

# The role of HTA in health systems

## Introduction

Health Technology Assessment (HTA) aims to improve the performance of health systems. But what does a good health system look like? The World Health Organisation (WHO) provides a definition of a 'good health system':

'A good health system delivers quality services to all people, when and where they need them.'<sup>1</sup>

Although the configuration of health systems is different between countries, all 'good health systems' must:

- Improve the health of the population they serve,
- Respond to people's expectations, **and**
- Provide financial protection against the costs of ill-health.

This definition provides valuable insight into Health Technology Assessment activities. It identifies three goals for health systems:

1. Health
2. Responsiveness
3. Fairness in financing

## What is fairness in financing?

In the *World Health Report 2000*, the WHO uses 'fairness in financing' to describe two related ideas:

- Protection of the individual from undue financial burden due to the costs of illness, **and**

- Equitable contributions to health system costs across income levels.

Fair financing means that the costs of the health system are distributed according to ability to pay rather than to the risk of illness: a fairly financed system ensures financial protection for everyone. Fair financing cannot be disassociated from equity, which traditionally implies receiving the services needed in return for an individual contributing to payment within their ability.

## **The concept of equity in HTA**

In the above context, equity refers to 'fairness' broadly. Practically, this often means fairness of access to care – that is, that the medicine in question is reasonably available to all who may benefit from it, regardless of factors largely unrelated to their health, such as where they live and, in some health systems, their ability to pay.

The issue of equity is considered for new medicines, but has been most prominent regarding highly specialised services. These are typically located in urban rather than rural areas, often in specialised centres or university-affiliated hospitals.

Some examples include:

- New cancer medicines which require specific testing such as 'companion diagnostic tests' that may only be available from urban centres.
- Some medicines require intravenous administration (delivered directly into a vein) that may require a hospital or specialty clinic.
- For some rare diseases with small patient populations, where medical expertise is limited, centres of excellence may be established to coordinate care regionally or nationally.

Despite having an equitable health system, there is still considerable variation in access to healthcare. Depending on where they live, patients may have varying access to appropriate treatment because not all services may be available locally.

## **HTA in support of better health systems**

Policy makers are concerned not only about benefits to individual patients, but to populations in general. HTA aims to inform policy in order to improve the performance of health systems by using robust evidence-based approaches to make clear, consistent recommendations about which health technologies to use and for which patients. This supports quality improvement and efficiency throughout the health system.

In order to do this, HTA must provide reliable advice to the various decision making levels in the health system structure. Regarding medicines, these decisions could be at a national or provincial government level, in individual institutions or hospitals, or by individual care providers. When making recommendations about medicines, the HTA must consider whether medicines are:

- reimbursed in insurance-based systems, **or**
- recommended for use in taxation-based systems (typically the medicine would be put on a 'formulary' – a list of a range of medicine options that can be prescribed for a specific condition).

From an HTA perspective, the key issue in understanding health systems is distinguishing between financing and care delivery.

- **Financing:** Who pays for services and how money is transferred to providers. This is important because it

may influence behaviour of practitioners and institutions.

- **Care delivery:** How healthcare is delivered to individuals from practitioners and institutions. This is important because it may affect how medicines are then used.

## **The role of HTA in health system decision making: Weighing value and opportunities**

Spending on health cannot increase infinitely; there are always various constraints on the supply of health services. When resources are scarce relative to needs because of a limited budget, the use of resources in one way prevents their use in other ways. This is called an 'opportunity cost'. The opportunity cost of investing in a healthcare intervention is best measured by the health benefits (such as life years saved) that could have been achieved had the money been spent on the next best alternative intervention or healthcare programme.

The constraints facing decision-makers make HTA information important when choosing which medicines or other services will be paid for (or reimbursed) by a health system, and which cannot be paid for with limited resources. In other words, decision-makers must consider how much opportunity for health or other benefits society is willing to give up (by using available resources) compared to how much opportunity for health society could gain with those same resources.

HTA attempts to give decision-makers some notion of the value of investment decisions in healthcare. Value is technically defined as what consumers individually would be willing to pay or to give up for an additional 'good' or service. When making political decisions for entire health systems, value is

expressed in terms of populations, rather than individuals – it must recognise that what is gained and what is lost can occur in different parts of the health system or outside of the health system. For example, raising taxes to pay for new medicines can have serious consequences for those with little money.

As a starting point, most HTA processes consider the additional health benefits as a way of understanding the value of the recommendations they need to make. Some HTA processes, and particularly those considering coverage for new medicines, also examine the economic impact (costs) of decisions to pay for new medicines. Many health systems have developed guidance for economic evaluation to ensure estimates of costs and effects from paying for new medicines are derived in a clear and consistent manner. This avoids a situation where an evaluation of one medicine looks more attractive than another, simply because the researcher used different underlying assumptions and approaches.

Governments in charge of health systems are also often attempting to:

- protect income,
- provide adequacy and equity in access,
- protect freedom of choice for consumers, **and**
- ensure appropriate autonomy for care providers.

In addition to thinking about opportunity costs within a health system, governments must equally consider questions of how much money from the economy should be spent on health and how this may affect opportunities for societal benefit from other government programmes, like justice and education. It has been shown repeatedly that fairness in the distribution of health and wealth across the population (equity) is more important to the public than maximising health from limited resources (efficiency).

## [glossary\_exclude]Further Resources

- Daniels, N. 'Accountability for reasonableness'. *British Medical Journal* (321:7272), 1300-1301. Retrieved 11 February, 2016, from <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1119050/>
- World Health Organisation (2000). *The World Health Report 2000. Health Systems: Improving Performance*. Geneva: World Health Organisation. Retrieved 12 July, 2021, from [https://www.who.int/whr/2000/en/whr00\\_en.pdf](https://www.who.int/whr/2000/en/whr00_en.pdf)[/glossary\_exclude]

## [glossary\_exclude]References

1. World Health Organisation (2016). 'Health Systems'. *Health Topics*. Retrieved 11 February, 2016, from [http://www.who.int/topics/health\\_systems/en/](http://www.who.int/topics/health_systems/en/)[/glossary\_exclude]