

Singapore's Experience With Implementing And Monitoring Risk-Sharing Arrangements For Drugs In the Public Healthcare Sector

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Introduction

- In 2022, the Agency for Care Effectiveness in Singapore introduced risk-sharing arrangements (RSAs) for drugs in the public healthcare system to manage budget uncertainty and ensure sustainable healthcare.
- This study aims to provide an overview of the number and types of RSAs effected in Singapore, the amount of rebates received, and the challenges associated with implementation.

Methods

- We conducted a retrospective cross-sectional study on drugs with RSAs implemented in 2022 and 2023, using aggregated drug utilization data from all public healthcare institutions.
- If a drug expenditure exceeded the agreed annual cap, there would be rebates due from the manufacturer. The amount of rebates was calculated by multiplying the agreed rebate percentage for each drug by the excess expenditure for the drug (Figure 1).
- We also discussed the challenges of RSAs implementation in the local context.

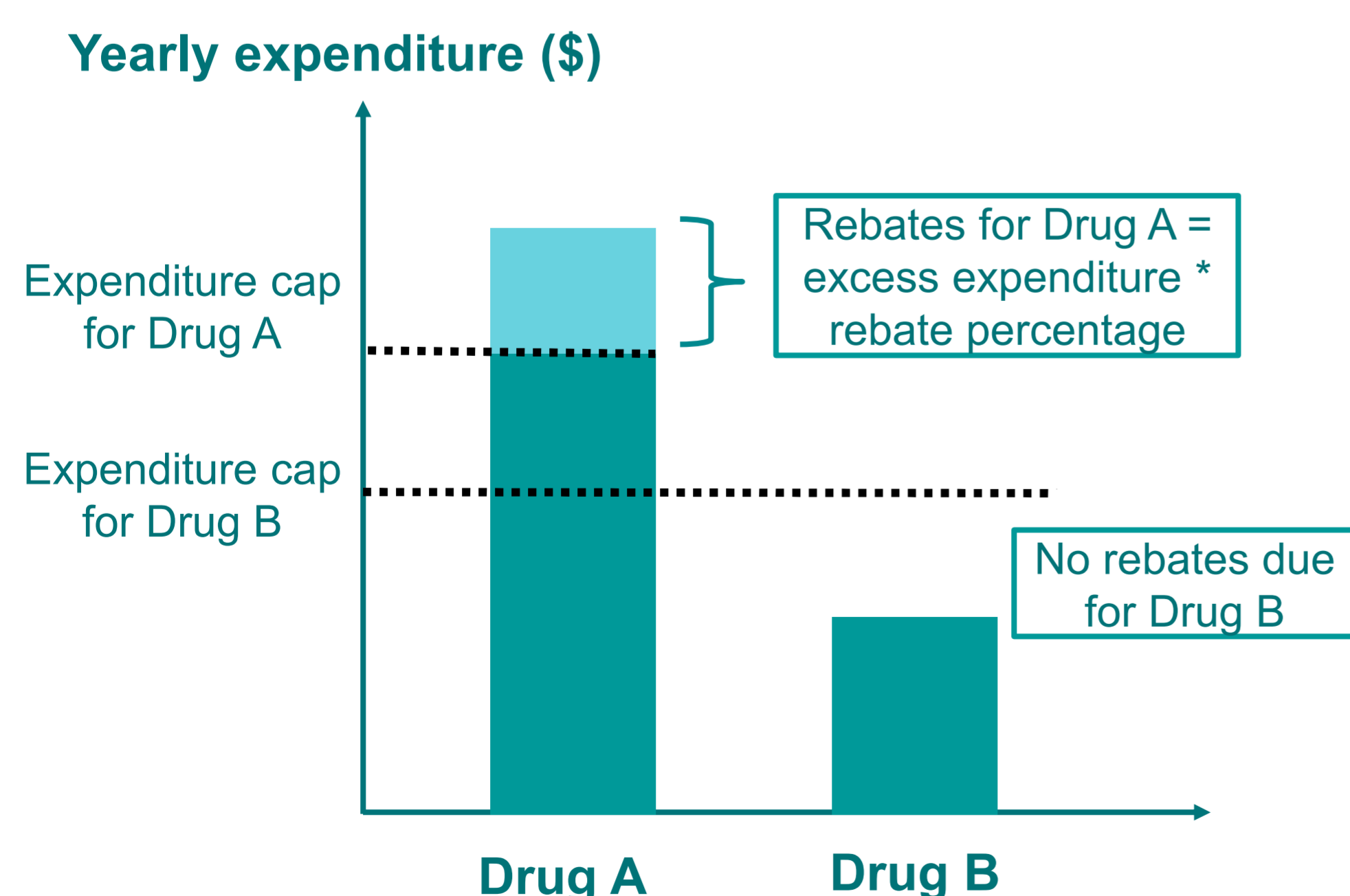


Figure 1: Calculation of rebates

Results

- Among the 67 drug formulations with RSAs implemented in 2022 and 2023, 79.1 percent (n = 53) were for oncology drugs (Figure 2). The RSAs effected were financial based.
- For the drugs which exceeded expenditure caps in 2022, rebates amounting to about 8% of the drugs' total expenditure were received.
- Nonetheless, challenges in RSAs implementation remain to be managed or addressed, such as complexity of a multi-payor healthcare system, lack of indication-specific drug utilization data and privacy concerns with outcomes-based RSAs.

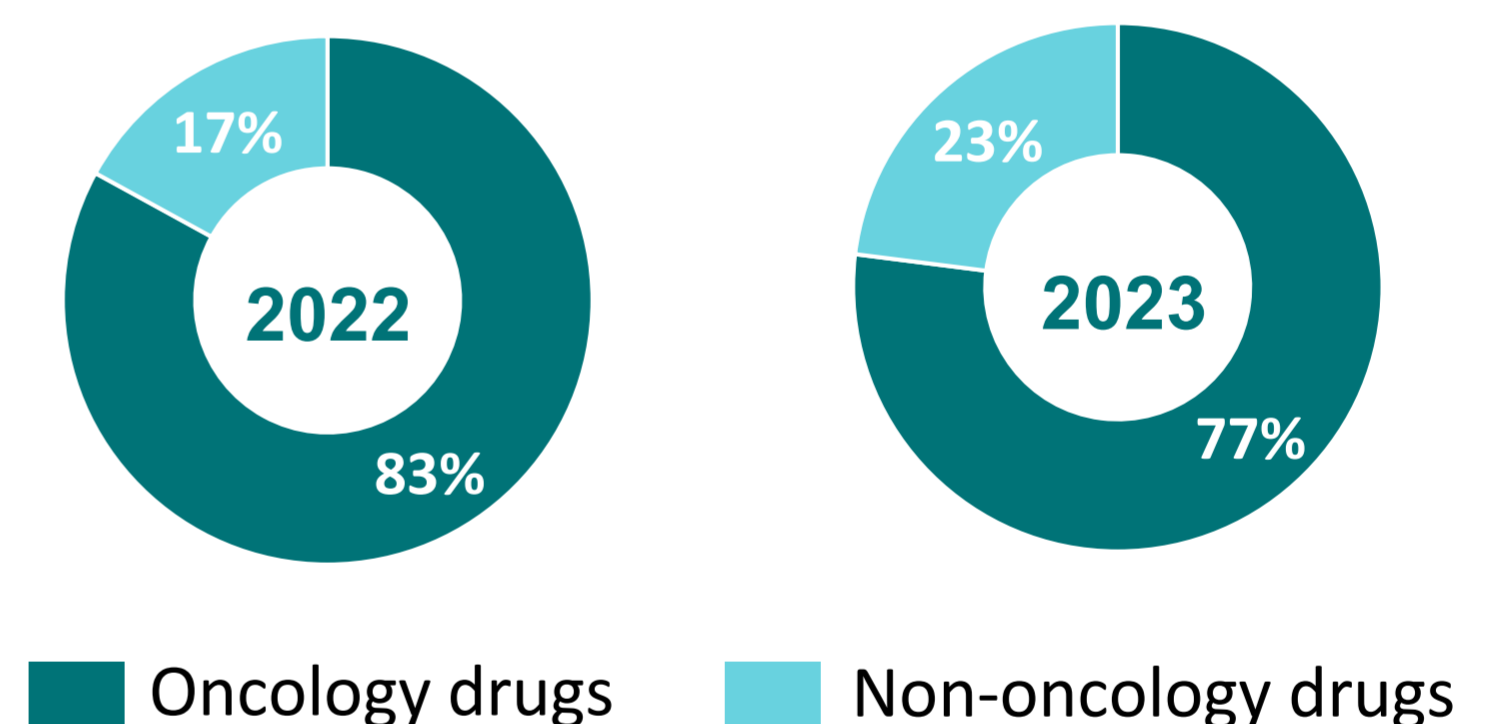


Figure 2: Proportion of oncology drugs among the drug formulations with risk-sharing arrangements in 2022 and 2023

Conclusion

- RSAs can improve patient access to clinically effective but high-cost medicines while ensuring budgetary certainty and sustainability for the Singapore public healthcare system.
- As the number of financial-based RSAs continues to increase and outcome-based RSAs are being explored, good quality data with data governance are needed for successful implementation of RSAs.

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