

Working Paper 6 - The Role of Health Technology Assessment in Medicine Pricing and Reimbursement

Executive Summary

This review aims to identify and describe the role of health technology assessment (HTA) in the price-setting and reimbursement of pharmaceuticals with a focus on its use in low- and middle-income countries (LMICs). Additionally it aims to identify and describe the prerequisites necessary for the implementation of HTA, and to assess the evidence concerning the impact of HTA on pricing and access to medicines in developing countries.

These objectives are addressed by way of a systematic literature search. Searching the Embase database, the Cochrane Library and specific journals resulted in the retrieval of 113 articles relevant to the topic. These articles are summarized in the appendices to this review and discussed with reference to the objectives. The information retrieved is dominated by qualitative reviews, mainly within the setting of high income countries. There are few examples of comparative evidence available and this is also acknowledged in some of the literature.

An overarching theme throughout the published evidence is that there is great potential for HTA to be adopted in LMICs. But despite a strong need for the efficient allocation of relatively scarce health budgets, many LMICs have not adopted HTA processes. The evidence concurs readily that HTA could be used to meet this 'value for money' objective. There are numerous barriers and prerequisites identified for properly introducing HTA into a health system, and limitations to HTA; however, there are also solutions to these problems suggested and discussions of successful implementation of HTA in developed countries around the world. Further, there is some evidence to show that HTA, when combined with other tools such as restricting reimbursement to pharmaceuticals on a national formulary (access to which includes a cost-effectiveness hurdle), can be used to manage medicines expenditure growth effectively.

The assessment of the evidence has resulted in three key recommendations:

- Health technology assessment is a way to introduce value for money in health expenditure and adoption of HTA could be considered in LMICs given the high need for the most efficient allocation of scarce health resources.
- Capacity for health technology assessment in LMICs should be established early and supported; prerequisites and barriers are extensive but not insurmountable and must be considered as health technology assessment processes are developed.
- LMICs should learn from countries where health technology is well established and follow their lead. In turn, developed countries need to share guidance and expertise

and be transparent at all times. There is potential for generalisability and transferability of health technology assessment results from developed countries to LMICs.

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