

Drug rationing will have 'long-term implications' - 23/07/2007

Growing restrictions on the use of expensive treatments in European and Canadian healthcare systems have “alarming implications” for innovation in drugs research, according to a new report.

The second paper in the Stockholm Network *A Healthy Market?* series, *Health Technology Assessment in Context*, warns that rationing the use of life-extending medical technologies will have unfortunate, long-term implications – and it urges policy makers to go down the US route of less state funding and greater consumer choice.

The study of health technology assessment bodies, such as the UK’s National Institute for Health and Clinical Excellence, examined their effect on healthcare provision in Canada, and the UK, France, German and Denmark.

A move towards greater rationing is evident in all countries, say the authors, with technology assessment bodies encouraged by governments to ration essential medicines in order to fight the costs of treating an ageing population and to combat rising consumer demand. They note: “The fact that preventing access to more costly medicines may save health budgets money in the short-term but not in the long-term, if the use of older medicines leads to a deterioration of the condition and a costly hospital stay, is overlooked.”

However, the authors say that “with spending on health continuing to outpace economic growth as the Organisation for Economic Co-operation and Development reported, that trend towards more rationing looks likely to continue”.

'Alarming' consequences ahead

One of the authors, Dr Meir Pugatch, said: “The implications for an innovative European pharmaceutical industry are alarming. An incentive structure that encourages providers to trade off the costs and benefits of healthcare gives providers little incentive to use expensive technologies and thus researchers have little incentive to create it.”

The report concludes that unless Europe and Canada move towards a significantly better-funded and more sustainable model of healthcare financing, HTA bodies, and their consequences for patients and the pharmaceutical industry, the outlook for drugs research is uncertain.

It says that Europe and Canada should consider moving away from healthcare models dominated by government funding in order to deliver to consumers “the choice and empowerment” they want out of their healthcare systems.

The next paper in the series will provide an analysis of two key HTA bodies in Europe – NICE in the UK and The Institute for Quality and Economic Efficiency in the Health Care Sector (IQWiG) in Germany.

