



CIRCULAR

Reference: MCOs performing and charging for HTAs
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Circular 57 of 2020: Health Technology Assessments (HTAs) performed by and charged for by Managed Care Organisations

Health Technology Assessments (HTAs) should be conducted for health technologies (medication, devices, etc.) through an interdisciplinary approach that informs decision makers regarding these technologies.

The South African Health Products Regulatory Authority ("[SAHPRA](#)"), an independent entity of the National Department of Health ("NDoH"), is tasked with regulating (monitoring, evaluating, investigating, inspecting and registration) all health products in South Africa. In essence SAHPRA determines the safety and efficacy of new health products before registering them.

The Pricing Committee, which is appointed by the Minister of Health, then determines the appropriate price once a health product is registered. The price of all scheduled and registered medicines in South Africa is therefore transparent and regulated.

The conducting of HTAs based on the 9 core model domains would be the logical next step. The NDoH, which from a policy perspective is expected to provide guidance and leadership in this area, has initiated a process to establish an independent entity to conduct these HTAs, but the process has not yet been finalised, leaving a gap in the final assessment of new health technologies.

As such, it has come to CMS' attention that accredited Managed Care Organisations ("MCOs"), in trying to fill the gap and to comply with Regulations 15D, 15H and 15I, are performing HTAs on new health products in respect of their appropriateness, efficacy, cost-effectiveness and affordability.

It seems that some MCOs are also charging pharmaceutical, device and other health product manufactures a fee (some ranging from a nominal "administration" fee of R5 000 to amounts of up to R90 000). The questions arise whether:

- a. Is it appropriate for MCOs to perform HTAs?
- b. Is charging a fee to do so appropriate? and
- c. If charging a fee is considered appropriate, who it should be charged to?

Response required from MCOs

In forming a view on this practice, the CMS requires detailed information from all MCOs performing HTAs by Friday, 28 August 2020 under the following discussion points:

- a. The basis and rationale for performing HTAs and how health technologies are selected for assessment;
- b. The methodology used in conducting the HTAs (also with reference to the 9 core domains);
- c. The basis for and calculation of fees charged for conducting the HTAs, and who it is charged to;
- d. Details on whom and in what format the HTA final report is shared with (which includes any entities or individuals outside of the MCO); and
- e. Any other information that might be useful to the Office.

The information requested can be provided by email to Ms Hannelie Cornelius at h.cornelius@medicalschemes.co.za.

Yours sincerely,



Dr Siphon Kabane
Chief Executive & Registrar
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