Systems for Intermediate Funding

– NUB and ZE –

Is This the Future Model for the Rest of Europe?

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Background

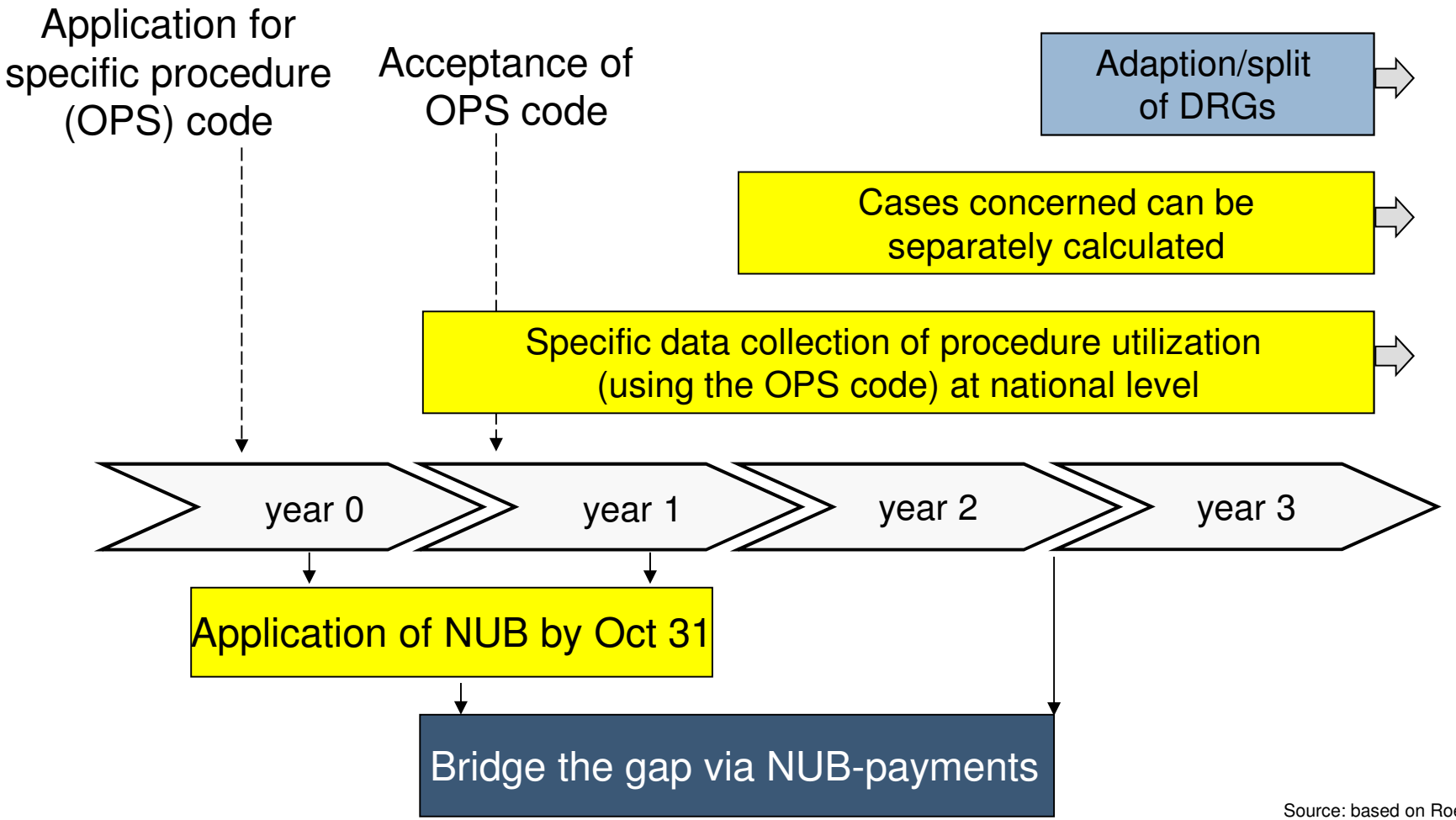
- Innovations may be associated with dramatic improvements in life expectancy and/or quality of life
- Reimbursement systems might influence
  - utilization through providers
  - future revenues of manufacturers
  - incentives to develop new devices

→ **Importance of an adequate and quick inclusion of effective innovations in DRG systems**

- In DRG systems, costs for medical devices are included in DRG classification and therefore in reimbursement rates
- Problem: time lag between the data collection and time when hospitals are paid on the basis of this data

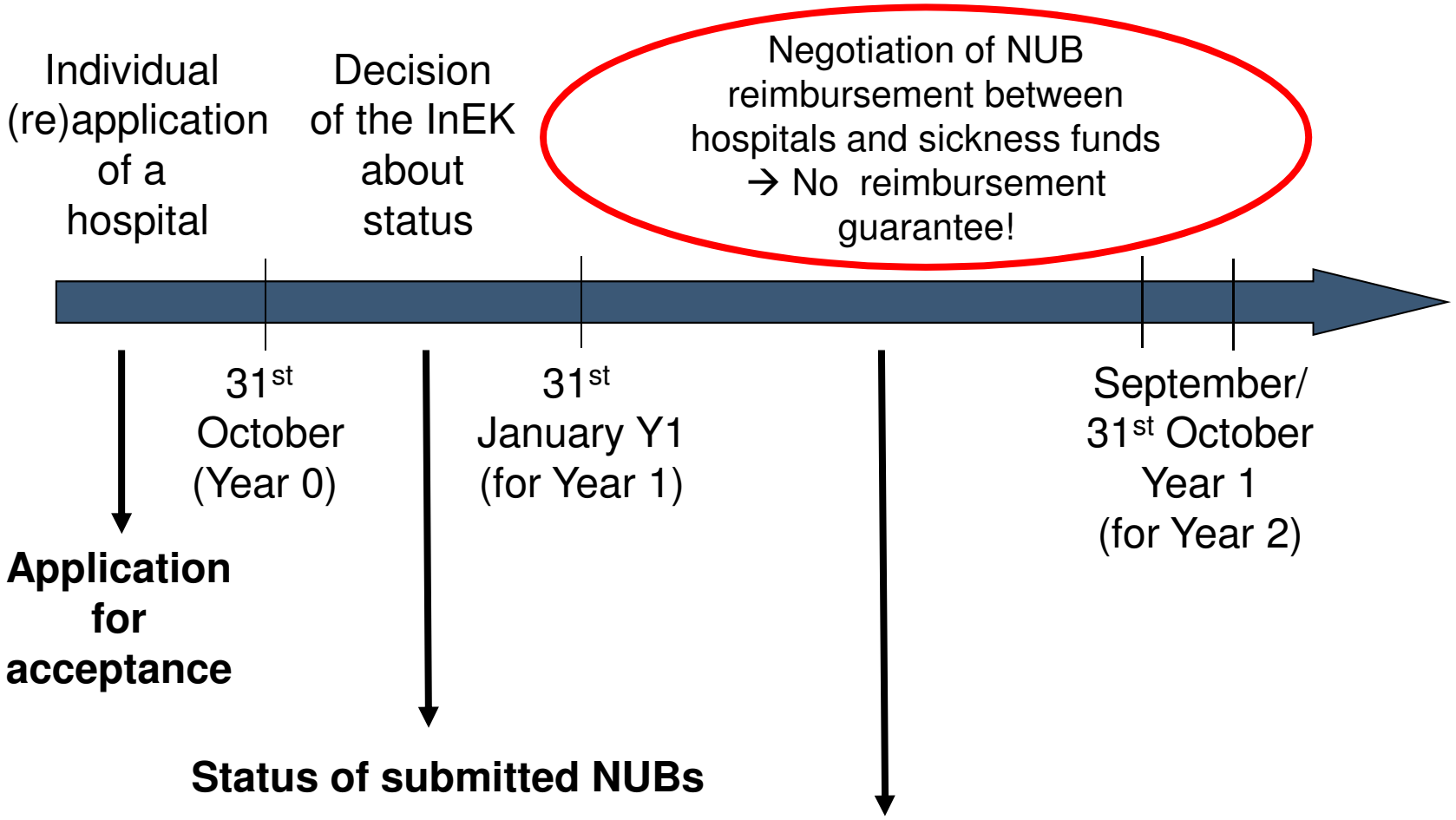
The Political Instrument to Bridge the Time Lag

NUB (New Diagnostic and Treatment Methods)



Source: based on Roeder 2004

The NUB Process



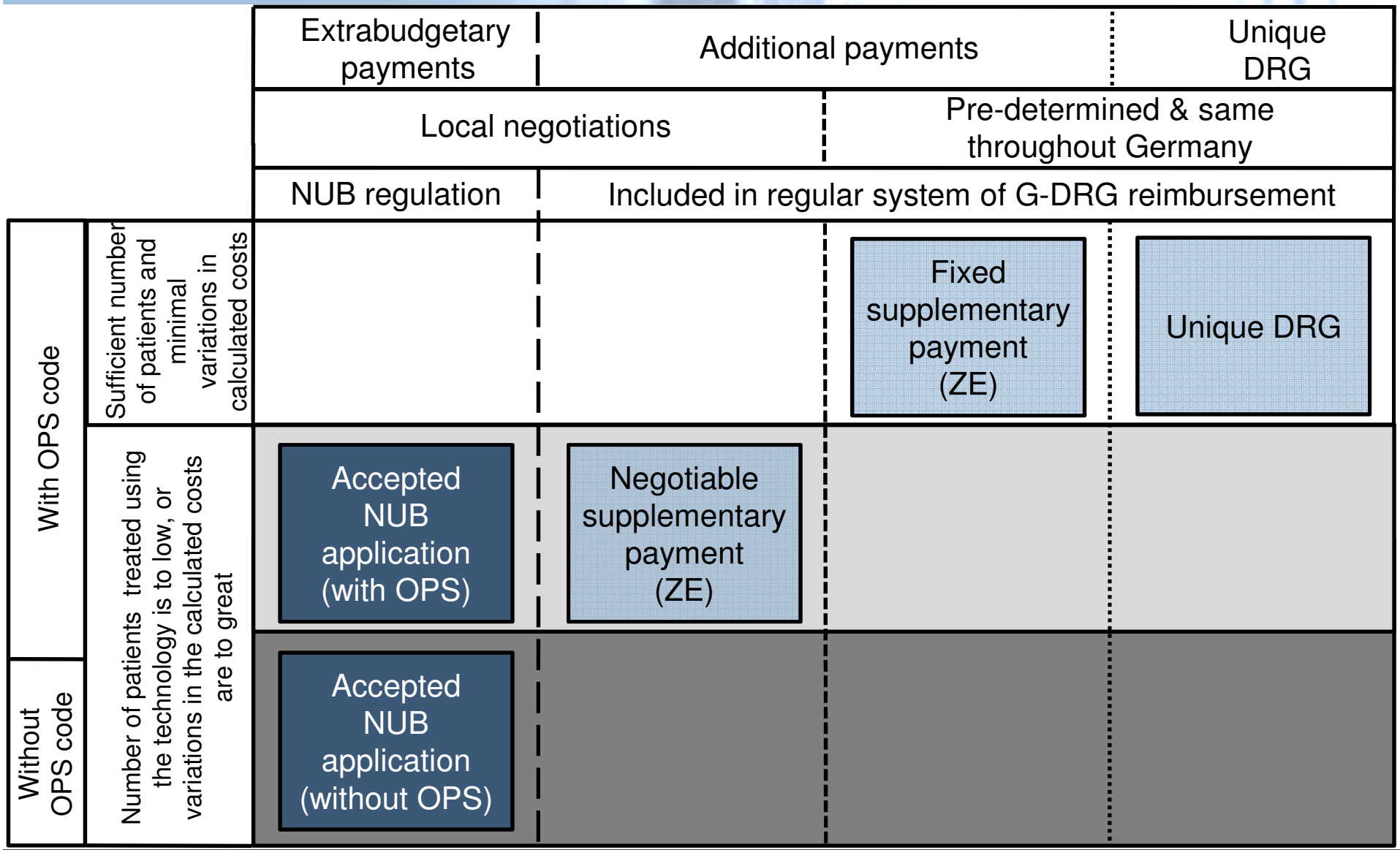
Three Hurdles for Integration of New Technologies

1. Acceptance of the application by the InEK [NUB Status 1]

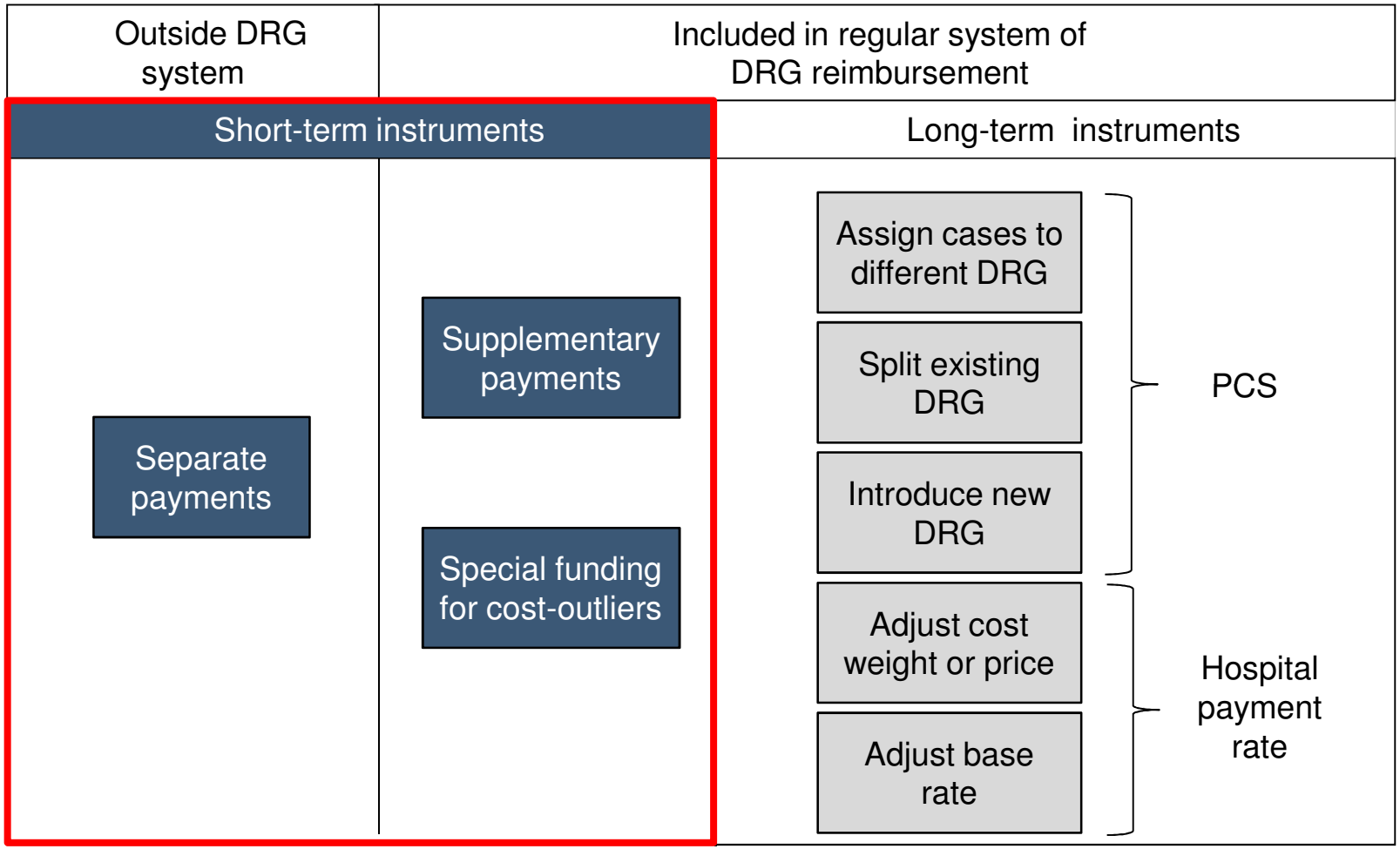
2. Agreement with the sickness funds about an additional payment/ an innovation case fee including the uncertainty of negotiations with sickness fund

3. Integration of the procedure into the regular case fee catalogue to lower transaction costs for negotiations and uncertainty for the hospitals
   - Negotiable supplementary payment (ZE)
   - Fixed supplementary payment (ZE)
   - Specific DRG

Different Degrees of Integration in Germany



Systems of intermediate funding across Europe



Source: Busse et al. 2011

Short-term payment instruments across Europe

	Instruments used to provide extra payments for Technologies		
	Separate payments	**Supplementary payments**	**Cost-outlier funding**
Austria	No	No	No
Catalonia (Spain)	Yes (for certain procedures)	No	No
England/ UK	Yes (for up to 3 years)	Yes (for certain high-cost services)	No
Estonia	Yes (for certain high-cost services)	No	Yes
Finland	Depending on hospital district, both instruments are used		Yes
France	Yes	Yes	No
Germany	Yes	Yes (for certain high-cost services)	No
Ireland	Yes	No	No
Netherlands	Yes (for certain high-cost drugs)	Yes (envisaged to start in 2012)	No
Poland	No	Yes (for certain high-cost services)	No
Portugal	No	No	No
Sweden	Depending on the county council, all instruments are used		

Source: Busse et al. 2011

Conclusion

The German System for Intermediate Funding
- A Future Model for the Rest of Europe? -

- Effective innovative medical devices should be part of the benefit basket
- Without the eligibility for reimbursement:
  - no access of many insured patients to innovative devices
  - little incentives for manufacturers to develop new products
  - the capability of a more efficient health care system is at risk

→ The German NUB system enables relatively expeditious access to innovative medical devices:

- An intermediate step for integrating innovative products into the regular G-DRG system
- About 1/4 of medical devices and 1/3 of other products are explicitly integrated within two years after first acceptance as NUB
- Therefore, the system provides no guarantee for the integration into the SHI benefit basket

Conclusion

→ Germanys policy:

- (non-)integration is driven mainly by utilization numbers and need for extra funding
- medical devices do not have to show their effectiveness in the treatment of patients → possible problem resulting from too fast integration

→ Future policy should also consider effectiveness (as in ambulatory care sector) and possibly cost-effectiveness:

- acceptance as NUB may be tied with requirement to evaluate (may also increase willingness of sickness funds to pay for NUBs)
- evidence of higher effectiveness might improve the speed of integration

- New in 2012: Federal Joint Committee may issue directives to initiate clinical trials for treatment methods that are associated with medical devices
- German sickness funds have to reimburse these treatments within these trials

Thank you very much for your time and attention!

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