

# DISINVESTMENT

(Breaking up is hard to do)

**Marion Haas**  
**Centre for Health Economics Research and Evaluation**  
**UTS, Australia**

# In this presentation



- Why is disinvestment one of the flavours of the month?
  - ▣ A popular topic amongst researchers and policy makers – very HTA-centric
- A number of non-HTA approaches directly or indirectly address the issue
- How does the HTA approach work?
- Challenges for disinvestment

# Why disinvestment now?



- Health technology is a major driver of increasing HC costs
  - ▣ Much attention paid to getting it right
- Initially assumed that HTA would, over time, increase the efficiency of the HC system by ensuring that technologies provide value for money
  - ▣ On balance, technology increases costs

# Why disinvestment now?



- New technologies often additional (not replacement)
  - ▣ Pre-existing technologies remain reimbursed
- Many technologies in general use never evaluated
- Reviews of existing technologies very slow
  - ▣ Australian Medical Benefits Task Force has reviewed 3%

# Disinvestment does occur



- Cessation or restriction of harmful, ineffective, cost-ineffective practices
  - ▣ Many interventions once common are now outmoded
- Passive disinvestment or natural attrition
  - ▣ Existing treatments fall into disfavour
  - ▣ new interventions replace them
  - ▣ reports of harm become public

# What about “active” disinvestment?

- Requires partial or complete withdrawal of resources from technologies that:
  - ▣ Deliver low or no health gain for their cost
  - ▣ Do not represent efficient allocation of resources (Elshaug, 2007)
  
- Implies more directed approach
  
- This active notion is what we are interested in

# Non-HTA approaches



- These approaches are not aimed specifically at disinvestment (only).
- Identify candidates for disinvestment
  - ▣ Research into clinical practice variations
  - ▣ Clinical guidelines
  - ▣ Comparative effectiveness research
  - ▣ PBMA

# Clinical practice variations

- Large and long-standing literature
- Driven by perceived need to identify causes of variation amenable to intervention
- Variations in
  - ▣ Use, per capita expenditure
  - ▣ Across regions, by insurance, SE status
  - ▣ By practitioner, organisation
- Evidence of substantial variation not explained by clinical need
- Systematic investigations may identify candidate technologies for disinvestment

# Clinical guidelines



- Designed to improve quality of care
  - ▣ reduce the use of unnecessary, ineffective or harmful interventions
  - ▣ facilitate treatment which has the maximum chance of benefiting patients at minimal risk and acceptable cost
  
- 313 guidelines produced in Australia 2003-2007 by 80 producers
  - ▣ 29% “evidence-documented” ie lit. review + description of search & appraisal process

# Clinical Guidelines (cont)

- Initial assumption: Information alone would change practice
- Methods of encouraging uptake
  - ▣ involving users in the development of guidelines
  - ▣ identification of barriers to acceptance & implementation
  - ▣ improved methods of communication & dissemination
  - ▣ “champions”, key clinical groups or influential experts
  - ▣ information technology
  - ▣ incentives
- Uptake is patchy & likely to be cost-increasing
- May identify candidate technologies for disinvestment

# Comparative effectiveness research

- USA-specific term for HTA approaches already in use in other countries
  - ▣ \$1.1 billion funds as part of the US Recovery and Reinvestment Act
- Systematic appraisal of benefits and risks of alternative treatments and interventions
  - ▣ No explicit inclusion of costs
- Development of list of priority topics
  - ▣ Nominations from HC professionals, consumer advocates, policy analysts etc
  - ▣ 1200 topics reduced to more than 100 by considering BOD, variability, gaps in knowledge and likelihood of improving health
- No proposal to link CER results to funding decisions
  - ▣ Information → better decisions by professionals, consumers etc

# Program Budgeting & Marginal Analysis



- Objective is to re-allocate resources within a context of planning and priority setting
  - ▣ Formal assessment of costs & benefits
- Management process which can incorporate results from research, local data and expert opinion
  - ▣ How are resources currently being used?
  - ▣ How can changes to resource use be made (within current budget constraint) to reflect best practice
    - Redistribution, reduction, expansion of services

# PBMA (cont)

- Management tool
  - ▣ Encourages review of resources
  - ▣ Determine whether another allocation would meet their objectives better
- Many applications around the world
- Resource intensive
  - ▣ Commitment & cooperation of managers & clinicians
- Activities for investment more readily identified than those for disinvestment
- Budget control is ideal

# HTA-driven approaches



- Australia
- Europe
  - UK
  - Spain
  - Denmark
  - Italy

# Australia

- Early adopter of HTA processes
  - ▣ Evaluation of safety & efficacy of pharmaceuticals in 1970s
  - ▣ Facilitated by PBS funding arrangements
- PBAC, MSAC, investment in major screening programs
- PBAC & MSAC may recommend withdrawal of reimbursement
  - ▣ PBAC has criteria for removal of drug from PBS
  - ▣ Companies have also withdrawn superseded drugs
  - ▣ PBAC can implement own reviews – one undertaken so far
  - ▣ MSAC cannot implement reviews; no formal de-listing criteria
  - ▣ Items granted interim approval are reconsidered; continuation of public funding may not be recommended
- Recent HTA report identified disinvestment as an issue
  - ▣ no recommendation as to how it might be addressed

# UK

- NICE explicitly recognises need for disinvestment to be integrated into guidance development
  - ▣ Produced technology appraisals & clinical guidelines to reduce ineffective practice
  - ▣ Recommendation reminders
  - ▣ Commissioning guidelines
  
- Four disinvestment categories
  - ▣ Relatively ineffective interventions
  - ▣ Largely cosmetic
  - ▣ Effective interventions with close benefit/risk balance in mild cases
  - ▣ Effective interventions where more CE alternatives should be tried first

# Spain



- HTA undertaken at provincial level
  
- Basque region
  - ▣ 4 phases: identification of obsolete technologies, selection of aspects for evaluation, case study to test evaluation tool, development of a hospital guide to investment in proven technologies
  
- Galicia region
  - ▣ Developed a prioritisation tool (PriTec)
  - ▣ Enables simultaneous comparison of 50 technologies

# Denmark



- Pilot project in 2004
  - ▣ Assess improper use or obsolete technology
- Focus on imaging technologies
- Information available is a conference abstract
  - ▣ Literature review + questionnaire targeting internal medicine units

# Challenges



- Lots of interest, little progress
  - ▣ Passive approaches are slow, will continue
  - ▣ Dissemination of information (through research evidence, guidelines, management processes) has had a modest effect
  - ▣ Active approaches mirror methods and processes of HTA
    - Number of publications state problem & rationale for disinvestment
    - Some pilot studies, case studies
    - No formal structures developed **and used**

# Challenges (cont)



- Barriers identified
  - ▣ Lack of resources for research
  - ▣ Inadequate resources, lack of will to support processes
  
- Which technologies?
  - ▣ Major exercise
  
- Lack of clear incentive
  - ▣ Option value in having lots of technologies available
  - ▣ Will resources freed-up by disinvestment be returned to the relevant service?

# Conclusion



- Active disinvestment creates losses
- Any benefits or savings may not be realised immediately (or ever)
- Losses may outweigh benefits
  - ▣ Disincentives exist for disinvestment
  - ▣ Process of identifying target technologies complicates this
- Impetus for disinvestment can only come from changing incentives
  - ▣ Eg pay for performance
  - ▣ Role of consumers in choosing providers
  - ▣ Organisational structures eg budget holding, blended payment to enhance purchase and use of appropriate technologies
- Future work should aim to investigate how changing incentives affects the use and disuse of technologies