Drug List I and II? Why are they there and not others? Who decides? This article describes national pharmaceutical subsidy policies in other countries and questions whether Singapore can do better in terms of process and transparency.

I am writing this in my hotel room in Montreal after a wonderfully stimulating annual meeting of the HTAi, the international society for health technology assessment. In one particular session entitled "Transparency of Drug Reimbursement Initiatives", the Australians and Canadians shared their systems of drug reimbursement decision-making and thankfully did not contrast their systems with Singapore's. Still, I was not spared and at the end of the session, the rather knowledgeable French delegate next to me asked me about how Singapore decided what went into our two Standard Drug Lists. Fortunately, it was time to move on to the next session.

How does Singapore decide? There is little information available in the public domain and hence, I can only share salient features of other countries' system and reflect *in vacuo* insights for Singapore.

TRANSPARENCY OF DECISION-MAKING

I was struck by how much emphasis is placed on the transparency of decision-making in other countries. Both Australia and Canada devote entire websites to inform the public of the process of decision-making, composition of the committees that advise the Minister on reimbursement decisions and even the rationale for decisions. For example, the Canadians in deciding to not recommend listing gefitinib (Iressa®), provided a 2-page analysis of the clinical data available with the report concluding *"… it was the Committee's opinion that although gefitinib holds promise, its degree of effectiveness is not known in patients with locally advanced or metastatic non-small cell lung cancer. Information from clinical trials is necessary to assess the effectiveness and cost-effectiveness of gefitinib."*

In efforts to strive for as much transparency as possible, the manufacturer's comments are often reflected verbatim in the final publicly released report. For example, the Australian decision to recommend against listing Cervarix® in July 2007 also captured in its report the manufacturer's comments: *"GSK (GlaxoSmithKline) is extremely disappointed by the PBAC's [Pharmaceutical Benefits Advisory Committee] decision. We believe the PBAC has significantly undervalued the evidence of some cross-protection by Cervarix against infection caused by HPV-31 and HPV-4…"*

TRANSPARENCY OF PRICING INFORMATION

Interestingly, pricing and subsidy information is actively communicated to the public in a bid to educate the public on the true costs of medicines and what the government is doing to help manage costs. The Australian Pharmacy Benefits Scheme website (http://www.pbs.gov.au/html/home) lists which drugs are partially subsidised by the government and even describes the government's subsidy on a named drug basis. For example, Glivec® is listed as costing the consumer (at the 100 mg dosage) $31.30 and the government $2001.92.

Why is transparency important in these societies? A commentary by Dhalla and Laupacis published in the Canadian Medical

Dr Lim is Director, Policy and Research for Singapore Health Services and heads the health services research programme for the cluster. This commentary is contributed in his personal capacity.

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Association Journal (Dhalla was formerly Chair of the Canadian Expert Drug Advisory Committee) baldly gives 4 reasons (emphasis added by author): *"First, the availability of detailed information about a drug's benefits and harms would allow interested individuals to review and analyze trial data themselves. If independent analysts come to the same conclusions as regulators and other decision making bodies,* ***confidence in the decision-making process would increase.*** *Second, a lack of transparency always gives the impression that something is being hidden. The drug evaluation system would be perceived as being* ***more legitimate*** *if the public were aware of how and why decisions are made and had an opportunity to provide input. Governments might also benefit from* ***increased public trust****. Finally,* ***increased scrutiny of the decision-making process might lead to better decisions.****"*

RIGOUR OF DECISION-MAKING

The resources invested in ensuring sound reimbursement decisions in both Canada and Australia are substantial. Both countries employ professional staff including clinicians, health technology assessment experts and health economists to support reviews. In the Australian process which takes 9 weeks to complete a review of a single drug, 2 sub-committees, the Economic and Utilisation sub-committees specifically examine comparative effectiveness and cost-effectiveness against existing treatments and projected utilisation and costs to government respectively.

INVOLVEMENT OF THE PUBLIC AND INDUSTRY

Both the Australians and Canadians have lay persons in the advisory committees to promote a wider societal perspective in decisions and are working towards soliciting public feedback which can be incorporated into the committees' deliberations. Efforts are also underway to render the public reports less technical, hence increasing accessibility, e.g. the Canadian Plain Language versions of recommendations.

Regulators have traditionally eschewed any involvement with industry in the assessment process but this is changing with regulators now accepting that combining efforts enhances the efficiency of analysis and hence decision-making. In the Canadian model, draft reports are sent to the manufacturer for comments and these comments taken into account in submissions to the advisory committees. Manufacturers can also appeal decisions with minutes of meetings available in the public domain.

WHAT DOES ALL THIS MEAN FOR SINGAPORE?

'Confidence', 'Legitimacy', 'Trust' and **'Better Decisions'** - These principles as espoused by Dhalla guide the Australian and Canadian systems. Is the Singapore system equally robust? I do not know but it would be very reassuring to professionals and the public to understand better the decision-making process in the Ministry of Health and see for themselves that public servants have the organisational support, expertise and bandwidth to design and implement a fair and cost-effective drug subsidy scheme.

Is it timely to unveil Singapore's decision-making process and the results of that process? I would argue that as Singaporeans become more sophisticated consumers of healthcare, and healthcare quality and costs become larger and larger societal concerns, we in the healthcare system would actually benefit from the public understanding better the complexities and difficult trade-offs pharmaceutical prioritisation entails. Dr Kevin Skilton of Merck Frosst-Schering Pharma, Canada put it succinctly at the conference: *"Pharmaceutical priority setting is a complex and value laden process".*

A public sensitised to the nuances of policy trade-offs and the underpinning value judgments will be more accepting of unpopular decisions. We are already seeing this in areas as diverse as military training, public transport, public housing and taxation policy. Healthcare will be no different. ■