Working Paper 2 – The Role of Health Insurance in the Cost-Effective Use of Medicines

Executive Summary

Health insurance systems have great potential to improve the cost-effective use of medicines by leveraging better provider prescribing, more cost-effective use by consumers, and lower prices from pharmaceutical companies. Despite ample evidence from high-income countries, little is known about insurance system strategies targeting medicines in low- and middle-income countries (LMIC). This report provides a description of strategies that can be used by health insurers to improve cost-effective use of medicines, an overview of the use of these strategies in high-income countries and a critical review of the literature on these strategies and their impact in LMIC. The report concludes with policy recommendations for LMIC and case studies on developing and implementing insurance strategies in four LMIC: Ghana, Jordan, Mexico and Thailand.

A systematic review of published peer-reviewed and grey literature was conducted, and insurance system strategies organized into four categories: medicines selection, purchasing, contracting and utilization management. In 63 reviewed publications reasonable evidence was found supporting the use of insurance as an overall strategy to improve access to pharmaceuticals and outcomes in LMIC. Beyond this, most of the literature focused on provider contracting strategies to influence prescribing. There was very little evidence on medicines selection, purchasing, or utilization management strategies.

Although there is ample evidence from high-income countries there is a paucity of published evidence on the impact of insurance system strategies on improving the use of medicines in LMIC. The existing evidence from LMIC is questionable since the majority of the published studies utilize weak study designs. This review highlights the need for well-designed studies to build an evidence base on the impact of medicines management strategies deployed by LMIC insurance programmes.

[Download PDF](#)