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Actualities of Hungarian pharmaceutical financing market

Newsletter

HEALTHWARE CONSULTING LTD.

News, current issues

- **Legislations** come into force from September 2013**:** Act XI of 1991 (2013.09.01.); ESzCsM Decree No.44/2004. (2013.09.01.); Gov.Decree No. 337/2008. (2013.09.26.)
- **NEWS:** *"PSZÁF (Hungarian markets watchdog) green-lights Servier buyout offer for Egis"* link
- **NEWS:** *"Successful cooperation between drug makers, distributors and Hungarian government "* link
- **NEWS:** *"The first two biosimilar monoclonal antibodies are now approved for marketing in Europe"* link
- **NEWS:** *"Unrestrainedly growing hospital debt"* link
- **STUDY:** *"Nielsen: vitamins and dietary supplements sales increased by 9 percent"* link

Budget impact simulation models

Illness/subgroup-specific budget impact analysis that reflect the actual uses, and simulation platforms built upon these analysis are becoming more important role in domestic acceptance mechanism. The simulation models built on National Health Insurance data offer well understood and controllable dimension for the expected budget impact calculations for the decision maker.

More about the service: link

Product offering

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-VIII.	% of appropriation	% of last year
Total of Budgetary Expenditures	**1 791,3**	**1 804,3**	**1 178,5**	**98,0%**	**101,6%**
Curative preventive provisions	842,1	880,6	553,3	94,3%	105,2%
Medicine subsidies	315,1	280,0	195,6	104,8%	91,8%
Total Of Budgetary Revenues	**1 744,3**	**1 804,3**	**1 242,6**	**103,3%**	**106,5%**
Social Security Contributions	854,2	727,0	512,3	105,7%	90,3%
Contribution of Pharmaceutical Manufacturers and Wholesalers	75,0	49,0	42,1	128,8%	73,1%
Balance	**-47,0**	**0,0**	**64,1**		**1020,7%**

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 eight months of 2013 the Health Security Fund produced a significant surplus thanks to the higher revenues (+3,3%) and the lower expenses (-2%) compared to the original budget appropriation.

Changes to subsidised medicinal product categories

Changes in the public drug list

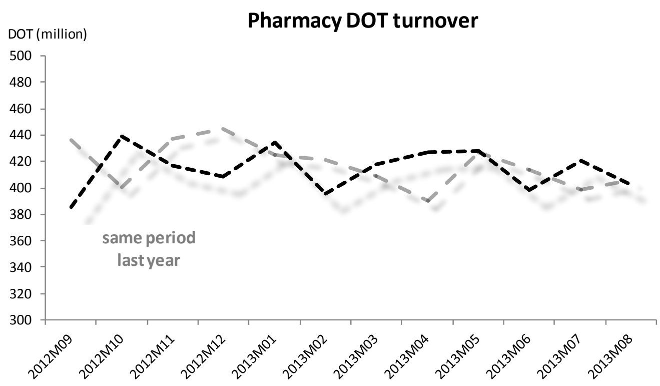
	2013 May	2013 June	2013 July	2013 Aug.	2013 Sep.	2013 Oct.	2013
Number of new products	54	15	11	15	23	18	269
Number of new AI	1	0	1	0	0	1	13
Number of delisted products	59	28	42	7	6	34	377
Prices							
Decrease	7	6	71	8	2	686	1 580
Increase	0	0	0	0	0	0	2

Changes in the public drug list

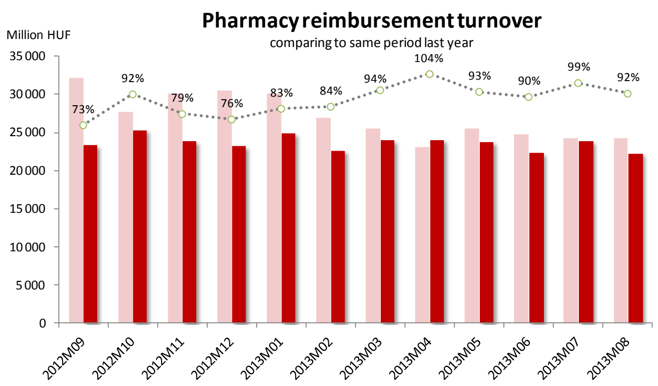
	2013 May	2013 June	2013 July	2013 Aug.	2013 Sep.	2013 Oct.	2013
Reimbursement							
Decrease	20	1	116	3	2	1 277	2 859
Increase	0	25	7	0	0	104	367
Co-payment							
Decrease	26	9	121	12	4	768	1 950
Increase	2	25	42	0	0	732	1 637

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 eight months of 2013 was 0,9% higher than the same period last year, while the average reimbursement per package decreased thanks to the blind bid process in February thus the reimbursement turnover is 8,1% below for this period compared to last year.

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Market data

Marketing authorisation information

2012	EMA	OGYI
New brands	64	427
New SKUs	798	4 230

2013 - Q2	EMA	OGYI
New brands	17	51
New SKUs	251	433

August 2013	EMA	OGYI
New brands	7	8
New SKUs	29	80

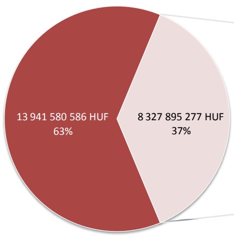
Source: Healthware analysis based on OGYI's and EMA's data

Average number of medical sales reps; 08/2013

All	1 236
Medicinal products	997
Medical aids	230
Both	9

Source: Healthware analysis based on OGYI's

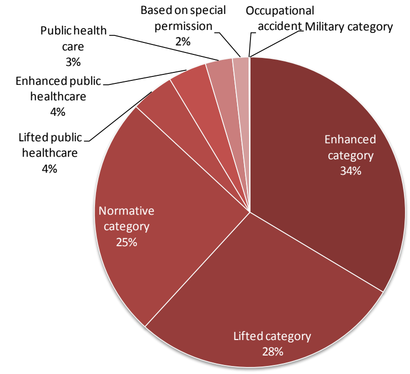
TOP10 MAH by all reimbursement paid in August 2013



TOP 10 - MAH	Reimbursement
Novartis Europharm Limited	1 295 858 086 HUF
Richter Gedeon Vegyészeti Gyár NyRt.	1 069 820 099 HUF
EGIS Gyógyszergyár Nyrt.	1 052 534 956 HUF
Eli Lilly Nederland B. V.	867 532 017 HUF
Novo Nordisk A/S	768 977 376 HUF
GlaxoSmithKline Kft.	712 134 317 HUF
SANOFI-AVENTIS Zrt.	682 843 499 HUF
Boehringer Ingelheim International GmbH	644 190 646 HUF
AstraZeneca Kft.	620 804 653 HUF
Teva Magyarország Zrt.	613 199 627 HUF

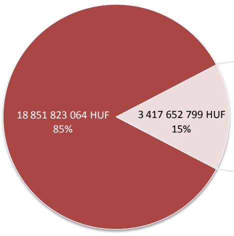
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

Drug reimbursement by legal title; 08/2013



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

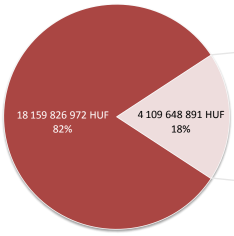
TOP10 BRAND by all reimbursement paid in August 2013



TOP 10 - BRAND	Distributor	Reimbursement
GLIVEC	Novartis Hungária Kft.	548 521 590 HUF
SPIRIVA	Boehringer Ingelheim Pharma Gesellschaft m. b.	465 443 943 HUF
SYMBICORT	AstraZeneca Kft.	377 832 210 HUF
CLEXANE	SANOFI-AVENTIS Zrt.	312 096 660 HUF
SERETIDE	GlaxoSmithKline Kft.	307 895 178 HUF
HUMULIN	Lilly Hungaria Kft.	306 949 620 HUF
RISPERDAL	Janssen-Cilag Kft.	297 460 459 HUF
SUTENT	Pfizer Kft.	293 518 931 HUF
LANTUS	SANOFI-AVENTIS Zrt.	285 201 990 HUF
XEPLION	Janssen-Cilag Kft.	222 732 218 HUF

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

TOP10 ATC by all reimbursement paid in August 2013



TOP 10 - ATC	International non-proprietary name (INN)	Reimbursement
L01XE01	imatinib	548 521 590 HUF
R03AK07	formoterol and other drugs for obs. airway disea	537 700 956 HUF
R03BB04	tiotropium bromide	465 443 943 HUF
C10AA07	rosuvastatin	432 062 504 HUF
V06D	other nutrients	395 975 539 HUF
A10AB01	insulin (human)	375 011 417 HUF
C10AA05	atorvastatin	364 877 714 HUF
R03AK06	salmeterol and other drugs for obs. airway disea	360 191 912 HUF
N05AX08	risperidone	317 766 657 HUF
B01AB05	enoxaparin	312 096 660 HUF

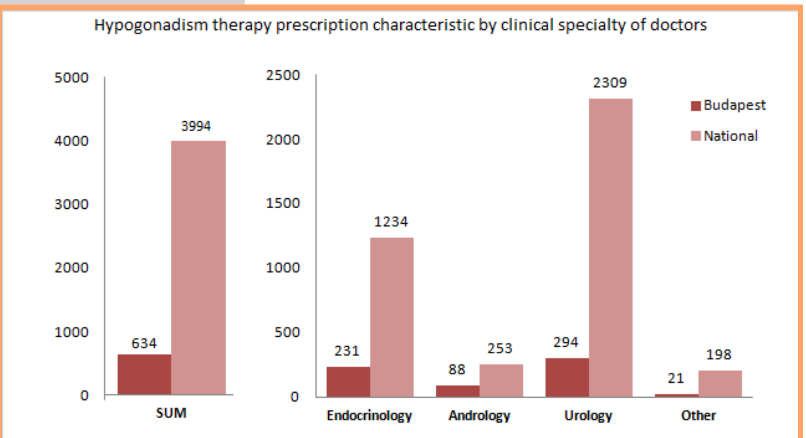
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

Prescribing characteristic of testosterone — Case study

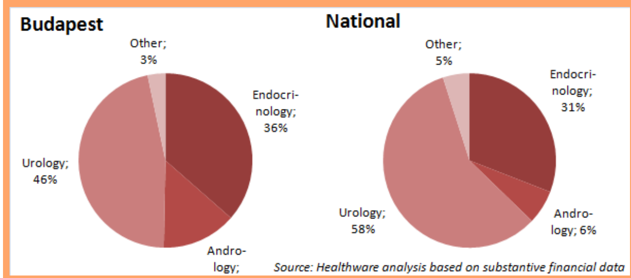
Our case study observes the prescription characteristic of testosterone (G03BA03 ATC Group) treatment of hypogonadism (a diminished functional activity of the gonads) in 2011.

The focus of the study was on the territorial characteristics of clinical specialty of those doctors who treat patients with testosterone. We found that almost 16% of patients treated with testosterone have filled their prescription in Budapest. According to National Health Insurance Fund (OEP) guidelines the testosterone cure can be prescribed by andrologists, endocrinologists or urologists by partial (90%) reimbursement. The "Other" items on the charts show the irregular prescription in Budapest and nationwide (3% and 5%).

There is difference between the regular prescriptions as well. In most cases urologists prescribe testosterone treatment (58%) shows the national average however this average does not reach the half of filled prescription in Budapest (46%). More than twice is the ratio in case of those patients whose therapy was prescribed by an andrologist in Budapest (14%) than in



Source: Healthware analysis based on substantive financial data



These kind of substantive financial data support the strategic decisions of the pharmaceutical companies:

? What is the territorial ratio of the different clinical specialties of doctors who prescribe a given therapy
? It is also possible to discover the number and the concentration of specialists who make the prescription from substantive financial data
? Prescriptions grouped by BNO's are also analysable

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