

Actualities of Hungarian pharmaceutical financing

Newsletter

HEALTHWARE
CONSULTING LTD.

News, current issues

- **Legislations** come into force from March 2013: ESzCsM Decree No. 32/2004. (2013.03.01.); EüM Decree No. 13/2009. (2013.03.06.); Gov. Decree No. 284/1997. (2013.03.01.); Gov. Decree No. 323/2010. (2013.03.01., 2013.03.30.); Gov. Decree No. 337/2008. (2013.03.30.); EüM Decree No. 41/2007. (2013.03.01.)
- **NEWS:** „According to OEP the blind bid was successful” [link](#)
- **NEWS:** „The governance campaigns also for cheap medicines” [link](#)
- **NEWS:** „Extensive, national and uniform IT-system is provided in healthcare” [link](#)
- **NEWS:** „Unreal hospital debt discharge tenders” [link](#)

Macro approach to financing healthcare and medicinal products

Balance of the Health Insurance Fund

Billion HUF

Health Security Fund	2012. I-XII.	2013 original appropriation	2013		
			I-II.	% of appropriation	% of last year
Total of Budgetary Expenditures	1 791,3	1 804,3	286,8	95,4%	101,5%
Curative preventive provisions	842,1	880,6	131,2	89,4%	105,9%
Medicine subsidies	315,1	280,0	49,7	106,5%	86,5%
Total Of Budgetary Revenues	1 744,3	1 804,3	315,9	105,1%	112,0%
Social Security Contributions	854,2	727,0	131,5	108,6%	98,8%
Contribution of Pharmaceutical Manufacturers and Wholesalers	75,0	49,0	9,8	120,5%	85,6%
Balance	-47,0	0,0	29,1		-4282,1%

The 2013 budget counts with 0,7% increase in the expenditure and 3,4% increase in the revenues, while the balance is nil. The social security contribution is planned to be less with 15% than last year fulfilment, and this gap is filled with central budget contribution. The medicine subsidies plan are lower with 11% than last year expenses but higher with 2 billion HUF than last year budget plan.

In the first two months of 2013 the Health Security Fund produced a 10,2% surplus because of the higher social security contributions (+8,6%) and lower spending. The in- and outcare expenditure was 10,6% lower than the budget plan proportional to that time interval.

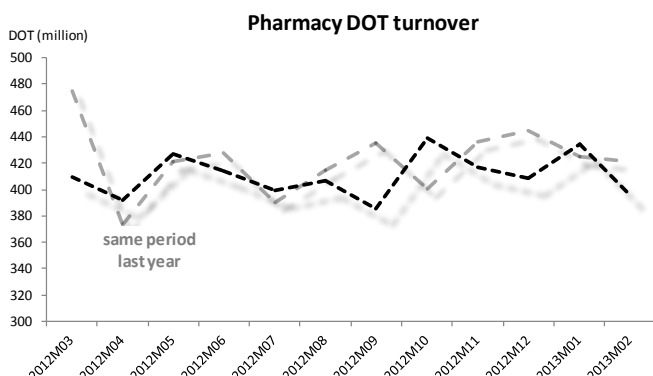
Changes to subsidised medicinal product categories

	Changes in the public drug list						
	2012 Nov.	2012 Dec.	2013 Jan.	2013 Feb.	2013 Mar.	2013 Apr.	2013
Number of new products	26	33	43	34	26	30	133
Number of new AI	2	0	2	0	5	3	10
Number of delisted products	44	14	88	19	20	74	201
Prices							
Decrease	24	11	61	13	14	712	800
Increase	0	1	0	0	1	1	2

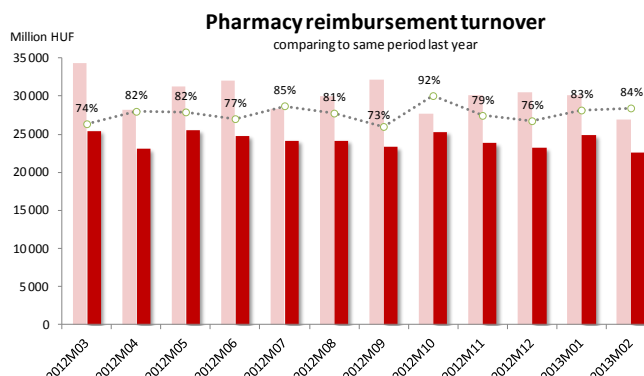
	Changes in the public drug list						
	2012 Nov.	2012 Dec.	2013 Jan.	2013 Feb.	2013 Mar.	2013 Apr.	2013
Reimbursement							
Decrease	7	4	71	7	16	1 346	1 440
Increase	2	0	4	0	3	224	231
Co-payment							
Decrease	40	16	107	18	27	858	1 010
Increase	0	3	22	0	1	813	836

Source: Healthware analysis based on OEP-PUPHA data

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



Source: Healthware analysis based on OEP's data



Source: Healthware analysis based on OEP's data

While the turnover of reimbursed medicines in pharmacies decreased by 1,6% in 2012 (measured in DOT), the total medicine subsidy of Health Security Fund was lower by 17%. The main causes of this saving were the reallocation of the drug budget (expensive therapies were transferred to the hospital budget), and the new process of reference price system which lead to significant cuts in prices and reimbursements.

Drug sales in the first two months of 2013 was 2% lower than the same period last year, while the average reimbursement per DOT remained the same level as from the last reference price procedure.

Actualities of Hungarian pharmaceutical market

Newsletter



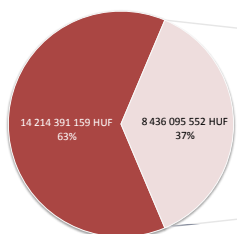
Market data

Marketing authorisation information

2012	EMA	OGYI	2012 - Q4	EMA	OGYI	February 2013	EMA	OGYI
New brands	64	427	New brands	13	95	New brands	4	23
New SKUs	798	4 230	New SKUs	184	773	New SKUs	29	169

Source: Healthware analysis based on OGYI's and EMA's data

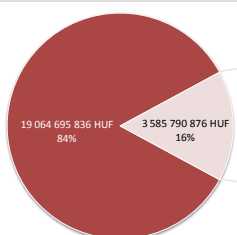
TOP10 MAH by all reimbursement paid in February 2013



TOP 10 - MAH	Reimbursement
Novartis Europharm Limited	1 286 138 321 HUF
Richter Gedeon Vegyeszeti Gyár NyRt.	1 092 206 960 HUF
EGIS Gyógyszergyár Nyrt.	1 045 970 518 HUF
SANOFI-AVENTIS Zrt.	894 407 978 HUF
Eli Lilly Nederland B. V.	842 548 181 HUF
Novo Nordisk A/S	739 010 250 HUF
GlaxoSmithKline Kft.	737 292 788 HUF
Boehringer Ingelheim International GmbH	626 695 886 HUF
AstraZeneca Kft.	615 467 086 HUF
Novartis Hungária Kft.	556 357 585 HUF

Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

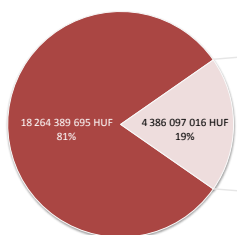
TOP10 BRAND by all reimbursement paid in February 2013



TOP 10 - BRAND	Distributor	Reimbursement
GLIVEC	Novartis Hungária Kft.	529 042 930 HUF
CLEXANE	SANOFI-AVENTIS Zrt.	522 905 970 HUF
SPIRIVA	Boehringer Ingelheim Pharma Gesellschaft m. b.	451 790 066 HUF
RISPERDAL	Janssen-Cilag Kft.	379 275 671 HUF
SYMBICORT	AstraZeneca Kft.	365 649 183 HUF
SERETIDE	GlaxoSmithKline Kft.	306 125 893 HUF
HUMULIN	Lilly Hungaria Kft.	293 006 953 HUF
SUTENT	Pfizer Kft.	275 034 232 HUF
LANTUS	SANOFI-AVENTIS Zrt.	259 183 944 HUF
COVEREX	EGIS Gyógyszergyár Nyrt.	203 776 034 HUF

Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

TOP10 ATC by all reimbursement paid in February 2013



TOP 10 - ATC	International non-proprietary name (INN)	Reimbursement
L01XE01	imatinib	529 042 930 HUF
B01AB05	enoxaparin	522 905 970 HUF
R03AK07	formoterol and other drugs for obs. airway disea	515 566 202 HUF
C10AA07	rosuvastatin	471 659 546 HUF
R03BB04	tiotropium bromide	451 790 066 HUF
C10AA05	atorvastatin	434 373 954 HUF
N05AX08	risperidone	405 586 181 HUF
A10AB01	insulin (human)	354 125 455 HUF
R03AK06	salmeterol and other drugs for obs. airway disea	351 870 131 HUF
V06D	other nutrients	349 176 581 HUF

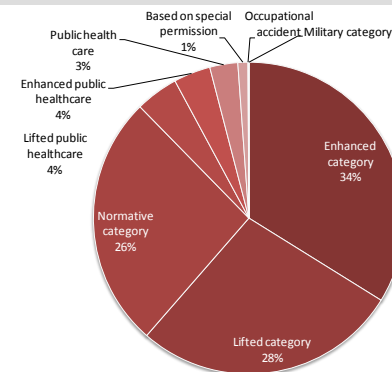
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

Average number of medical sales reps; 02/2013

All	1 789
Medicinal products	1 535
Medical aids	223
Both	31

Source: Healthware analysis based on OGYI's

Drug reimbursement by legal title; 02/2013

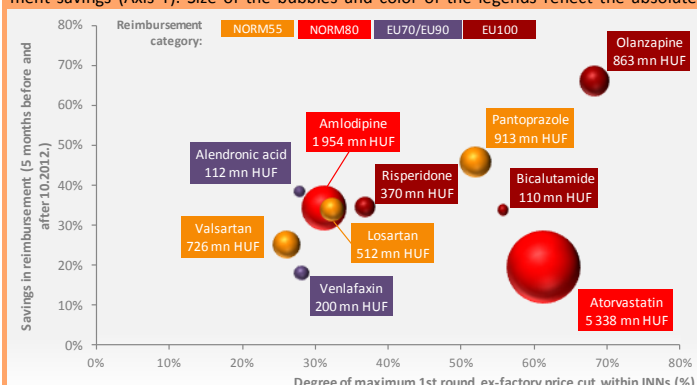


Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

Relation of price cut and reimbursement savings (Blind bid Oct. 2012.) - Case study

In course of the following case study we examined the extent and direction of the relation between the degree of the highest ex-factory price cut in the 1st round of October 2012. blind bid and savings in reimbursement in case of 10 INNs. The savings in reimbursement was based on fact turnover data of a 10-month time period (5 months after blind bid compared to 5 months before). The examined INNs were the following: atorvastatin, amlodipine, pantoprazole, olanzapine, valsartan, losartan, risperidone, venlafaxin, alendronic acid and bicalutamide. Considering the efficiency of the blind bid model from the Health Fund's aspect a positive correlation is expected between the extent of price cut and reimbursement savings.

On the chart below the distribution of the 10 INNs is presented in point of the highest 1st round price cut within the given INN (Axis X) and relative extent of 5-month reimbursement savings (Axis Y). Size of the bubbles and color of the legends reflect the absolute



volume of 10-month reimbursement outflow and the reimbursement category (in case of venlafaxin the higher reimbursement category).

A positive relation between price cut and savings can be observed on the chart – except of Atorvastatin, in spite of high price cut the relative extent of 5-month savings is more moderate (absolute volume is significant). Olanzapine reflects the highest savings, which was concerned in blind bid at first time in October 2012.

Further research directions are feasible in order to implement a more complex examination of price cut behavior patterns:

- Distribution of price cuts on preferred price zone market
- Forming homogenous groups considering the extent of price cuts
- Examination of turnover indicators in absolute and relative extent by reimbursement categories
- Detailed effects of blind bid in the manufacturers', the Health Fund's and patients' perspective
- TOP winners and losers of blind bid (manufacturers, INNs)
- Efficiency of applied price cut behavior patterns
- Concentration of reimbursement savings (manufacturers, INNs)
- Price-elasticity, turnover switches within INNs
- Changes in patient burdens
- Role of social welfare list category