Selection and procurement of medicines under NHI

ANDY GRAY

Pharmaceutical Management Cycle

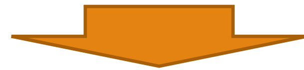
USAID
FROM THE AMERICAN PEOPLE
SPS Strengthening Pharmaceutical Systems

Current arrangements

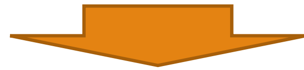
NDOH Affordable Medicines Directorate

PUBLIC SECTOR

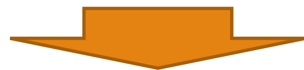
National Essential Medicines List Committee



Standard Treatment Guidelines/EML



State tender (individual or split)

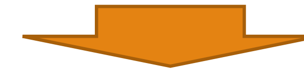


Provincial procurement (depot or direct) against the tender; also SANDF and DCS

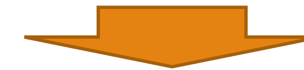
Medical scheme administrators and PBMs

PRIVATE SECTOR

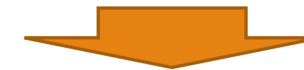
75 schemes, with 3-5 benefit options each



Formularies (taking into account Prescribed Minimum Benefit algorithms for CDLs)



Procurement by providers from wholesalers



Reimbursement of claims from pharmacies, hospitals and dispensing practitioners

NHI White Paper (2015)

- The **NHI Benefits Advisory Committee** will develop the service entitlements for all levels of care (primary, secondary, tertiary and quaternary). The range of services will be regularly reviewed using the **best available evidence on cost-effectiveness, efficacy and health technology assessments**.
- An inventory of pharmaceutical, medical supplies and devices will be **linked to the Essential Drug List (EDL)** and will be updated on a regular basis by the NHI Benefits Advisory Committee.

NHI Policy document (2017)

- The NHI Benefits Advisory Committee (BAC) will develop the comprehensive health care services for all levels of care (primary, secondary, tertiary and quaternary). The healthcare services will also include sexual and reproductive health, rare diseases and dread diseases. The **NHI Benefits Advisory Committee supported by various committees will make evidence-based recommendations** on what services, including surgical interventions are covered and the coverage for planned patient transport.
- A process of **priority setting and health technology assessment** (HTA) will be used to inform the decision-making processes of the NHI Benefits Advisory Committee to determine the benefits to be covered. The range of services will be regularly reviewed using the best available evidence on cost-effectiveness, allocative, productive and technical efficiency and HTA.

WHO-World Health Organisation (2014): Making fair choices on the path to universal health coverage. Final report of the WHO Consultative Group on Equity and Universal Health Coverage. Geneva Available on: http://apps.who.int/iris/bitstream/10665/112671/1/9789241507158_eng.pdf?ua=1

WHO- World Health Organisation (2015): Using Health Technology Assessment for Universal Health Coverage and Reimbursement Systems. Geneva, Switzerland, 2-3 November. Available on: http://www.who.int/health-technology-assessment/HTA_November_meeting_report_Final.pdf

Interim structures mentioned

Ministerial Advisory Committee on Health Care Benefits for National Health Insurance

- a precursor to the **NHI Benefits Advisory Committee**. This Committee will advise the Minister on a process of priority setting to inform the decision-making processes of the NHI to determine the benefits to be covered.

Ministerial Advisory Committee on Health Technology Assessment for National Health Insurance

- a precursor to the **HTA agency** that will regularly review the range of health interventions and technology using the best available evidence on cost-effectiveness, allocative, productive and technical efficiency and HTA.

Implementatoin guide (2017)

Important:

a) The Ministerial Advisory Committee on Health Care Benefits will not replace or duplicate the functions and responsibilities of the **Expert Review Committee** established to develop the **Essential Medicines List** and /or other clinical committees established to recommend policy and treatment guidelines.

b) The Ministerial Advisory Committee on Health Care Benefits will **not replace or duplicate** the functions and responsibilities of the Committee on Health Technology Assessment.

c) The Ministerial Advisory Committee on Health Care Benefits will collaborate with such structures and consider the inputs of such structures in their recommendations.

Ministerial Advisory Committee on Health Care Benefits

Composition

a) Core membership of the Committee appointed by the Minister of Health:
i. Relevant Senior Official (at a DDG level) of National Department of Health
ii. Two Relevant Senior Official (at a DDG level) of Provincial Departments of Health,
nominated by the National Health Council.
b) One Relevant Senior Official (at a DDG level) from the National Treasury nominated by the Minister of Finance
c) In addition, the Minister will appoint representatives because of their special knowledge of matters following a call for nominations published in the Government Gazette:
i. Representative from the Council of Deans of Health Science Faculties, Dental and Medical Faculties;
ii. Representative from the Professional Councils (HPCSA, SANC, PCSA)
iii. Colleges of Medicine;
iv. Operational experience of Private Hospital management and service delivery;
v. Health Professional societies;
vi. Council for Medical Schemes
vii. Actuarial Expert with health care benefit design experience
viii. Academic and research organizations

Reporting Lines

a. Report to the NHC, via the NHC Technical Advisory Committee.

NATIONAL HEALTH INSURANCE BILL

(As amended by the Portfolio Committee on Health (National Assembly))
(The English text is the official text of the Bill)

(MINISTER OF HEALTH)

[B 11B—2019]

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7. (1) Subject to the provisions of this Act, the Fund, in consultation with the Minister, must purchase health care services, **determined by the Benefits Advisory Committee**, for the benefit of users.

25. (1) The Minister must, after consultation with the Board and by notice in the Gazette, establish a committee to be known as the **Benefits Advisory Committee** as one of the advisory committees of the Fund.
(2) The membership of the Benefits Advisory Committee, appointed by the Minister, must consist of persons with technical expertise in medicine, public health, health economics, epidemiology, and the rights of patients, and one member must represent the Minister.
…
(5) The Benefits Advisory Committee must determine and review—
(a) the health care service benefits and types of services to be reimbursed at each level of care at primary health care facilities and at district, regional and tertiary hospitals;
(b) **detailed and cost-effective treatment guidelines that take into account the emergence of new technologies**; and
(c) in consultation with the Minister and the Board, the health service benefits provided by the Fund.

Health Products Procurement unit

38. (1) The Board, after consultation with the Minister, must establish a **Health Products Procurement unit** which sets parameters for the public procurement of health related products.

(2) The Health Products Procurement unit must be located within the Fund and is responsible for the centralised facilitation and coordination of functions related to the public procurement of health related products, including but not limited to medicines, medical devices and equipment.

(3) The Health Products Procurement unit must—

(a) **determine the selection of health related products to be procured**;

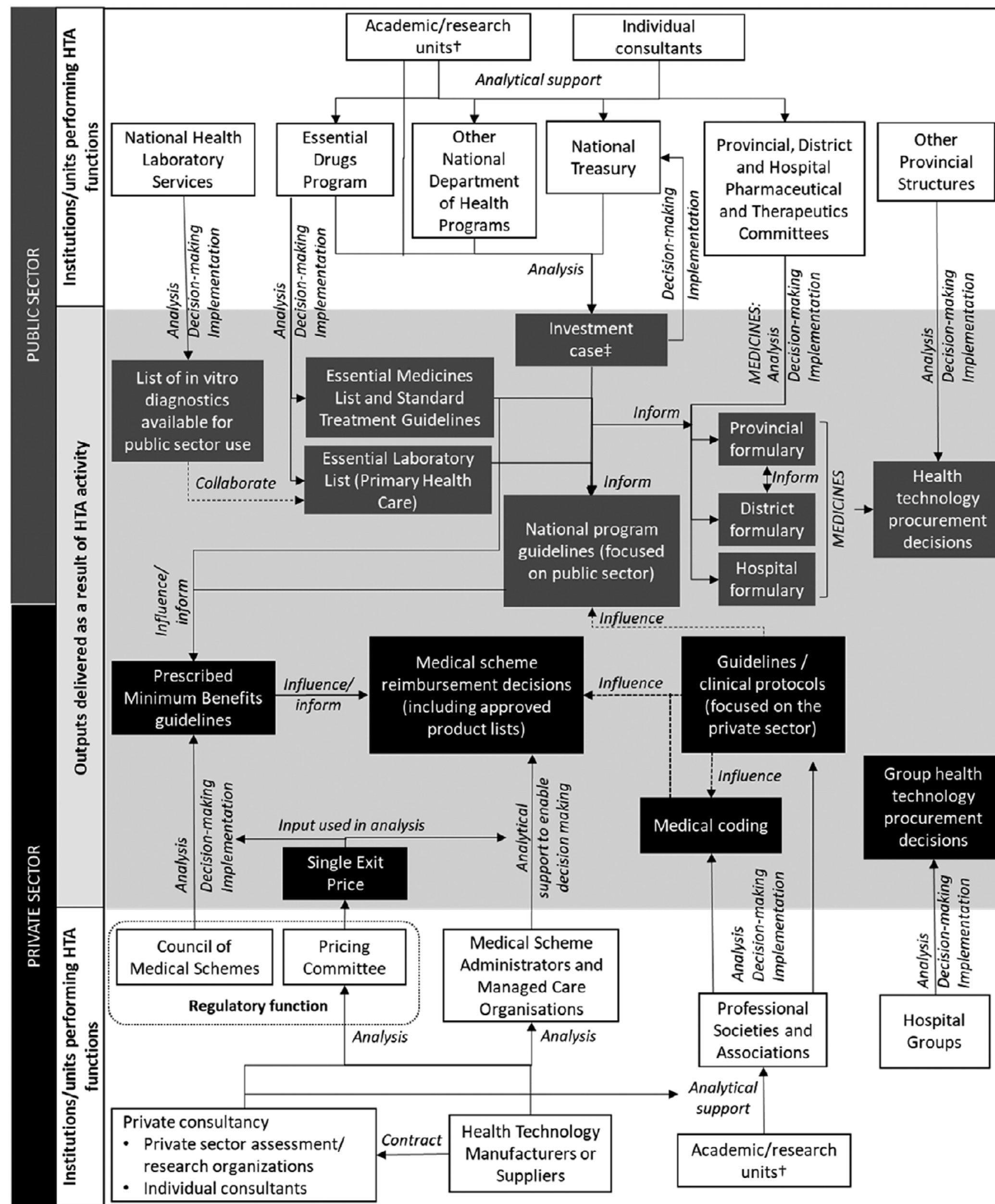
(b) develop a national health products list;

Health Products Procurement unit (contd)

(4) The **Health Products Procurement unit must support the Benefits Advisory Committee** in the development and maintenance of the **Formulary**, comprised of the **Essential Medicine List and Essential Equipment List** as well as a list of health related products used in the delivery of health care services as approved by the Minister in consultation with the National Health Council and the Fund.

(5) The Health Products Procurement unit must support the review of the Formulary annually, or more regularly if required, to take into account changes in the burden of disease, product availability, price changes and disease management for approval by the Minister.

(6) **An accredited health care service provider and health establishment must procure according to the Formulary**, and suppliers listed in the Formulary **must deliver directly** to the accredited and contracted health service provider and health establishment.



Although there is currently no formal national HTA institution in South Africa, there are several processes in both the public and private healthcare sectors that use **elements of HTA** to varying extents to inform access and resource allocation decisions. Institutions performing HTAs or related activities in South Africa include the National and Provincial Departments of Health, National Treasury, National Health Laboratory Service, Council for Medical Schemes, medical scheme administrators, managed care organizations, academic or research institutions, clinical societies and associations, pharmaceutical and devices companies, private consultancies, and private sector hospital groups.

Wilkinson et al. International Journal of Technology Assessment in Health Care 2022; 38(1): e44, 1–8