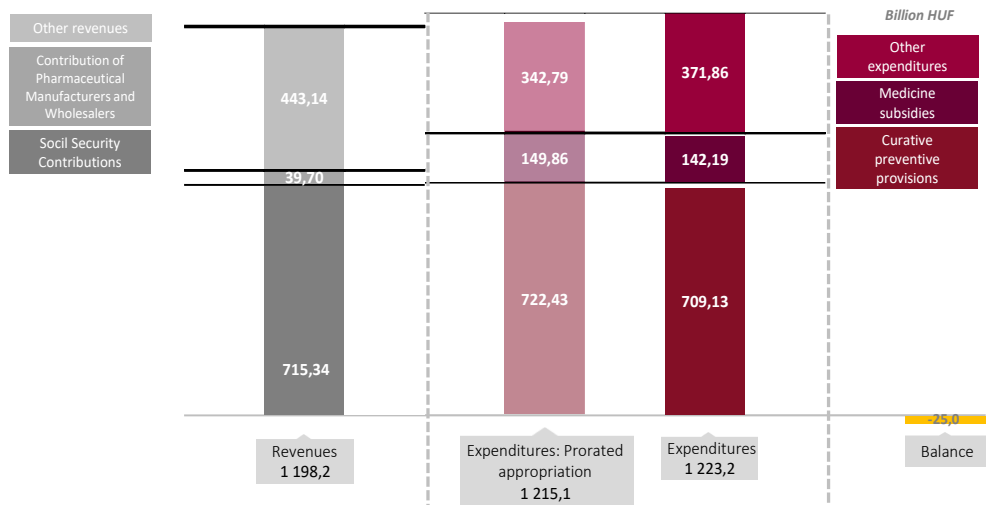


News, current issues

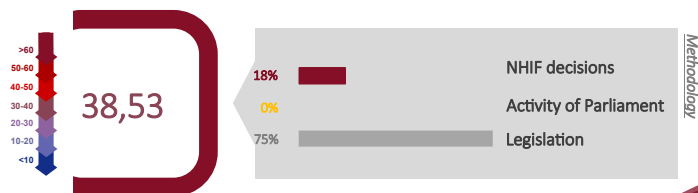
- News** Péter Takács: Dialogue can bring changes in the health sector >>
- News** Extra profit tax threatens the security of supply, pharmaceutical manufacturers call for a new agreement >>
- News** As long as health is a political risk, there will be no reform, only firefighting >>

Macro approach to financing healthcare and medicinal products

Balance of the Health Insurance Fund, April 2022



Decision-making index, April 2022



Product offering

FX-process/Reference pricing

Following the changes eventuated in the course of formation of FX-groups:

- ◆ Presentation of changes in group- and product level
- ◆ Modelling of forming of FX-groups:
 - Cancel and create groups,
 - Combine and dissociate groups,
 - Cancellation of products,
 - Translocation of products,
 - Change of price, reimbursement and DOT-values of products
- ◆ Analysis related to FX-process

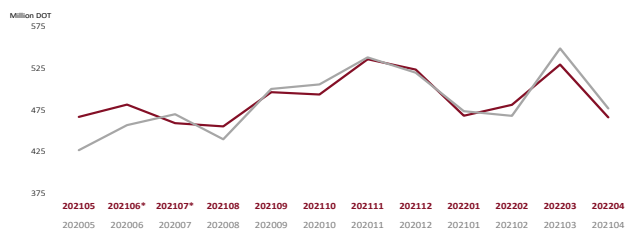
According to the demand of Client we make decision preparatory and modelling analysis about fix groups related to the portfolio.

Further information about the service: [link](#)



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

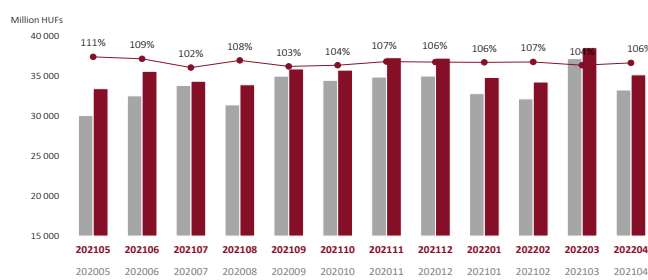
Pharmacy DOT turnover



*Note: Turnover data of SKU no. 210900238 is not displayed in DOT turnover figure (vitamin D3) - DOT 200,000 days -, this product first appeared in June 2021, as it significantly distorts the DOT turnover values as well as the overall market performance. The reimb. turnover of the SKU was taken into account.

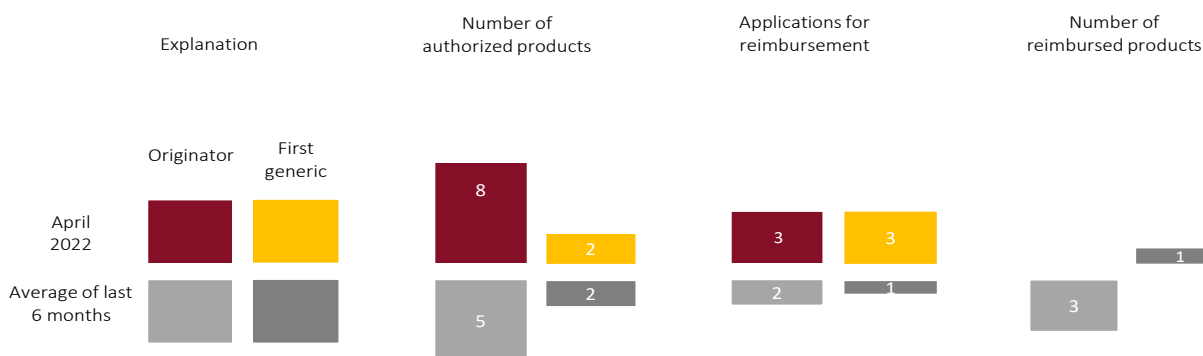
Source: Healthware analysis based on NHIFA data

Pharmacy reimbursement turnover



Source: Healthware analysis based on NHIFA data

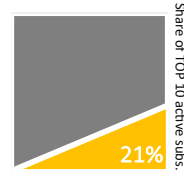
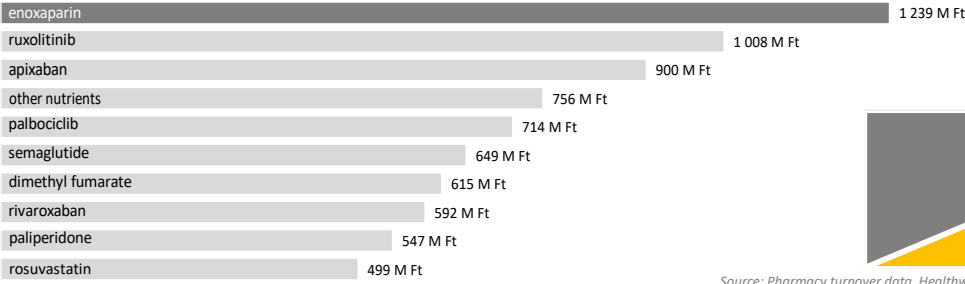
Changes to subsidized medicinal product categories, April 2022



Market data

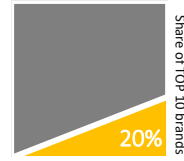
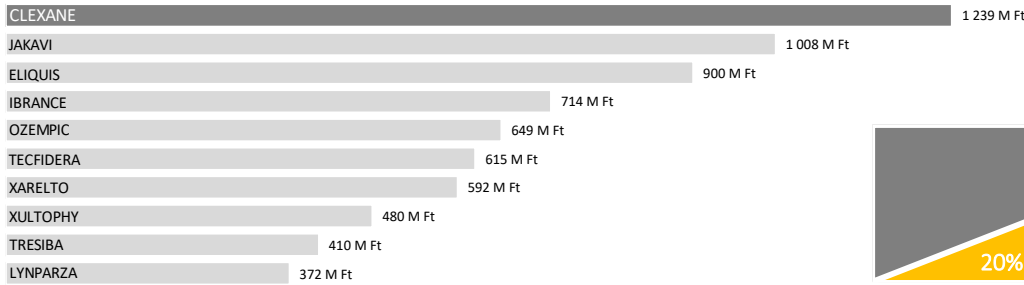
Toplists of reimbursement and number of patients, April 2022

TOP 10 ATCs by all reimbursement paid



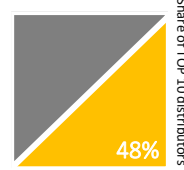
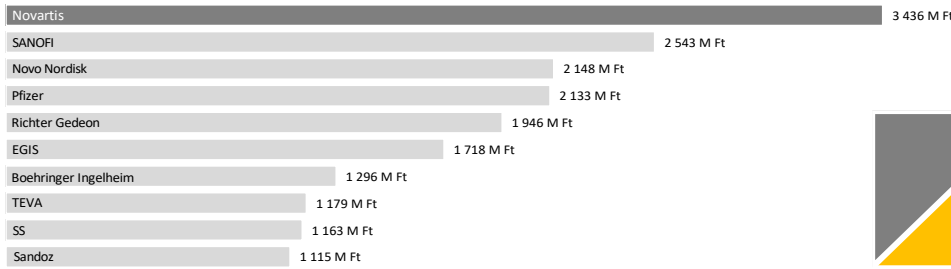
Source: Pharmacy turnover data, Healthware analysis

TOP 10 brands by all reimbursement paid



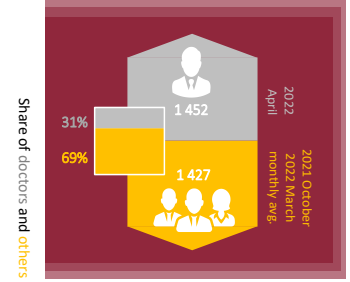
Source: Pharmacy turnover data, Healthware analysis

TOP 10 distributors by all reimbursement paid



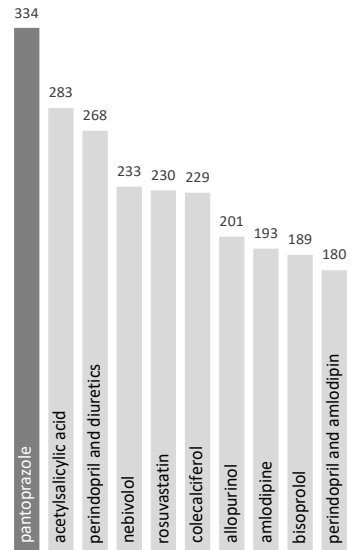
Source: Pharmacy turnover data, Healthware analysis

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

Price increase applications for pharmaceutical products — Case study

Healthware analysis based on NEAK data

The aim of this case study is to present price increase requests for pharmaceutical products over the last 5 years. Over the last decade, the number of price increase requests has been increasing due to the steady increase in payment obligations and the fluctuation of the HUF/EUR exchange rate.

The focus of the analysis is to find out what trends can be observed in the number of accepted price increase applications.

The data in the study are from published sources. Since the data on the National Health Insurance Fund of Hungary (NHIFA) website does not clearly identify which applications are for a reimbursed product, historically the Health Fund's official public drug list has been used to see where the price of a particular TTT has increased in two consecutive months.

The analysis included only pharmacy medicines, excluding hospital, nutritional and FONO products

During the period under review, 74 requests for price increases were accepted by the financier. The majority of the requests were for original products, but a significant number were also for generic products. It is important to note that a price increase request for a product in an active internal reference pricing (IRP) group was also accepted in 2022.

During the first half of 2022, 14 price increase requests were approved. It is assumed that the additional tax burdens which were introduced this year will lead to an increased number of applications compared to the previous year.

The average rate of price rises over the period was 44.2%, but this was mainly due to a 67% spike in 2019. Apart from the outlier value, the rate of price increases ranges between 30-40%, which largely reflects the 34% HUF/EUR rise in exchange rates over the past 11 years.

Figure 1: Increasing trend in accepted price increase applications

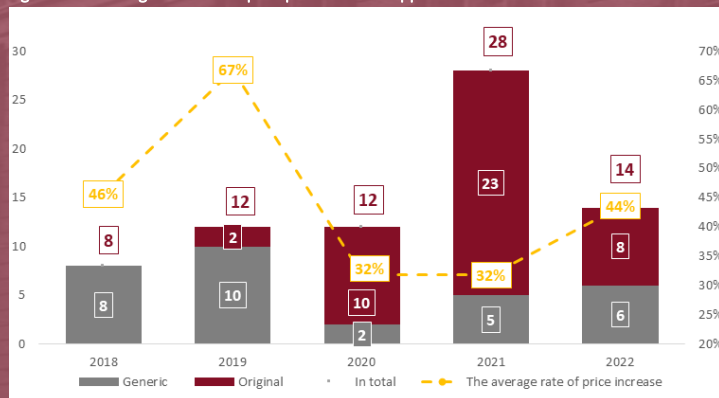
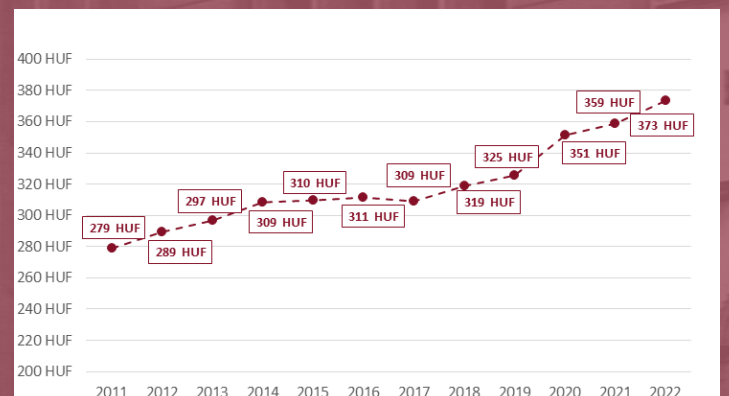


Figure 2: Fluctuations in the HUF/EUR exchange rate over the past 10 years



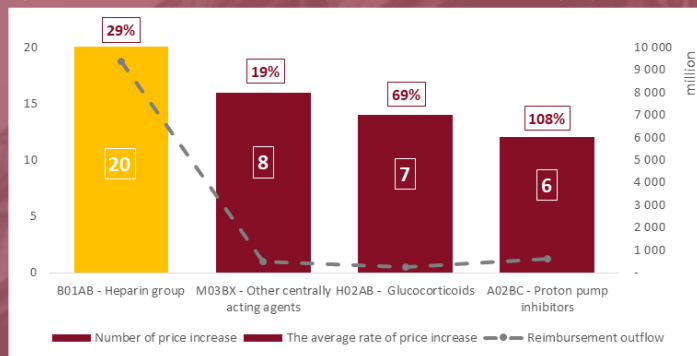
Price increase application for pharmaceutical products — Case study

Healthware analysis based on NEAK data

The categories of a chemical subgroup with the highest number of requests for price increases were examined. The first 4 chemical subgroups cover 60% of all requests, while the most critical group covers 30% of all cases.

In addition, we analyzed the outflow of reimbursement of the TTTs concerned in the 12 months preceding the adoption of the price increases for the products concerned, by the chemical subgroup. For the heparin group, this amount was HUF 9.3 billion. It is important to note that the vast majority of price increase requests are contracted by NHIFA in price volume agreements, so not all of the approved price increases result in real reimbursement outflows.

Figure 3: Number of requests for accepted price increases by chemical subgroups



Conclusion

In general, there are two possible reasons behind the submission of price increase requests. The first is to improve the international reference price due to the continuously weakening HUF/EUR exchange rate. In this case, the aforementioned price volume agreements (PVAs) may represent a compromise solution for both the financier and the manufacturer.

Another reason that may be behind price increase requests is when the marketing of a product is at stake because the manufacturing of the product is no longer profitable.

Due to the continuously changing external environment, the financier needs to be prepared for the optimal way to manage price increase requests in the long term. It is important to consider other important factors beyond the financial perspective when assessing these requests.

One of the most important roles of the funder in this changing market environment is to maintain its so-called gatekeeper role in the reimbursement segment for certain chemical subgroups, as one of the most important objectives from a societal perspective is to maintain public control over the reimbursement portfolio.