High-cost drugs and HTA implementation in Japan

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It is probably fair to say that Japan has a long history of HTA. In the early 90s, HTA was introduced in a limited way for the drug pricing process in the public healthcare system, where manufacturers could provide the government with economic evaluations of their new products if they wished to; however, they were not essentially used for drug pricing by the government.

Recently, high-cost drugs-in particular, the innovative new drugs for hepatitis C and certain types of cancer-triggered active public debate about whether the country needs a new measure for drug pricing that would make the healthcare system sustainable. Under the current scheme, the initial reimbursement prices of drugs were set to be exceptionally high. For example, a new cancer drug cost about 320,000 USD per patient per year at its launch. The price of the same drug in the United Kingdom was just about 20% of the Japanese price. Soon after the launch, the government decided, almost politically, to give a 50% price cut for the drug.

The "scandal", combined with long existing concerns about rapidly increasing healthcare expenditure, has now led to strong public support for the full introduction of HTA or decisions informed by cost-effectiveness evidence. The government is now provisionally implementing HTA for 13 existing technologies which include the high-cost drugs mentioned above, and the results will be reflected in new reimbursement prices in the next round of the comprehensive price revision in 2018; although, it is yet to be decided how to do so.

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Moreover, there is a longer-term plan for implementing HTA for pricing and reimbursement of new (as well as existing) drugs. There are, however, pressing challenges for implementation, including but not limited to: how to conduct the appraisal of cost-effectiveness evidence and value judgement; capacity building; and development of the national database for costs and outcomes.