

News, current issues

- News** Last year the domestic pharmaceutical market grew by 5.3 percent. >>
- News** Here is the Hungarian demographic disaster - It is brutal, what is happening to us. >>
- News** The innovative manufacturers support the demographic-centered governance. The AIPM 3 proposal for the new government. >>

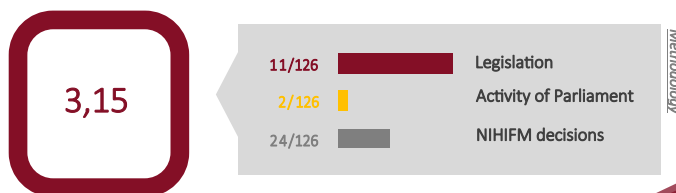
Macro approach to financing healthcare and medicinal products

Balance of the Health Insurance Fund, March 2018



Source: Healthware analysis based on NHIFA data

Decision-making index, March 2018



Methodology

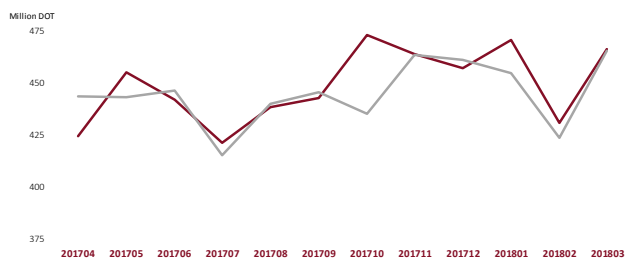
Our publications

Our presentation and posters from the XII. META Conference 2018 have been published:

- The health-economical aspects of molecular diagnostics, especially the NGS-based molecular profile assay in tumor diseases (HUN): [link](#)
- Typical features of ongoing drug development (HUN): [link](#)
- Examination of regional patterns in epidemiology and in the survival of patients with prostate cancer on real financing data (HUN): [link](#)

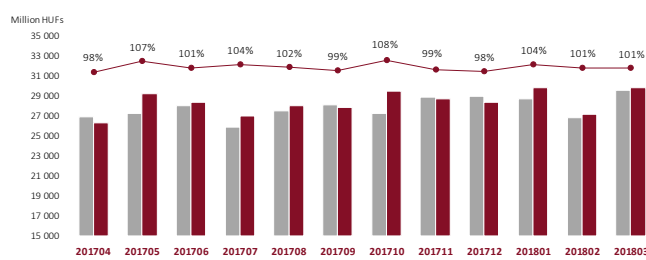
Dynamics of the sales/circulation of prescription-only-medicine

Pharmacy DOT turnover



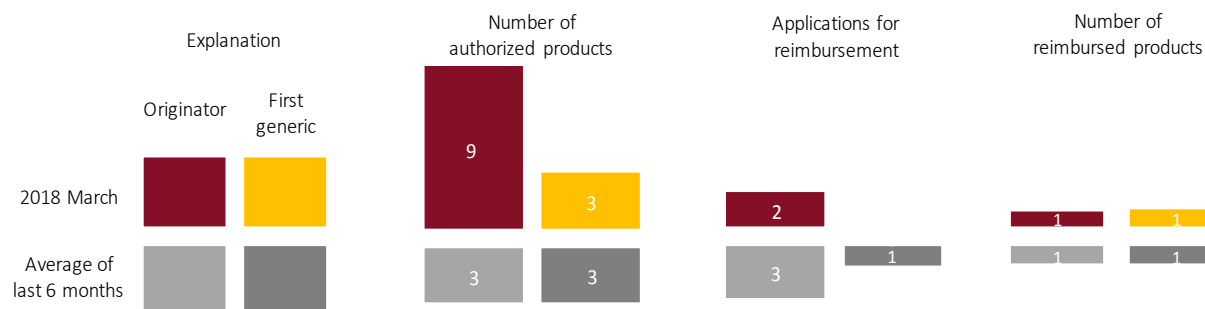
Source: Healthware analysis based on NHIFA data

Pharmacy reimbursement turnover



Source: Healthware analysis based on NHIFA data

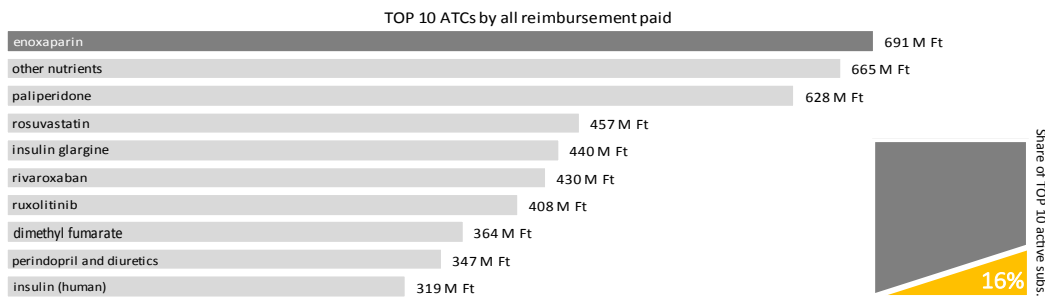
Changes to subsidized medicinal product categories, March 2018



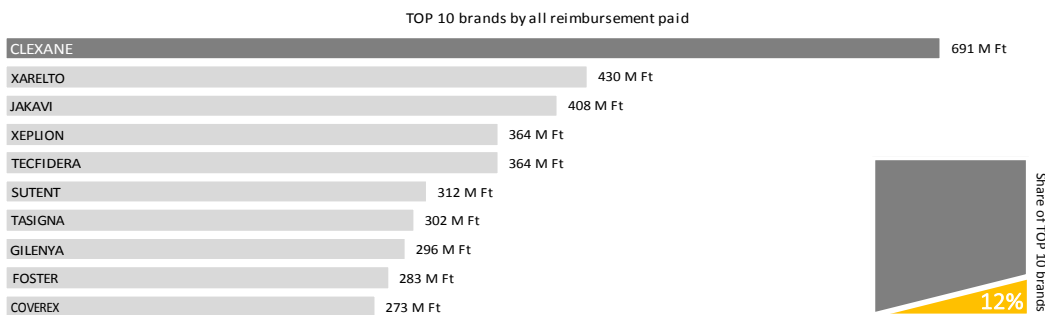
Source: Healthware analysis based on NHIFA data

Market data

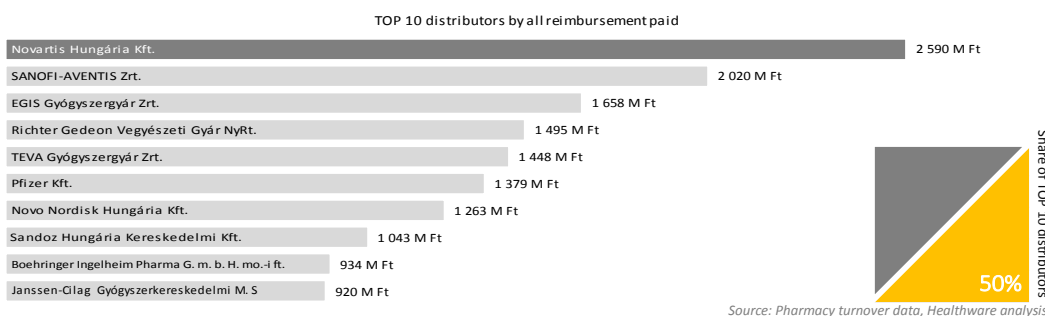
Toplists of reimbursement and number of patients, March 2018



Source: Pharmacy turnover data, Healthware analysis

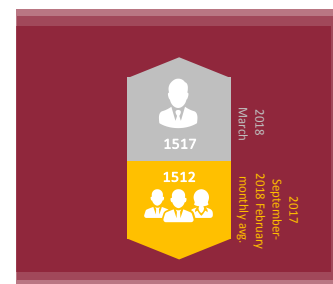


Source: Pharmacy turnover data, Healthware analysis



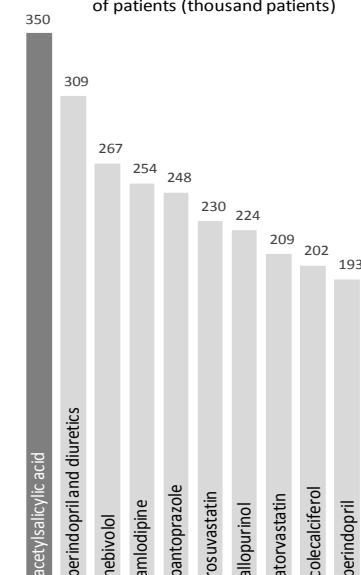
Source: Pharmacy turnover data, Healthware analysis

Average number of medical sales reps



Source: NHIFA data, Healthware analysis

TOP 10 active substances by number of patients (thousand patients)



Source: Pharmacy turnover data, Healthware analysis

The relation between the number of medical sales representatives and the revenue II. – Case study

We analyzed the average number of sales representatives in 2015 and 2016 in the light of the reimbursed pharmacy drugs' ex-factory price sales turnover and the domestic net sales revenue in our newsletter April 2018. In the present case study we analyze the brand-specific concentration of reimbursed pharmacy drugs' ex-factory price sales turnover by the Herfindahl-Hirschman-Index (HHI) for each manufacturers, furthermore the correlation between the HHI and number of brands, the HHI and number of medical representatives, the number of brands and representatives.

The brand-specific concentration of reimbursed pharmacy drugs' ex-factory price sales turnover for each manufacturers was used to characterize market concentration. That categories of HHI were adopted for rating from the Hungarian Competition Authority. Based on this study, Janssen had a highly concentrated portfolio in 2015-2016. Lilly's portfolio was just below this category's lower bound. Mylan, Sanofi and Egis had moderated concentration, while the other manufacturers were in the low category. There was a significant negative correlation between the number of reimbursed pharmacy brands (only taking into account which had a turnover) and the HHI values. One of the most extreme example is TEVA, that marketed the highest number of brands among the examined manufacturers, but its portfolio showed the third lowest concentration by the HHI value. The opposite example is Lilly, inasmuch its portfolio showed almost a high concentration and beside this, it had the least number of brands.

	Year	Innovative			Generic			Hungarian		
		Novartis	Lilly	Janssen	Sandoz	Mylan	Teva	Richter	Egis	Sanofi
HHI	2015	719	1 764	2 209	330	1 180	376	312	1 063	1 414
	2016	681	1 769	2 187	319	1 112	346	294	1 122	1 371
Number of brands	2015	54	13	19	106	44	159	76	67	80
	2016	55	14	20	108	46	146	79	65	78
Number of med. representatives	2015	32	41	19	70	9	96	170	111	50
	2016	34	30	19	74	14	106	168	110	47

Source: NEAK (Pharmacy sales data, PUPHA), HW calculation

Category	HHI value
High	<1000
Moderate	1000< HHI<1800
Magas	1800<

	Year	HHI - BRAND		HHI - MED REPRESENTATIVE		BRAND - MED REPRESENTATIVE	
		2015	2016	2015	2016	2015	2016
Correlation*	2015	-0,7636	-0,6264	-0,6270	0,4873		
	2016	-0,7997	-0,6570	-0,5778			
p-value	2015	0,0123	0,0572	0,1585			
	2016	0,0070	0,0432	0,0854			

*Pearson correlation coefficient

In our case study is more important that the medical representatives and the HHI values showed a negative significant correlation while the medical representatives and the number of brands indicated a positive correlation, but in this case just the result of 2016 was significant. The significance level was 10%. This means the manufacturers will reach a higher concentrated portfolio if they have less medical representatives, moreover more brands will result more medical representatives. Richter had the most medical representatives, its portfolio showed the lowest HHI value in both years and the number of traded brands was the third highest in 2016. On the other hand, Janssen had a highly concentrated portfolio which was made mostly (81%) by 4 brands from the 20 and it had 19 medical representatives in 2016.

The ex-factory price sales turnover for each manufacturer which was determined in the previous case study might be distinguished by these results. Obviously, the number of traded brands does not explain the number of medical representatives by itself, because it is basically determined by the number of specialists and GPs who want to be visited. Primarily it depends on how heterogeneous the turnover of the companies is in the therapeutic areas, furthermore the number of the patients treated with the brands and the concentration of these patients' doctors. However, these can just be investigated by financing data. Also, real financing data can provide a reliable basis for exploring the geographic or characteristics of areas developed along each companies' medical network, as well as tracking changes in time and assessing medical representatives by specific indicators.