

Pharmaceutical policy measures, implemented in response to the recession, in Europe 2012/2013

Mag. Christine Leopold, MSc.

Austrian Health Institute

WHO Collaborating Centre for Pharmaceutical Pricing and Reimbursement
Policies

Can EU Citizens afford their medicines?

The economic crisis and access to medicines in Europe, 16 May 2013

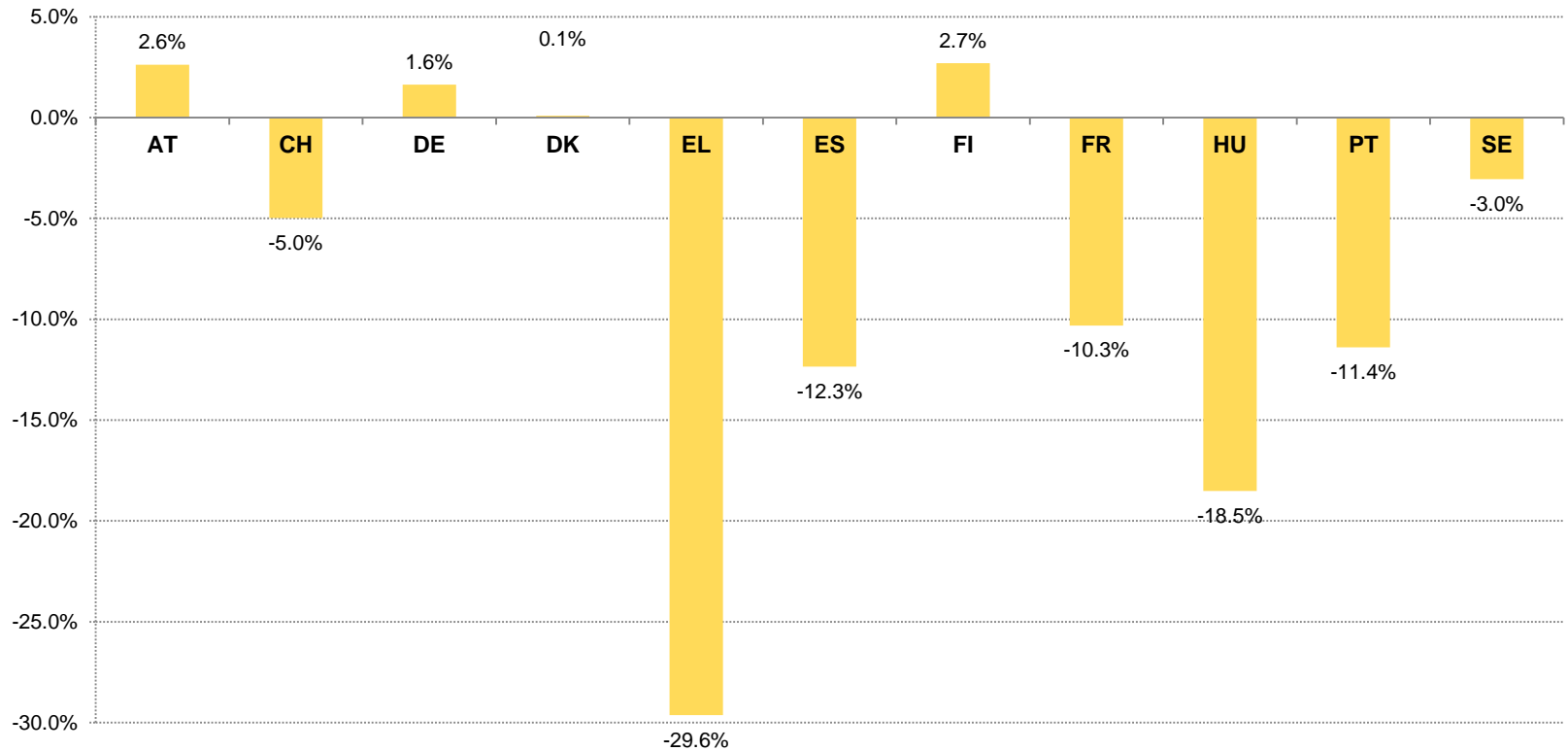
Country examples – cuts of healthcare budgets incl. pharmaceutical expenditure

- » **Belgium:** 2013 agreement on a healthcare budget of € 26.7 billion, which is an increase of 4% compared to 2012. With regard to pharmaceuticals 2013 cuts of up to € 63 million are planned, with a budget of € 4.7 billion in 2012.
- » **Denmark:** Pharmaceutical expenditure in 2012 amounted to around € 1.66 billion (out-patient), which equals an increase of 0.1% compared to 2011. Generally speaking hospital-medicines drive the increase in expenditure.
- » **Finland:** In 2012 around € 2.07 billion (wholesale level) were spent on medicines, around 88% were prescription-only medicines. The growth rate 2011/2012 was around 2.7%. In 2013 decreases of around € 103 million and € 110 million in 2014 are expected.

Country examples – cuts of healthcare budgets incl. pharmaceutical expenditure

- » **Greece:** After negotiations with Troika–Experts agreement on a healthcare budget of € 2.88 billion in 2012, in comparison to the 2011 budget of € 4.1 billion it is a huge budget cut. This should be achieved through temporary price cuts of 25% for all reimbursable medicines including a ban of exports.
- » **Portugal:** 2013 agreement on a healthcare budget of € 8.34 billion, which is 17% lower than 2012. In the pharmaceutical sector decreases are achieved through price cuts and in the hospital sector.
- » **Spain:** In 2012 pharmaceutical expenditure decreased by 12% in 2012 (to around € 9.7 billion which is the same level as in 2004!) and additional 16% in 2013.

Pharmaceutical expenditure growth rate in € per capita 2011/2012



■ growth rate 2011/2012 per capita in €

No data: IE, NL, NO, UK

AT = Austria, BE = Belgium, CH = Switzerland, DE = Germany, DK = Denmark, EL = Greece, ES = Spain, FI = Finland, FR = France, IE = Ireland, IT = Italy, HU = Hungary, NL = Netherlands, NO = Norway, PT = Portugal, SE = Sweden, UK = United Kingdom

Source: PPRI Network Query January 2013

Overview of pricing measures 2012/2013

Country	Price cuts	Changes of mark-ups	Changes of VAT rates	Changes of EPR
BE	<ul style="list-style-type: none"> ✓ 1,95% price cuts ✓ Price cuts for old medicines (>12 or 15 years) ✓ Prices of generics have to be at least 31% lower than originals 	<ul style="list-style-type: none"> ✓ Changes of pharmacy margins 	No changes	No changes
EL	<ul style="list-style-type: none"> ✓ Publication of new price list incl. 25% temporary price cuts ✓ Pricing of generics changes 	<ul style="list-style-type: none"> ✓ Changes of wholesale and pharmacy margin 	No changes	<ul style="list-style-type: none"> ✓ Price comparison to all EU MS ✓ Calculation of price (average of the 3 lowest products)
FI	<ul style="list-style-type: none"> ✓ 5% price cut 	No changes	<ul style="list-style-type: none"> ✓ Increase from 9% to 10% for medicines 	No changes
FR	<ul style="list-style-type: none"> ✓ Price cuts: Statin, PPI, Clopidogrel, Reninangiotensin System (RAS), Alzheimer 	<ul style="list-style-type: none"> ✓ Changes of wholesale and pharmacy margin 	No changes	No changes
IE	<ul style="list-style-type: none"> ✓ Price cuts 	No changes	No changes	No changes
NL	No changes	<ul style="list-style-type: none"> ✓ Negotiations regarding pharmacy margins 	No changes	No changes
PT	<ul style="list-style-type: none"> ✓ Price reviews incl. price cuts 	No changes	No changes	<ul style="list-style-type: none"> ✓ April 2013: New reference countries: Spain, France and Slovakia
SE	<ul style="list-style-type: none"> ✓ 5% price cuts for Humira and Enbrel ✓ Price review of Copaxone and Interferon-beta, G-CSF products 	<ul style="list-style-type: none"> ✓ Negotiations regarding pharmacy margins 	No changes	<ul style="list-style-type: none"> ✓ 2014: discussion on implementing EPR for products that are on the market for more than 5 years (AT, BE, DK, FI, NL, NO)

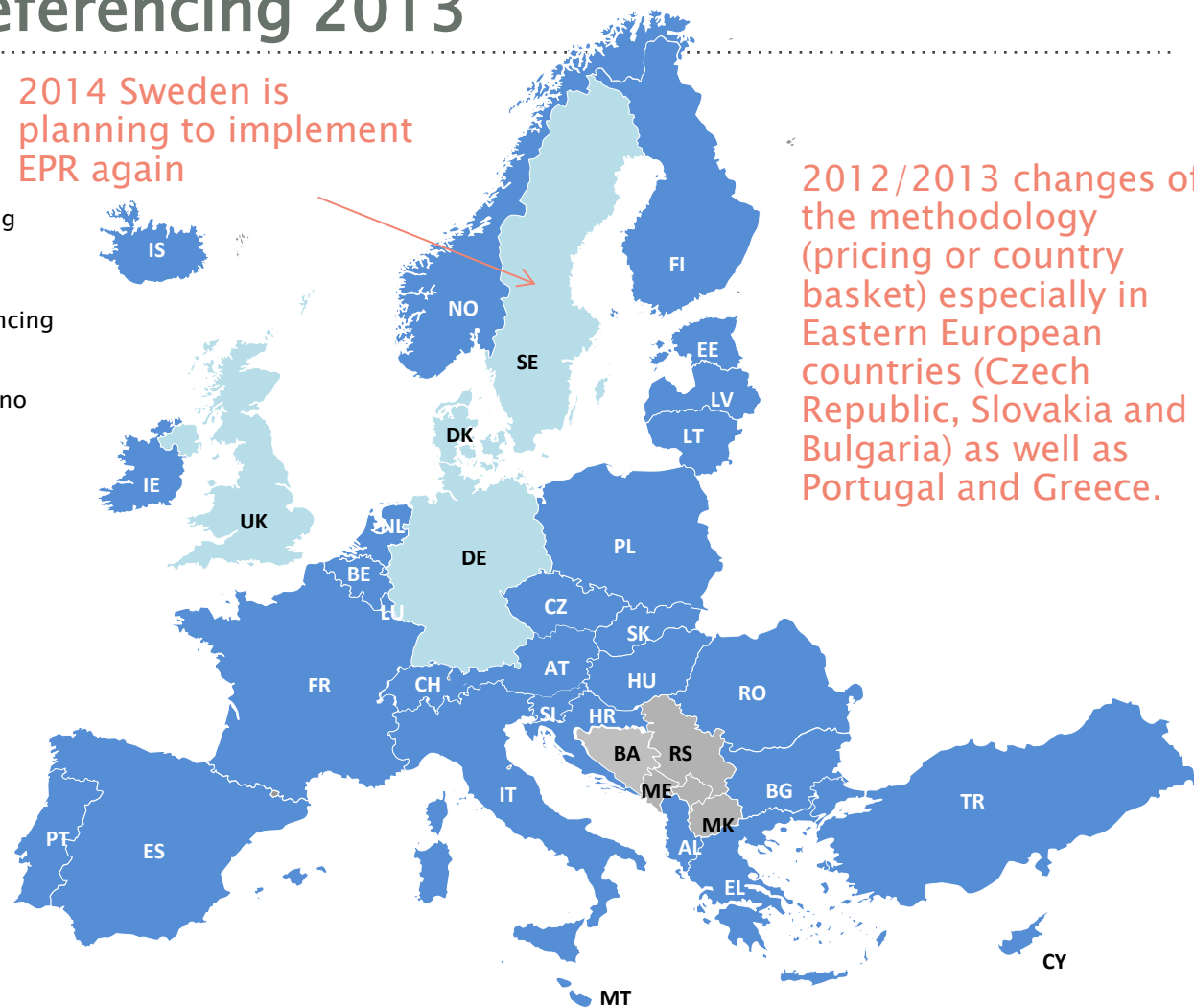
AT, CH, DK, ES, IT and NO had no changes. No information from the remaining countries.

External price referencing 2013

- External price referencing
- No external price referencing
- Not part of the survey / no Information

2014 Sweden is planning to implement EPR again

2012/2013 changes of the methodology (pricing or country basket) especially in Eastern European countries (Czech Republic, Slovakia and Bulgaria) as well as Portugal and Greece.



Since 2011/2012 in Germany the possibility to have international price comparisons.

Overview of reimbursement measures 2012/13

MS	Changes reimbursement list	Changes reimbursement rates	Changes co-payments	Changes reference price system
AT	✓ Continuous review	No changes	✓ Annual adjustment of prescription fee	No RPS
BE	✓ Continuous review	<ul style="list-style-type: none"> ✓ Introduction of additional reimbursement category for H2-RA & PPI ✓ Decrease of reimbursement rates 	✓ Annual adjustment of prescription fee	No changes
EL	✓ Continuous review by the new National Organization for Medicines, EOF	No changes	No changes	✓ Introduction of RPS
ES	✓ Delisting of medicines	No changes	✓ Co-payment depending on income	<ul style="list-style-type: none"> ✓ Faster procedure of grouping ✓ Hospital medicines are included
FI	✓ Continuous review	✓ Decrease of reimbursement rates	✓ Decrease of annual co-payment limit	No changes
FR	✓ Delisting of Vasodilatoren, Multaq, Vastarel, Percutalgine, Glucovance	No changes	No changes	No changes
IE	✓ Continuous review	No changes	✓ Increase of annual co-payment limit	✓ Introduction of RPS as expected for May 2013
IT	✓ Continuous review	No changes	✓ Increase of co-payment depending on the region	No changes
NL	✓ TNF are only funded through hospitals; delisting of Replagal, Fabrazyme, Myozyme	No changes	No changes	No changes
PT	✓ Continuous review	✓ Introduction of special reimbursement rates for certain patient groups	No changes	No changes
SE	✓ Delisting of Topimax, Cerezyme and Zavesca	No changes	✓ Increase of annual co-payment limit	No changes
UK	No changes	No changes	✓ Increase of prescription fee	No changes

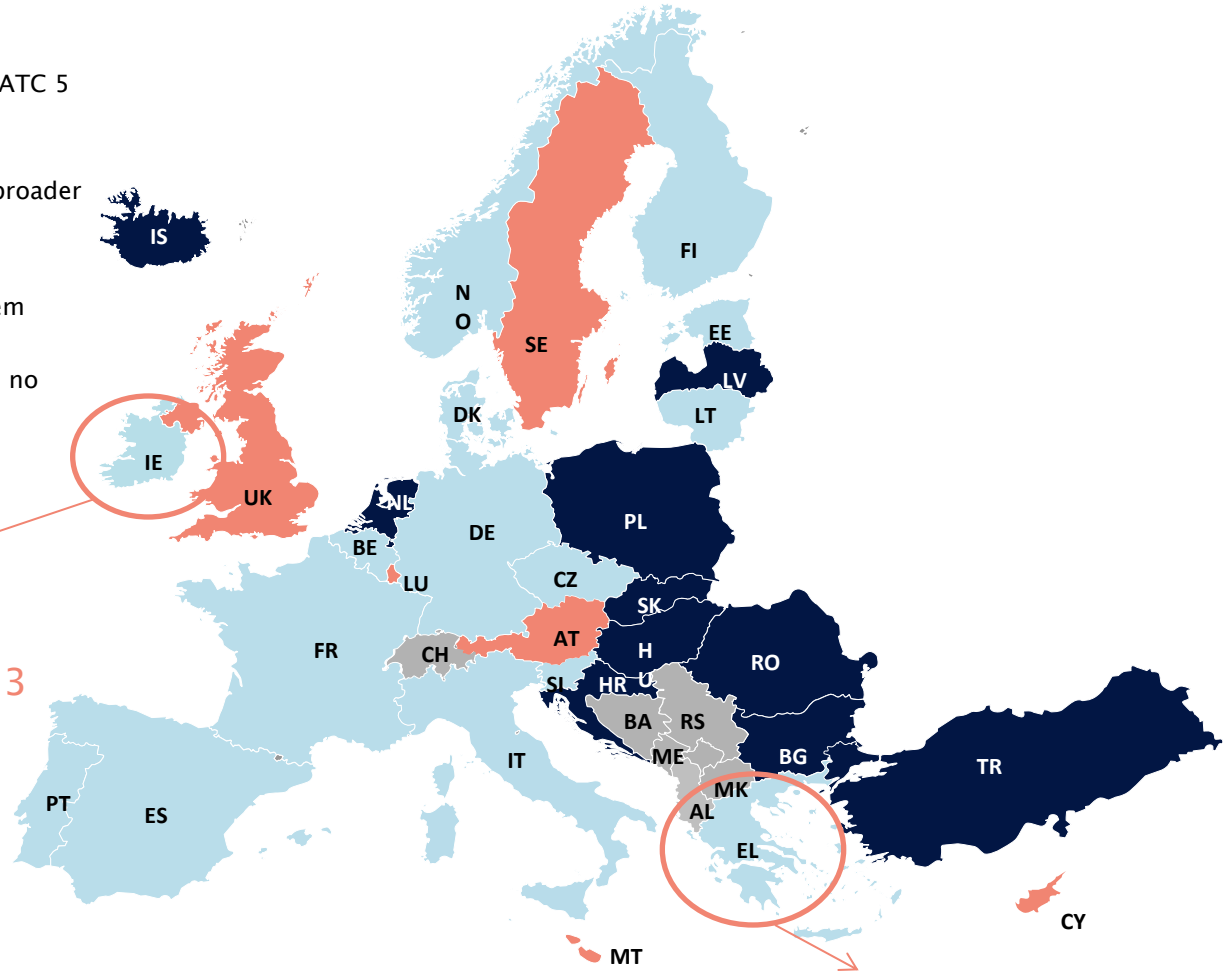
No changes: CH, DK, NO. No information: DE

Source: PPRI Network Query
January 2013



Reference price system in Europe 2013

- Reference price system ATC 5 level
- Reference price system broader definition of groups
- No reference price system
- Not part of the survey / no information



Ireland: introduction of a reference price system expected for May / June 2013

Greece: introduction of a reference price system, October 2012

Overview of generic policy changes 2012/13

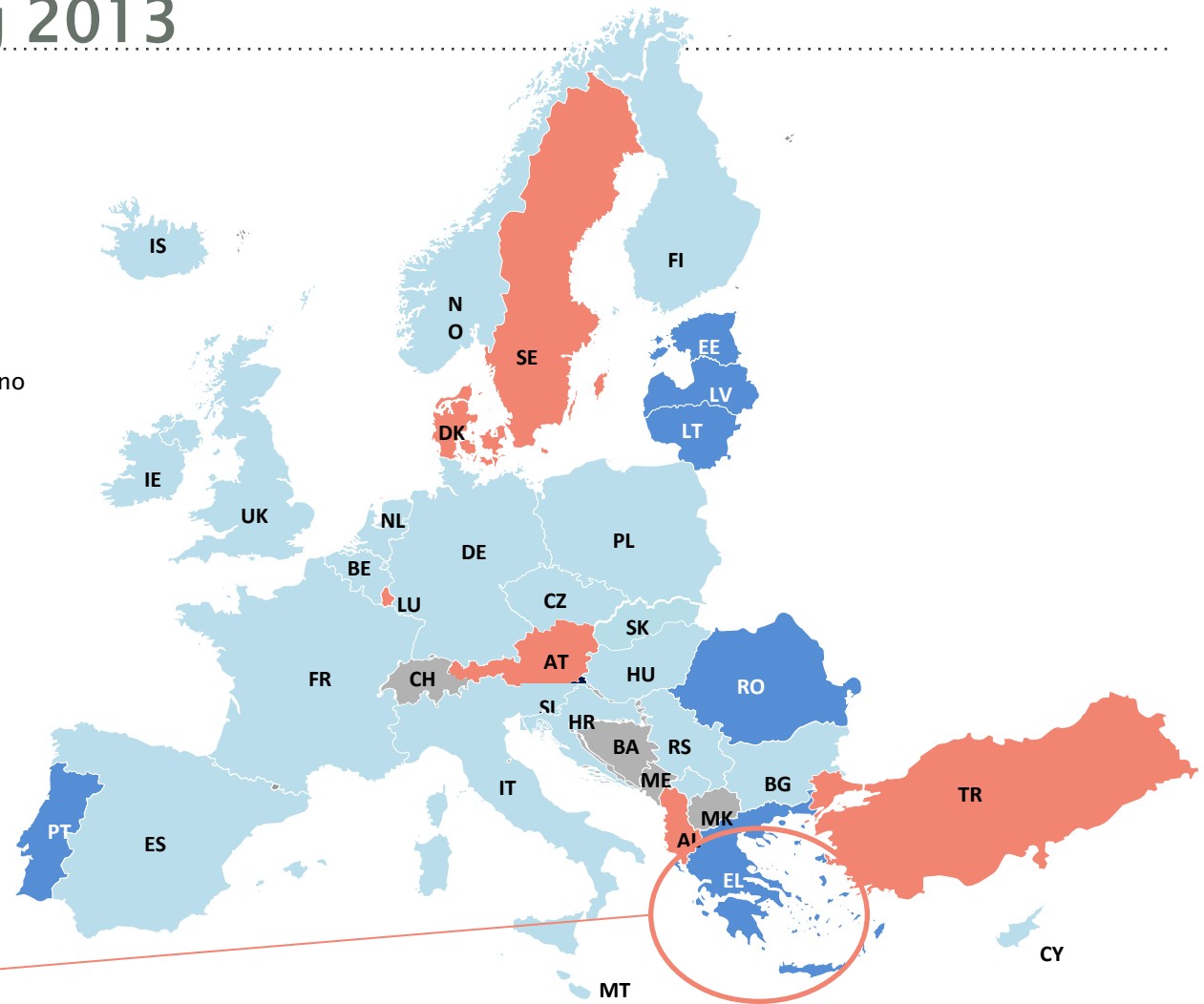
Countries	INN prescribing	Generic substitution	Other measures
BE	No changes	✓ Obligatory prescribing of the cheapest generic	No changes
DK	No changes	No changes	✓ Health Literacy measures, patients may ask for cheapest generic even if doctor prescribes original
EL	✓ Introduction of obligatory INN prescribing	No changes	✓ Ban of parallel exports
ES	No changes	No changes	✓ NHS tendering of Epoetin and Anti TNF
IE	No changes	✓ Introduction of generic substitution May 2013	No changes
PT	✓ New prescribing and dispensing guidelines which enforce obligatory INN prescribing	No changes	✓ Implementation of the "national pharmacy and therapeutic commission"
UK	No changes	No changes	✓ Quality, Innovation, Productivity and Prevention (QIPP) medicines use and procurement work stream

No changes: AT, CH, FI, NL, NO, SE. No information: DE.



INN prescribing 2013

- Yes, obligatory
- Yes, indicative
- Not allowed
- Not part of the survey / no Information

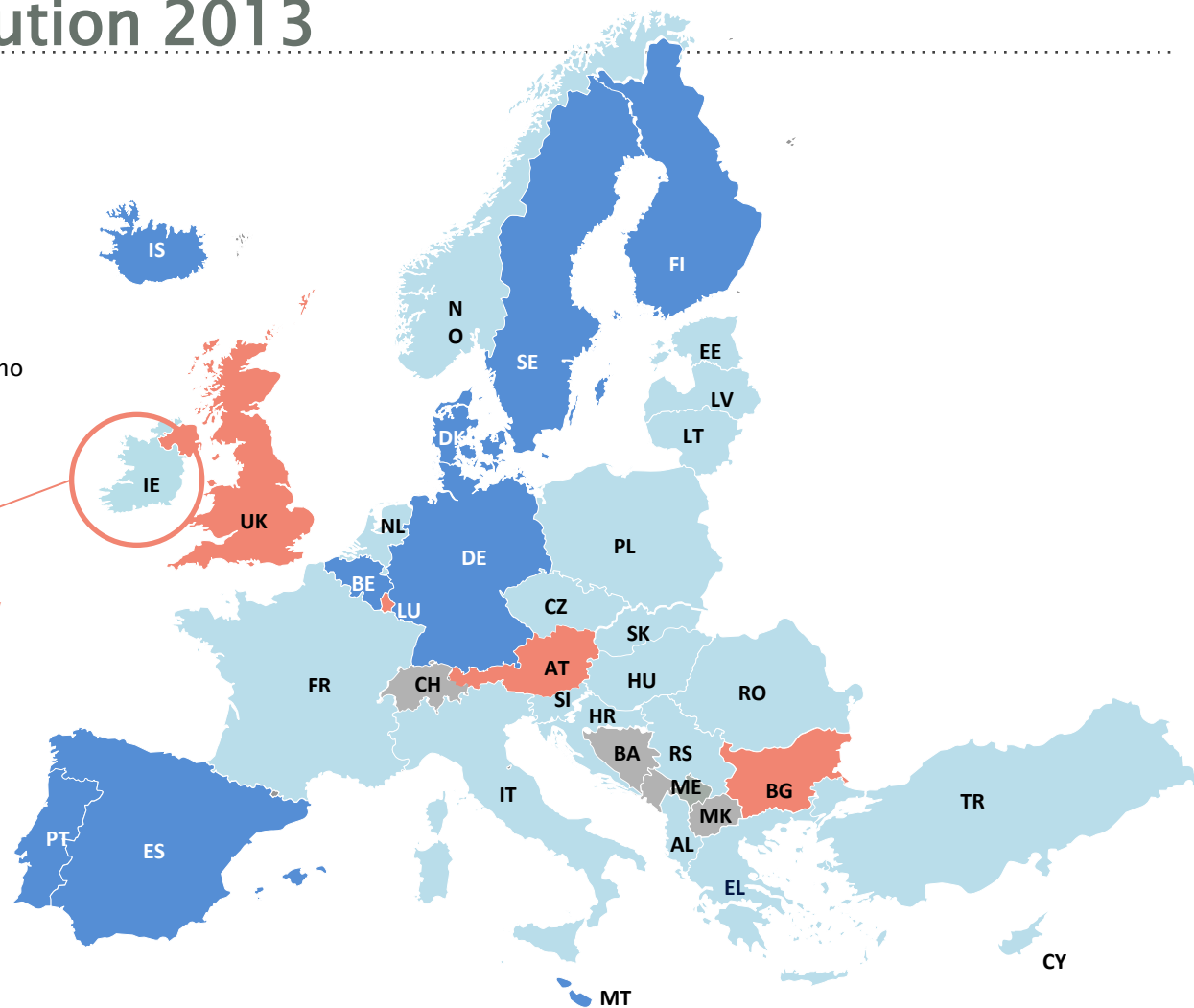


Greece: introduction of
obligatory INN prescribing
2012



Generic substitution 2013

- Yes, obligatory
- Yes, indicative
- Not allowed
- Not part of the survey / no Information



Ireland introduction of
generic substitution in May /
June 2013

Conclusions

- » All EU Member States are under pressure to guarantee public funding of medicines in times of scarce public resources.
- » Economically stable countries (Finland, Denmark, Germany and Austria) show a positive growth of pharmaceutical expenditure in 2011/2012; economically less stable countries (Greece, Portugal and Spain), however show negative growth of pharmaceutical expenditure in 2011/2012.
- » Countries try to reach the desired savings through targeted measures in pricing, reimbursement and also in the area of generic policies.
- » Many countries chose to implement price cuts as a fast way to cut budgets.
- » Delisting of Orphan Drugs from general reimbursement due to insufficient cost-benefits ratios as well as increases in co-payments were additional measures to contain costs.
- » Promotion of cheaper generics, through obligatory generic substitution, is seen as an important measure to contain costs. However, a lot of the cuts in sales are rather due to patent expiries of major brands.

Contact

Mag. Christine Leopold, MSc.

Gesundheit Österreich

Forschungs- und Planungs GmbH

Stubenring 6

1010 Vienna

T: +43 1 515 61-0

F: +43 1 513 84 72

E-mail: christine.leopold@goeg.at

www.goeg.at

<http://whocc.goeg.at>

