# Policy Change Analysis: the Health Sector Payment Transparency Act

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## 1 Introduction

Changes in politics, economy, civilizations, industries are seen in about every aspect in modern society. Changes occur in various ways and is often dealt with different approaches. As a result, studies and theories of decision-making in public policy have been proposed by scholars with different perspectives, to explain policy change and implementation.

The Health Sector Payment Transparency Act, part of Strengthening Quality and Accountability for Patients Act (SQAPA), passed third reading and received Royal Assent on December 12, 2017 in Ontario, making Ontario the first province in Canada to unveil funds paid from either drug or medical device companies to health care providers and patient advocacy groups [1]. The Act would require the reporting of information about financial relationships in the Ontario healthcare system and would also enable patients to access online information about the payments their doctors receive from pharmaceutical companies, aiming to strengthen transparency and assist patients in making informed decisions about their treatment [2].

In this paper, we will focus on the three main theories of policy change, the *Multiple Streams Framework*, the *Punctuated Equilibrium Theory* and the *Advocacy Coalition Framework*, and further describe how they are related to the Health Sector Payment Transparency Act.

## 2 Overview of Theories of Policy Change

### 2.1 Multiple Streams Framework (MSF)

The Multiple Streams Framework (MSF) developed by John Kingdon, established a powerful tool to account for decision-making in policy processes, especially agenda- setting. The MSF is based on the idea that a policy process incorporates three parallel and independent processes: **a problem stream, a policy stream, and a politics stream** [3]. **The problem stream** is about specific issues which attracts public attention. It involves the status of the policy, the degree of public awareness, and whether clear policy alternatives exist or not. Policymakers usually define a problem as a change in the state of a system [4]; therefore, whether problems receive attention or not depends on how they are "framed". Since only a minimum fraction of problems successfully seizes the attention of policymakers, attracting attention is a priority in agenda-setting. Actions must be taken on quickly before attention shifts elsewhere. The way participants use evidence to persuade the government and compete for attention is the key to success in the problem stream [5]. Proposing a practical solution to the existing problem is often an advantage in agendasetting, as it introduces the other stream which starts flowing alongside. **The policy stream** is filled with multiple possibilities and solutions proposed by numerous policy entrepreneurs. They are further reconsidered and narrowed down by a large number of participants. While attention sways quickly from issue to issue, widely- accepted solutions involving

significant policy change take time to develop [5]. Political factors, including "national mood" are indispensable in leading to policy change [3]. **The politics stream** consisting of experts and policymakers who have the motive and authority to make actual policy changes. They pay attention to the problem and are receptive to proposed solutions. Sometimes only a change in government members would be enough to provide such motive.

The MSF theory suggests that all three streams must converge simultaneously, during a "window of opportunity," in which people focus highly on a problem, a widely-accepted solution exists, and policymakers have the motive and opportunity to address it [3].

## 2.2 Punctuated Equilibrium Theory (PET)

The punctuated equilibrium theory was first presented by Frank Baumgartner and Bryan Jones in 1993. Its is proposed that policy generally changes only incrementally due to several restraints and the bounded rationality of policymakers. However, punctuations occur at times when conditions in public opinion, government members, etc. Policy is characterized by long periods of stability, punctuated by large but less frequent changes due to dramatic shifts in society [6]. When a policy is dominated by a single interest, the group of stakeholders involved is considered a policy monopoly. Policy changes involve destroying a policy monopoly and reconstructing another one when new actors get involved as they raise public attention and present alternative policy proposals [6]. This action is known as **venue shopping**. Given that people typically tend only to pay attention to a few issues at a time, large-scale changes happen when all these conditions are met. The problem would further become more salient with broader public awareness. Though heightened attention does not necessarily guarantee change, PET suggests that when conditions are right, changes are not incremental.

## 2.3 Advocacy Coalition Framework (ACF)

A different theory developed by Paul Sabatier and Jenkins-Smith is the Advocacy Coalition Framework. ACF suggests that policy subsystems are structured around competing advocacy coalitions. They are stable for extended time periods but is interrupted when coalition members refine their internal beliefs significantly because of external disruptions or policy learning from policy implementation. An advocacy coalition contains people from a variety of positions who share a particular belief system. The three-hierarchical structure of beliefs consists of a **"deep core", "a policy core", and a "secondary aspect"**. A "deep core" is fundamental and unlikely to change but too broad to guide a particular policy. A "policy core" becomes more specific in a coalition concerning a certain policy but is still unlikely to change. A "secondary aspect" is related to the way how the coalitions think the policy should be implemented, which is comparatively prone to change [5]. ACF models policy process as a competition between opposing actors striving to convert their beliefs into policy through sharing belief structures between different coalitions, as policy brokers mediate between coalitions and ultimately make authoritative decisions [7].

# 3 Policy Change Analysis

In the case of the HSPTA, linking the physician payment transparency issue with other health transparency issues that are already prominent on the agenda was how policy entrepreneurs raised awareness and propelled the issue forward. In terms of the Multiple Streams Framework, we can see that the problem stream first played its role when Health Canada has already been surrounded by questions of improving the transparency of information around pharmaceutical drugs for years since lack of transparency around drugs has continued to undermine patient's safety and public health cite9lexchin2004transparency. The problem arises from the fact that a great amount of evidence about a drug's safety and effectiveness is never published for public reference simply because researchers and companies choose not to uncover it, especially when the outcome of the study would be perceived to affect sales negatively. In late 2014, Canada's parliament finally took action to improve transparency around pharmaceutical interventions by enacting the "Protecting Canadians from Unsafe Drugs Act (Vanessa's Law) [8]." It gives the Minister of Health and Health Canada new authorities to disclose information that companies have kept confidential to any person "who carries out functions relating to the protection of human health or the safety of the public" as long as "the purpose of the disclosure is related to the protection of human health or the safety of the public [9]."

Back to HSPTA, the enactment of Vanessa's Law has helped in opening the policy window well, by linking the current issue of drug information transparency which is already on the agenda to our problem of interest [10], transparency concerning physician payment. Since then, advocates for more openness in physician payment has risen. In mid-2017, seventeen physicians and other health policy-leaders sponsoring Open Pharma, a national campaign calling for healthcare payment transparency [11], wrote a letter to the Minister of Health, proposing that the government should amend the Patented Medicines Regulations (which were currently subject to proposed amendments) to implement a Canadian sunshine policy as like the Physician Payment Sunshine Act in the US. The intended policy objective was transparency, calling for a transparent dataset of all payments to physicians provided by drug companies so that patients can know how much their doctors receive for what reason and from which drug companies. However, at that point, Open Pharma failed to realize that the desired transparency was not possible with simple amendments to the Patented Medicines Regulations alone. Since the Patented Medicines Regulations are constrained by the Patent Act [12], payment transparency is not possible solely through amendments to the Regulations. The Patent Act would also need to be amended to explicitly permit the collection and publication of manufacturers' payments to physicians. Under the Patent Act, the PMPRB (Patented Medicine Prices Review Board's) can only summarize the information filed by manufacturers in its Annual Report, but the Patent Act precludes any release of company identifiable information other than each company's annual R&D (Research and Development) to sales ratios [13, 14]. Under such situation, a better approach was to develop a fit-to-purpose policy and thus the HSPTA is considered to be a more viable strategy to tackle these problems.

In this case, without significant indicators or radical events, the problem about transparency in payment between doctors and drug companies did not look very urgent at first, since the Guidelines for Physician in Interactions with Industry established by the Canadian Medical Association in 2007 was already present for a long time [15]. However, this issue rose to a policy agenda in this situation mainly because of its link with other healthcare transparency issues (the

enactment of the Vanessa's Law), the enforcement of the Physician Payments Sunshine Act in the US, and the politics of the government who adopted the policy. Policy communities were mainly composed of Health Canada, Ontario provincial government, physicians, health-policy scholars, and members and sponsors of the Open Pharma campaign in this case. Some people in policy communities had double status: they were both physicians and members in Open Pharma campaign, which can be viewed as the leading policy entrepreneur. From the MSF viewpoint, in this case, the problem stream appeared at first, and promoted itself up to the agenda by linking itself to other transparency issues. The policy stream stimulated by the problem stream proposed several policy alternatives, and further attracted widespread attention from governmental officials in the political stream [16]. Open Pharma, the leading policy entrepreneur, who was a group of physicians and health-policy experts, promoted the problem into the governmental agenda and made the policy window open successfully. With the guide of the problem stream, along with feasible alternatives in the policy stream, the political stream could structure the governmental agenda by itself, and ultimately enabled the HSPTA to reach Royal Assent. After the passage of the act, the problem was temporarily solved, so the policy window closed.

From the Advocacy Coalition Framework perspective, we can analyze the policy change of the HSPTA according to the belief system [17, 18]. At the "deep core" level, there is the general idea among the public that the transparency in health care is required for patients to have full confidence in healthcare professionals and that they should make decisions according to patients' needs without hidden conflicts of interests. This "deep core" regarding the intention to improve quality and accountability of our healthcare system is shared among all in the policy community. Regarding the HSPTA, this translates into "policy core beliefs" emphasizing the basic principle of transparency requires that patients be informed when a prescriber has taken payment in any form from any party with a financial interest in any drugs. At the level of "policy core beliefs", major advocates including members of Open Pharma, who suggest that the best way to prevent financial relationship between doctors and industry is to enforce a mandatory disclosure of payments since the U.S., France, Australia, and Denmark also have similar laws requiring disclosure of prescriber payment.

Pharmaceutical companies also believe that it's essential to build patient trust through transparency. GlaxoSmithKline Canada, who initiated a program that calls for pharma to voluntarily uncover funds made to healthcare providers, mentioned that they are ready to release physician-specific payment information, but a proper model of disclosure still needs to be determined. Some physicians are also concerned about the online information made public would invade doctors' privacy since we do not know how these data would be used for other purposes in the future [19]. Currently, the HSPTA will only come into practice in Ontario starting next year, although Open Pharma has been calling for Ottawa to make the law national, the federal government has so far resisted [20]. This reflects potentially different "secondary aspects" among Health Canada, the Ontario provincial government, pharmaceutical companies, physicians, and members in Open Pharma. The policy process of HSPTA can still be partly explained by the Advocacy Coalition Framework although we are unable to identify major opposing coalitions since Health Canada, the Ontario provincial government, Open Pharma, physicians, and pharmaceuticals have shared "deep core" and "policy core beliefs", though holding different "secondary aspects". Different "secondary aspects" in policy communities might lead to policy amendments in the future once the policy window opens again.

On the other hand, according to the Punctuated Equilibrium Theory, political processes are

generally characterized by long-term stability and incrementalism, but occasionally they produce large-scale departures from the past.5 From the PET outlook, in the case of HSPTA, the Guidelines for Physician in Interactions17 with Industry established by the Canadian Medical Association in 2007, the enactment of the Vanessa's Law in 2014, and the enforcement of the Physician Payments Sunshine Act in the U.S. are all incremental changes over the year that lead to the passage of the HSPTA in 2017. There were no dramatic events that stimulated sudden and radical policy punctuation, but the HSPTA was more like a product of incremental change that occurred over time. With the enforcement of the HSPTA next year, the current policy monopoly comprises the members of the Open Pharma campaign, patients, and physicians who benefit from the payment disclosure. Other policy actors such as pharmaceutical companies and physicians who disagree on the way payment are unveiled might try to get involved through venue shopping in the future.

# 4 Discussion

Deciding which framework to apply depends on the nature of the issue and context. There are circumstances in which two or more frameworks can provide complementary perspectives on an issue. It's my opinion that the MSF appears to be the best-fitting theory for the analysis of the Health Sector Payment Transparency Act, since we were able to identify three streams in MSF that converged together. The MSF highlights the importance of a policy entrepreneur to take advantage of windows of opportunity to make the three independent streams converge and in turn stimulate policy change. It is useful when all three streams are clearly present within an obvious policy window, as we can see in the case of the HSPTA. The strength of the MSF is that the three streams are easily understandable concepts that generally applies to most cases.

The ACF becomes particularly useful when two or more coalitions are competing on an issue to have their positions be accepted and supported widely among the public [21]. The coalitions are based on strongly differing core beliefs. For cases in which there are two or more groups with strong core beliefs that were in competition for policy dominance, the ACF would be a more appropriate choice and would have an advantage in explaining policy change. In our case which all actors have the same "deep core", and no clear opposition between groups, the ACF is not applicable to our case. However, the belief system in ACF complements the MSF in explaining for policy alternatives and possible policy change in the future.

The PET argues that policy-making is characterized by long periods of incremental change punctuated by brief periods of major policy change. The main point is that a large shock is required to generate a huge policy change; however, this is not perceived in our case. Therefore, PET is not applicable to the policy enforcement of the HSPTA. The characteristic of PET stressing a sudden large leap of change can be a strength and weakness at the same time, since it covers an entirely different scope of policy change from the MSF and the ACF, and is therefore less used. In most times, recognizable big events are rare but incremental changes over time are relatively more common. Though theories and frameworks have different scopes, assumptions, and logic, it would be appropriate to combine insights based on different theoretical explanations when they overlap in assumptions and scopes in some cases.

# 5 Conclusion

This paper explored the policy change of HSPTA through the lens of the Multiple Streams framework, the Punctuated Equilibrium Theory, and the Advocacy Coalition Framework. In my opinion, the MSF sketched a best plausible account for the enactment of the HSPTA in Ontario, Canada. Through analysis of the policy with the three frameworks, I noticed that by comparing and combining each framework, we can look at different issues in different contexts in a more comprehensive way and provide a more accurate and powerful depiction of the reality of policy-making processes [22].

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