Innovation and Sustainability within the Argentinean Health System

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Introduction

Although an unambiguous definition of innovation remains yet to be reached, many authors have endeavoured to give meaning to this term. In summary [1-3]. An innovation is an idea, procedure or technology which produces added value as a novelty. It is therefore mandatory that an innovation provides an extra benefit or advance for individuals or organisations, whether by creating a new product or service, reducing cost, or enhancing previously existing products, procedures or business models. The future of populations will rely on their ability to innovate, to transform their ideas into groundbreaking, value-adding, products and services which mobilise global macroeconomic markets [4].

In the healthcare market, however, an innovation rarely follows the above mentioned definitions or precepts [5]. Usually, in other sectors of economy, an innovation cost curve is characterised by an initial peak, due to its implementation, later followed by a gradual decrease explained by the effect it produces either in productivity or competency. Paradoxically, within the medical-industrial complex, the most common effect an innovation produces is the increase of unit or per-patient costs [6]. Even worse is the fact that very few of the so-called innovations launched by the medical-industrial complex actually have a significant impact on clinical effectiveness when compared with their predecessors [7].

Consequently, global health expenditure is growing at faster speed and greater magnitude than both developing and developed countries’ economies, threatening every health system’s sustainability and stability in the not-so-long term [8]. Innovations, which should be part of our solutions, are actually one of the main problems we are presently facing. A deep social, ethical, and economic debate must be encouraged to face this conflict.

The Duality Problem: Innovation and Sustainability

An healthcare innovation’s ultimate goal ought to be improving the population’s quantity and quality of life. Therefore, the discovery of a new molecule must not be mistaken for a technological innovation. Almost 90 per cent of recently released medications have shown few or even none clinical advantages for their users [9]. Pharmaceutical companies claim to be in the middle of an ‘innovation crisis’[10]. Which can be explained by the severity and rigidity of global health policies acting as obstacles against them.

Contradicting this dilemma, some authors have estimated that technological innovation is the cause of 33 to 50 per cent of the increase in health expenditure [11]. At present, health expenditure is showing an inflationary behaviour, while public investments in health are growing faster than the overall economic growth [12]. This unprecedented behaviour is completely unrelated to scientific advances in clinical effectiveness, and endangers not only our health systems’ sustainability, but also the
concept of equity in care provision [13]. Simultaneously, the population’s needs, and also their life expectancy, have risen significantly.

On the other hand, set prices are strongly associated with policies based on patent protection strategies. This mechanism is an incentive for pharmaceutical companies to invest in research and development, guaranteeing them cost recovery and even considerable economic benefits. However, it appears set prices are even higher than those needed to recover research and development costs, undermining both individuals and societies’ access to pharmaceutical technologies [14].

In Argentina these global issues are replicated, but in greater magnitude. Long-term economic deficit and instability have worsened the already underdeveloped infrastructure and the social determinants of health: lack of formal employment and unemployment, which cause tax evasion and budget cuts; poverty; increased high school dropout rates; housing shortage; insufficient sewerage systems; low quality food; among many others.

Our health system’s segmentation and fragmentation have been deepened by ill governance and poor leadership, probably due to the fact that health is usually overlooked within the Argentinean political agenda. In addition to low health expenditure, the legal admission of autonomous workers into the social security system has made sustainability mathematically impossible, because the fix amount they contribute monthly is not enough to afford the compulsory healthcare package ensured by our national constitution [15].

Presently, we are witnessing a total absence of any type of price-control, cost-effectiveness, or rational use of technologies policies. At a macro level, we lack a healthcare technology evaluation agency. Furthermore, innovative pharmaceutical drugs are more expensive in Argentina than in any first-world countries by a difference of 70 to 140 per cent. At a micro level, it seems professionals are making probably induced decisions. Consequently, conflicts of interests are suspected.

The Challenge: Finding Possible Solutions

Firstly, a public healthcare technology prioritisation policy should be established, based not only on clinical effectiveness, but also on cost-effectiveness, social and organisational impact. Moreover, the burden of disease at which the innovation aims ought to be analysed, as well as the short and long term prognosis it determines. In order to fulfil this goal, a public healthcare technology evaluation agency is mandatory.

The acquisition of cost-effective healthcare technologies will be determined by a negotiation strategy aimed at reducing and regulating market prices. On a public level, it would be interesting to check current tariffs and tax structures which apply to healthcare technologies, in order to facilitate market access to those already evaluated in other regions, by reducing their imposed tax burden. In addition, international alliances should be encouraged with the objective to prevent increased prices in underprivileged countries.

Globally, patent protection strategies must be debated. Although it stimulates pharmaceutical companies to invest in research and development, it also allows them to manage a legal monopoly. This scenario usually determines an irrational use of healthcare technologies, and arbitrary mechanisms to set prices and commercialisation conditions. Accelerated approval processes for biosimilars, shared-risk contracts, and fixed prices negotiated during a pre-approval stage, among other strategies, may reduce costs and incentivise competence.

Finally, we should also focus our innovative capacity on our current healthcare models, operative processes, strategic planning, management and financing, etc.

Conclusion

The evaluation and rational incorporation of healthcare technology is compulsory if we wish to keep our health systems sustainable. Many of our present so-called innovations have shown no significant clinical or economic results, and their prices do not follow any cost recovery strategy. Fundamentally, the Argentinean health system urgently needs an improvement in the quality and transparency of its policies.

References


