A standard model of conducting pharmaceutical budget impact analyses for drug reimbursement in Iran

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Background and Aims: In health economics, a Budget Impact Analysis (BIA) addresses the affordability. A good BIAs can facilitate and accelerate the process of making reimbursement decisions and priority setting among different health problems and new interventions. Until now there is almost no attention to BIAs as a practical tool in the field of health policy and economic evaluation and consequently there is no standardized method of performing and presenting these studies in Iran. Considering the fact that there is a growing need of doing comprehensive economic evaluations (Cost-effectiveness analysis plus BIAs) at the time of introducing new health technologies (drugs or medical devices) to possibly be listed onto the national formularies or mainly be reimbursed by third party payers (e.g. public/private health insurance companies), this paper describes the process of developing a standard BIA report for Iranian Authorities.

Methods: This study has been conducted in two phases. A) Comprehensive literature review, B) Needs Assessment which was to assess the present need for developing BIAs as well as proposing national standard guidelines for these studies in Iran. The model has been performed based on the Principles of Good Practice for BIAs reported by International Society for Pharmacoeconomics and Outcomes Research (ISPOR) in 2007.

Conclusions: The BIA is important, along with the CEA. In the current study a standard guideline has been proposed for developing BIA models in Iran. Considering the fact that Iranian insurance and Health budget policy makers (Key Opinion Leaders) have been involved in planning and structuring the model, this study could also provide local recommendations for payers as well as pharmaceutical companies in order to prepare a sophisticated BIAs report in the future.

Keywords: Budget impact analysis; Economic evaluation; Methodology; Modeling