Medicines Australia | Better health through research and innovation

Vaccines and HTA

October 2022

Vaccines are a crucial investment in a healthy Australia, but health technology assessment processes are delaying access

- As Australia emerges from the COVID-19 pandemic, we must ensure that the importance of vaccines to public health, our people and our economy is reflected in the way that our healthcare system values and facilitates access to vaccines, including security of supply.
- Changes to health technology assessment (HTA) policy and methods are required to ensure that Australians don't miss out on timely and equitable access to world-leading vaccine technology.
- The independent review of Australia's HTA policy and methods that will be conducted from 2022 to 2023 is a rare and critical opportunity to introduce much-needed reform to the way that vaccines are valued for Australians – taking into account the lessons learnt from the COVID-19 vaccines procurement and roll out.

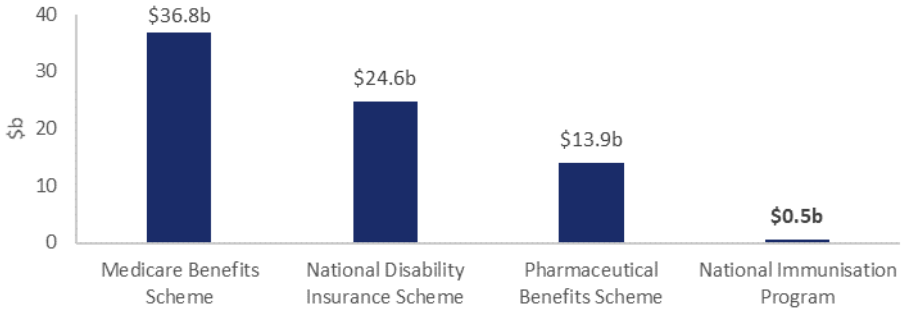
Possible Policy Solutions

1. Vaccine assessment policy and methods should be reformed to value "second order effects" i.e. the full scope of benefits that vaccines deliver to the individual, society, and the broader economy.
2. Discount rates for vaccines should be lowered from 5% to 1.5% to reflect Australia's focus on preventative health.
3. Evaluation and procurement processes for vaccines should be streamlined to improve efficiency between ATAGI and the PBAC, thereby reducing time to access for new vaccines.

Why do we need greater investment in vaccines?

Australia has an impressive public health record. The vaccines which are available on the National Immunisation Program (NIP) protect Australians from preventable diseases every day; yet structural and procedural barriers have created challenges in bringing new vaccines to Australia, and delays in protecting vulnerable populations. Australia's NIP has primarily focused on childhood vaccinations, with only three vaccines (for influenza, pneumococcal, and shingles) funded for adults in Australia[1]. There are vaccines currently in development for infectious diseases and also cancer, Alzheimer's disease, Type 1 diabetes, multiple sclerosis, and allergies[2].

Figure 1. Australia's spending on the NIP was a fraction of that on other pharmaceuticals and medical care in 2020-21[2]



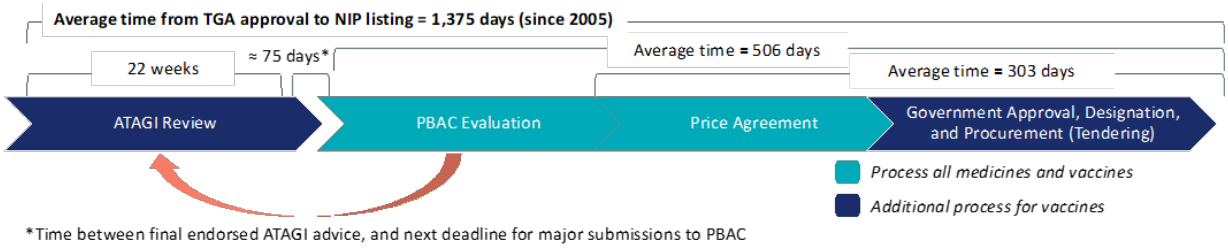
The rapid global response to develop vaccines against COVID-19 has highlighted what can be achieved through dedicated effort and collaboration. Healthcare professionals, government, and vaccine manufacturers have facilitated broad access to COVID-19 vaccines and achieved high coverage rates. Together, we are enabling Australia to emerge confidently from the pandemic with the help of new vaccine technologies.

Vaccine assessment processes are long, costly and inefficient, with multiple reviews and decision making

The current process for vaccines to be listed on Australia's NIP is one of few, internationally, where vaccine funding recommendations are not made directly by a technical advisory group (like ATAGI – the Australian Technical Advisory Group on Immunisation) to government. In Australia, review by the Pharmaceutical Benefits Advisory Committee (PBAC) is also required[3]. As a result, the average time from TGA approval of a vaccine to listing on the NIP is 1,375 days compared with 413 days for medicines[4]. COVID -19 vaccines have to date not followed this process in Australia, and instead have been subject to individual advance purchase agreements and contracts with vaccine manufacturers, allowing a much faster roll out of these critical vaccines.

1 https://www.health.gov.au/sites/default/files/documents/2021/10/national-immunisation-program-schedule-for-all-people.pdf
2 https://www.shawview.com/_files/ugd/8a9719_c61751a436ac49638ceed8b75cbf62af.pdf
3 https://www.shawview.com/_files/ugd/8a9719_c61751a436ac49638ceed8b75cbf62af.pdf
4 https://www.shawview.com/_files/ugd/8a9719_c61751a436ac49638ceed8b75cbf62af.pdf

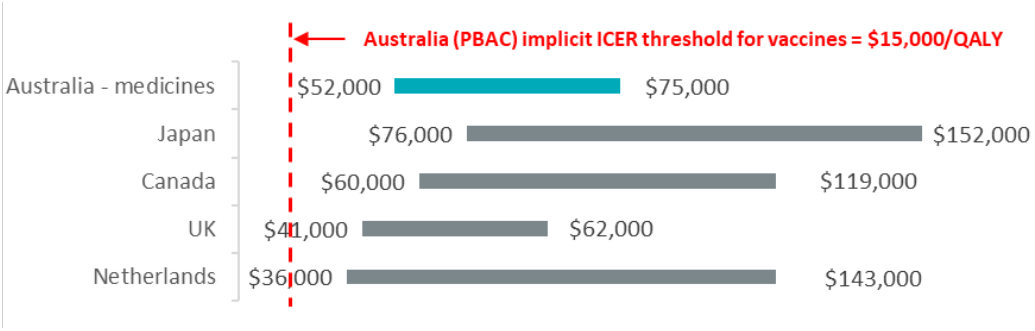
Figure 1: Overview of the funding process for a vaccine on the National Immunisation Program (NIP)[5,6,7]



PBAC valuation methodologies can impact the ability for vaccines to launch effectively in Australia

Incremental cost effectiveness ratio (ICER) ('value for money') threshold for vaccines[8] is well below that of medicines[9]. Despite the PBAC not having a firm ICER threshold for recommending medicines and vaccines, it has consistently indicated a $15,000/QALY threshold for preventative therapies and vaccines[10], without recognising the value they provide to public health across the Australian population. This results in Australians potentially missing out on innovative vaccines that are available in other comparable countries.

Figure 3. Indicative acceptable ICER ranges by the PBAC for medicines and vaccines (AUD/QALY)[11]



5 https://www.shawview.com/_files/ugd/8a9719_c61751a436ac49638ceed8b75cbf62af.pdf
6 https://www.health.gov.au/sites/default/files/documents/2020/05/atagi-pre-submission-advice-for-industry-sponsors-wishing-to-make-a-pbac-submission-procedures_0.pdf
7 https://www.health.gov.au/sites/default/files/documents/2021/11/atagi-pre-submission-advice-for-industry-sponsors-wishing-to-make-a-pbac-submission-information-for-sponsors.pdf
8 https://www.pbs.gov.au/industry/listing/elements/pbac-meetings/psd/2018-08/files/meningococcal-acwy-tt-psd-03-2018-addendum-08-2018.docx.pdf
9 https://pubmed.ncbi.nlm.nih.gov/32524923/
10 https://www.shawview.com/_files/ugd/8a9719_c61751a436ac49638ceed8b75cbf62af.pdf
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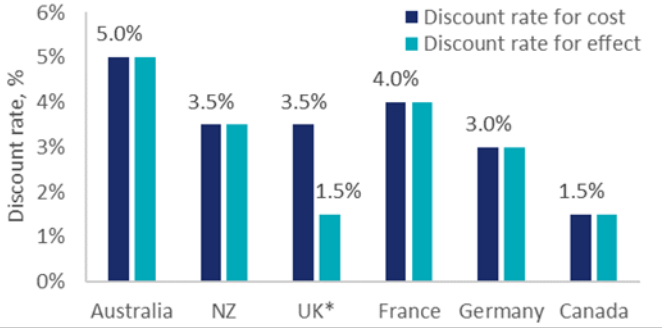
NOTE: This Discussion Paper is not a final position paper. It has been developed as a conversation starter and to support discussion and feedback

Discount rates used in economic evaluations favour investments in interventions that deliver short-term vs. longer term benefits, such as vaccines. 5% discount rates used in Australia are out of step with other developed countries where the focus of investment in healthcare has shifted to preventive health and treatments of chronic disease. A recent paper proposed that Australia's discount rate should be lowered from 5% to 1.5%[12].

Figure 4. Discount rates used in selected countries



**1.5% used in UK for longer-term health effects, which is often used for vaccines.*

There's a limited perspective on the benefits of vaccines. Only healthcare system related costs and outcomes are considered in economic evaluations. This excludes important "second order effects" of vaccines, such as workforce productivity and keeping the economy functioning – clear benefits of the COVID-19 vaccines. This means that the full benefit that vaccines deliver to society and the economy is not routinely considered when making investment decisions under the current HTA framework.

Investing in vaccine innovation improves security of supply

Manufacturers supplying vaccines to Australia are committed to ensuring that supplies are available when needed, which requires advanced planning and investment. In a competitive and constrained environment for supply of vaccines and raw materials, countries that value innovation, adopt open trade and build sovereign manufacturing capabilities will have a competitive advantage in securing supply and mitigating against potential disruptions.

Feedback

Do you have any thoughts on the policy ideas in these papers? We'd love to hear your feedback! Please let us know at this email address: HTA-Reform@medicinesaustralia.com.au.

12 *https://www.medicinesaustralia.com.au/wp-content/uploads/sites/65/2022/02/Fact-sheet-discount-rate-feb22.pdf*