HEALTHWARE

Actualities of the Hungarian pharmaceutical financing market
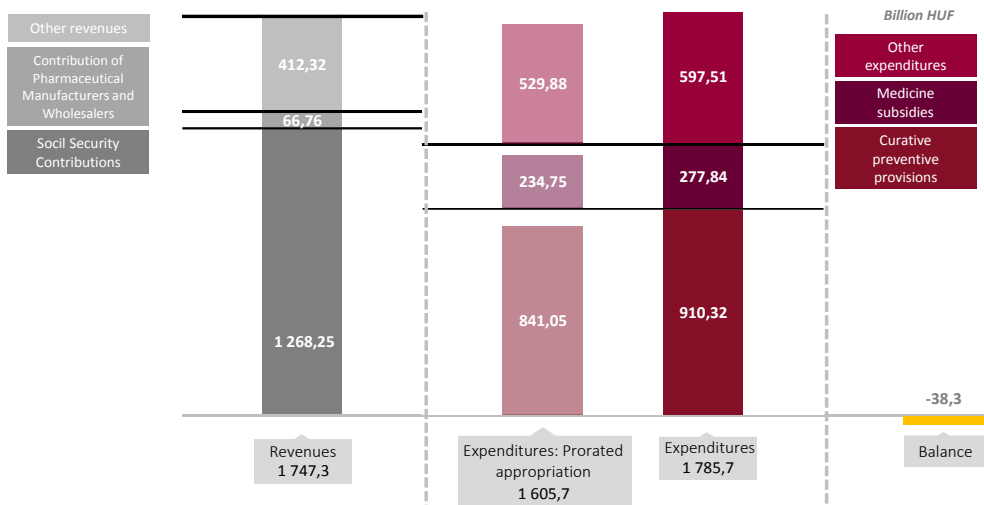
News, current issues

News The Hungarians spend a lot on medication. In 2016, 67.6 percent of health spending was spent on medicines. »

News Huntington's breakthrough may stop disease. The defect that causes the neurodegenerative disease Huntington's has been corrected in patients for the first time. »

News It's time to reduce taxes in the pharma industry. Interview with Peter Holchacker, the new director of AIPM. »

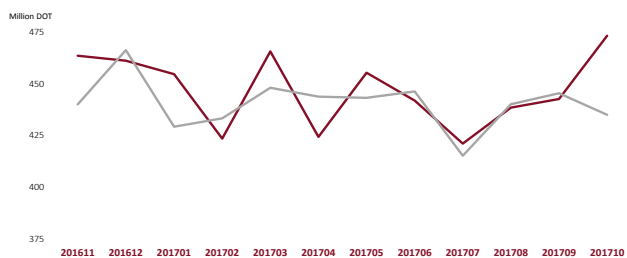## Macro approach to financing healthcare and medicinal products

Balance of the Health Insurance Fund, October 2017

Billion HUF

Other revenues	412,32	Other expenditures	
Contribution of Pharmaceutical Manufacturers and Wholesalers	66,76	Medicine subsidies	529,88 / 597,51
Socil Security Contributions	1 268,25	Curative preventive provisions	234,75 / 277,84
			841,05 / 910,32

Revenues 1 747,3

Expenditures: Prorated appropriation 1 605,7

Expenditures 1 785,7

Balance -38,3

Source: Healthware analysis based on NHIFA data

Dynamics of the sales/circulation of prescription-only-medicine
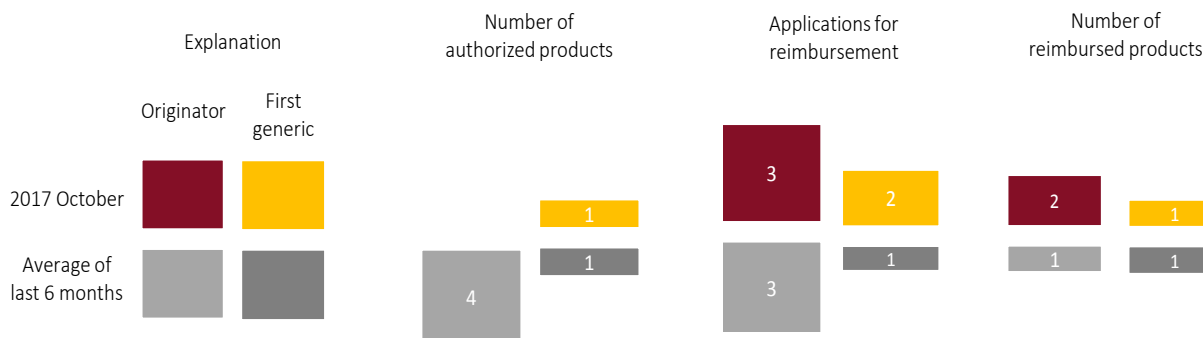
Pharmacy DOT turnover

Million DOT

201611	201612	201701	201702	201703	201704	201705	201706	201707	201708	201709	201710
201511	201512	201601	201602	201603	201604	201605	201606	201607	201608	201609	201610

Source: Healthware analysis based on NHIFA data

Pharmacy reimbursement turnover

Million HUFs

112% 105% 113% 103% 108% 98% 107% 101% 104% 102% 99% 108%

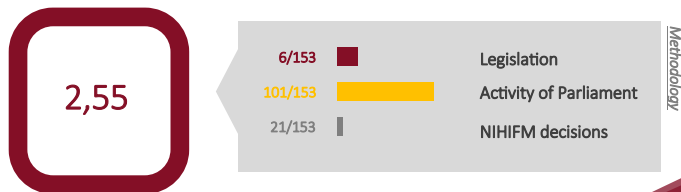| 201611	201612	201701	201702	201703	201704	201705	201706	201707	201708	201709	201710
201511	201512	201601	201602	201603	201604	201605	201606	201607	201608	201609	201610
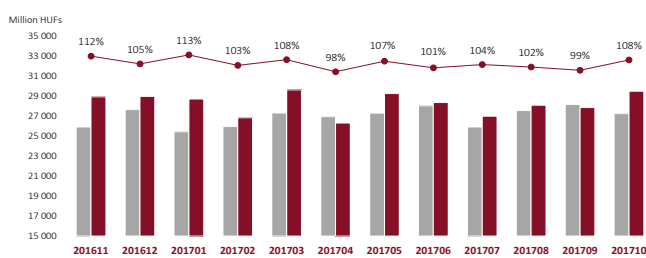
Source: Healthware analysis based on NHIFA data

Changes to subsidized medicinal product categories, October 2017

Explanation		Number of authorized products		Applications for reimbursement		Number of reimbursed products	
Originator	First generic						
2017 October			1	3	2	2	1
Average of last 6 months		4	1	3	1	1	1

Source: Healthware analysis based on NHIFA data

Decision-making index, October 2017

2,55

6/153	▮	Legislation
101/153	▮▮▮	Activity of Parliament
21/153	▮	NIHIFM decisions

Product offering

Survey of references, meta – analysis

We collect the available information, evidence in related articles, directives, studies, research.

As the first step of systematic research of the scientific literature we define the relevant keywords. Then we present the evidence charts, it is followed by organization and comparative analysis.
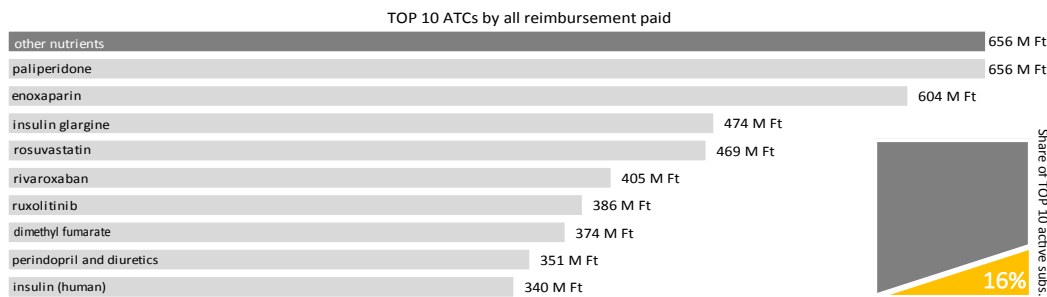
Meta – analysis

We are able to make an exact summary of the results with statistical methods, which is based on the systematic research of scientific literature that led to compiling the parameters of evidence charts.
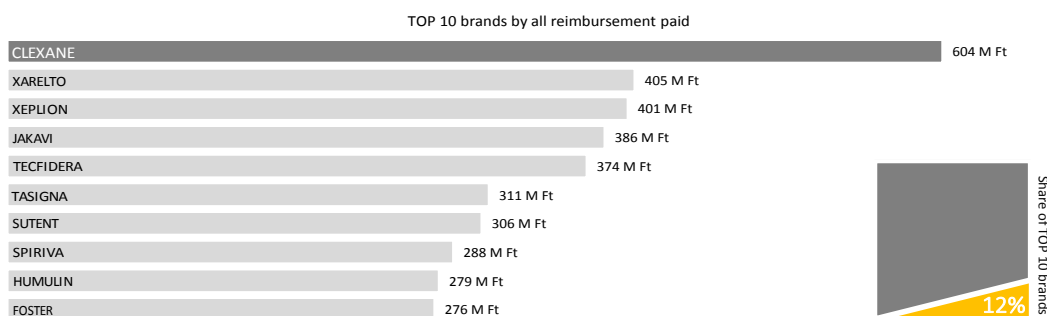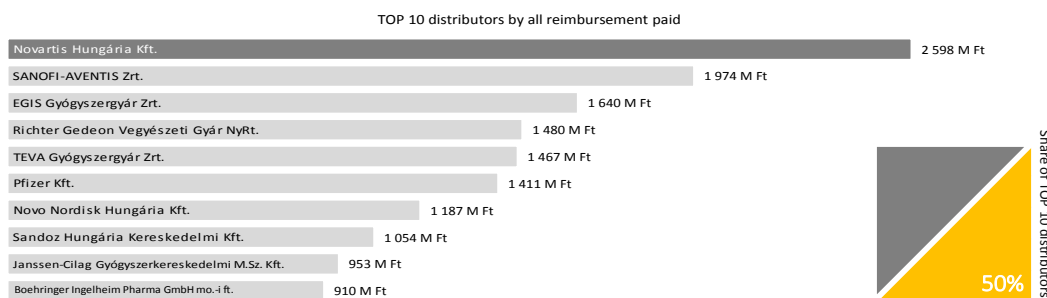
More details: **link**

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Market data

Toplists of reimbursement and number of patients, October 2017

TOP 10 ATCs by all reimbursement paid

ATC	Reimbursement
other nutrients	656 M Ft
paliperidone	656 M Ft
enoxaparin	604 M Ft
insulin glargine	474 M Ft
rosuvastatin	469 M Ft
rivaroxaban	405 M Ft
ruxolitinib	386 M Ft
dimethyl fumarate	374 M Ft
perindopril and diuretics	351 M Ft
insulin (human)	340 M Ft

Share of TOP 10 active subs. **16%**

Source: Pharmacy turnover data, Healthware analysis

TOP 10 brands by all reimbursement paid

Brand	Reimbursement
CLEXANE	604 M Ft
XARELTO	405 M Ft
XEPLION	401 M Ft
JAKAVI	386 M Ft
TECFIDERA	374 M Ft
TASIGNA	311 M Ft
SUTENT	306 M Ft
SPIRIVA	288 M Ft
HUMULIN	279 M Ft
FOSTER	276 M Ft

Share of TOP 10 brands **12%**

Source: Pharmacy turnover data, Healthware analysis

TOP 10 distributors by all reimbursement paid

Distributor	Reimbursement
Novartis Hungária Kft.	2 598 M Ft
SANOFI-AVENTIS Zrt.	1 974 M Ft
EGIS Gyógyszergyár Zrt.	1 640 M Ft
Richter Gedeon Vegyészeti Gyár NyRt.	1 480 M Ft
TEVA Gyógyszergyár Zrt.	1 467 M Ft
Pfizer Kft.	1 411 M Ft
Novo Nordisk Hungária Kft.	1 187 M Ft
Sandoz Hungária Kereskedelmi Kft.	1 054 M Ft
Janssen-Cilag Gyógyszerkereskedelmi M.Sz. Kft.	953 M Ft
Boehringer Ingelheim Pharma GmbH mo.-i ft.	910 M Ft

Share of TOP 10 distributors **50%**

Source: Pharmacy turnover data, Healthware analysis

Average number of medical sales reps

2017 October: **1547**

2017 April - September 2017 monthly avg.: **1477**
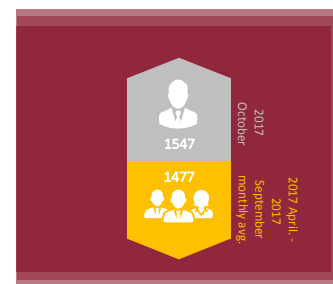
Source: NHIFA data, Healthware analysis

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

Active substance	Patients
acetylsalicylic acid	359
perindopril and diuretics	309
nebivolol	265
amlodipine	252
pantoprazole	241
rosuvastatin	234
allopurinol	231
atorvastatin	212
bisoprolol	190
perindopril	190
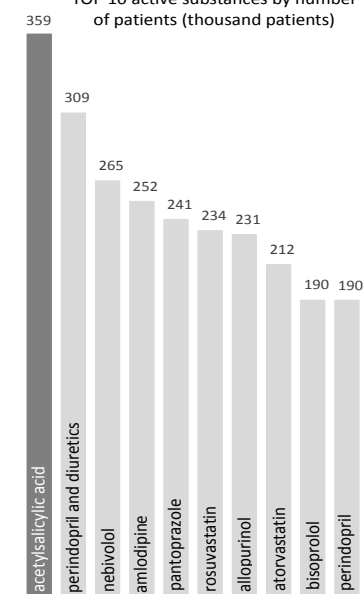
Source: Pharmacy turnover data, Healthware analysis

The new itemized procurement regarding the domestic health situation – Case study

As a result of the cooperation of OECD and European Observatory on Health Systems and Policies the study of 'State of Health in the EU – Hungary - Country Health Profile 2017' was published on 23rd of November 2017.[1]

The study has more serious statements about the performance and financing of the Hungarian healthcare system. We highlight some of these as quotations in our case study. We presented a detailed case study in our newsletter in November[2] about the Competing line procurement of itemized accounted pharmaceuticals. This procurement affects the therapies of patients with lung-, colon-, prostate-, and skin cancer. Between these, lung cancer is ranked 3rd, and colon cancer is ranked 6th in 2015 among the leading causes of death in Hungary by the country profile. In Hungary, after cardiovascular diseases, cancer is the second leading cause of death among men and women.

It is serious data itself, however, according to the study Hungary has the highest mortality rate of patients with cancer in the European Union. This gives a negative perception about the foregoing efficiency of the supply system – especially in the aspect of amenable mortality – in the field of appropriate screening programmes, early diagnosis and the applied therapies and their availability.

Based on the new procurement instead of the optional alternative therapies, only the winner preparation of the open tender will be the option for the treatment of new patients. Therefore the scale of the applied therapies will get narrow except for the Named Patient Program and ongoing treatments. For example, in case of the non-small cell lung cancer, original pharmaceuticals containing gefitinib, afatinib, erlotinib have been launched in the procurement. From now on, only one formulation can be given as a default to new patients.

The therapeutic differences between the certain preparations are currently not recognized by the funder. But it's important to see, that the results so far could be achieved on a group with heterogeneous patient profile and with pharmaceuticals of different effect profile It is feared, that if these alternatives are narrowed, patients won't be able to access the most effective treatment.

„Cardiovascular diseases and cancer continue to be the leading causes of death"

„Since 2000, Hungary has had by far the highest mortality from lung cancer"

„Poor screening coverage and cancer outcomes raise questions over quality of cancer care"

„Greater public spending on cancer care would help achieve further progress in early detection and treatment, thereby increasing survival rates."

„Hungary has the highest cancer mortality rates in the EU, raising questions about prevention, early detection, and access to quality cancer care."

„Hungary reports among the highest mortality rates for both preventable cancers (e.g. lung cancer) and treatable cancers (e.g. breast, cervical and colon cancers)."

„The Hungarian health system is underfunded. Health spending per capita is among the lowest across the EU, and only about half the EU average (EUR 1 428 per capita in Hungary compared to the EU average of EUR 2 797)"

According to the report, health expenditures in Hungary are significantly below the EU average. The main argument of the National Health Insurance Fund of Hungary (NEAK) in favour of the competing line is the responsible management of public finances. The assessment of the budgetary impact of the measure is not possible in the absence of public data, it may even result in surplus outflow (e.g. failed tender offers, higher unit costs, etc.). However, despite the fairly bad indicators, we can legitimately ask if this is the right time to introduce a measure that may lead to reduction of available therapies and, consequently, decrease of chances of healing, only with tendering prices. It is aggravated by the fact that today all technical conditions (IT solutions on hardware and software side, appropriate methodologies, etc.) are given, which with the measuring and comparing of the effectiveness of therapies in real life would allow differentiated access and price bargain.

In this present situation, against the restrictive measures-agreeing with the cited recommendation of the sudy-increasing public spending on health care would be the goal, improving survival rates by enhancing early detection and treatment.

[1] https://ec.europa.eu/health/sites/health/files/state/docs/chp_hu_hungary.pdf

[2] http://www.healthware.hu/files/newsletter/HW_Hirlevel_2017_november.pdf