

## A Healthy Market? – Health Technology Assessment in Context

The second paper in the Stockholm Network ‘A Healthy Market?’ series; **‘Health Technology Assessment in Context’**, reveals that European consumers face restrictions in the choice of drugs and life-extending medical technologies made available to them.

The cross-national study of health technology assessment, which focuses on the way in which innovations in medical care are assessed in terms of their clinical performance and cost-effectiveness, highlights that healthcare decisions world-wide are made with cost-containment in mind. With spending on health continuing to outpace economic growth as the Organisation for Economic Co-operation and Development reported yesterday this is a trend that looks likely to continue.

However, as the study points out, this trend is more pronounced at the European level. Technology assessment bodies linked to and supported by national governments are encouraged to ration essential medicines to address the combined cost pressures that an ageing population and rising consumer demand exert on a publicly funded health system with a shrinking or static tax base. The result is that although countries with nationalised health services believe that their healthcare systems prioritise the interest of citizens, HTA is in fact used to restrict access to essential medicines and health technologies.

By contrast, the United States with its private insurance model of health care is more focused on the technological dimension of HTA – including the expansion of sophisticated healthcare-related technologies in the market.

The implications for an innovative European pharmaceutical industry are alarming. An incentive structure that encourages providers to trade off the costs and benefits of health care 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, are very much here to stay. These countries must face up to the necessity of 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 HTA bodies in Europe – the National Institute for Health and Clinical Excellence (NICE) in the UK and The Institute for Quality and Economic Efficiency in the Health Care Sector (IQWiG) in Germany.