



News, current issues

- **Legislations** come into force from August 2014: none
- **NEWS:** "Pharma industry will be a priority investment sector" [link](#)
- **NEWS:** "Only half of the patients is compliant" [link](#)
- **NEWS:** "The Hungarians to buy much more OTC" [link](#)
- **NEWS:** "Healthcare is not a business" [link](#)
- **NEWS:** "The medical device manufacturers would raise prices" [link](#)
- **NEWS:** "Health is waiting for governmental decision" [link](#)

Macro approach to financing healthcare and medicinal products

Balance of the Health Insurance Fund

Billion HUF

Health Security Fund	2013. I-XII.	2014 original appropriation	2014		
			I-VII.	% of appropriation	% of last year
Total of Budgetary Expenditures	1 847,8	1 884,2	1 102,0	100,3%	107,0%
Curative preventive provisions	908,0	931,9	547,2	100,7%	113,3%
Medicine subsidies	296,0	294,1	174,3	101,6%	102,3%
Medicine subsidies (pharmacy)	281,5	222,4	165,7	127,7%	101,3%
Total of Budgetary Revenues	1 847,8	1 884,2	1 130,8	102,9%	103,9%
Social Security Contributions	768,0	852,9	528,8	106,3%	117,6%
Contribution of Pharmaceutical Manufacturers and Wholesalers	58,7	56,0	34,0	104,2%	90,6%
Balance	0,0	0,0	28,8		49,3%

The 2014 budget counts with 2% increase in the expenditure and in the revenues too, while the balance is nil. The central budget contribution is planned to be less with 5% than last year fulfilment, and this gap is filled with the 11% higher social security contribution (85 billion HUF). The medicine subsidies plan are lower with 2 billion HUF than last year expenses.

In the first seven months of 2014 the Health Security Fund produced a 2,62% surplus mainly because of the higher social security contributions (+6,3%).

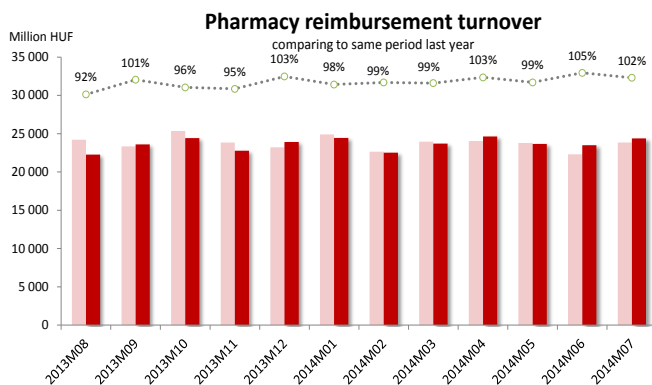
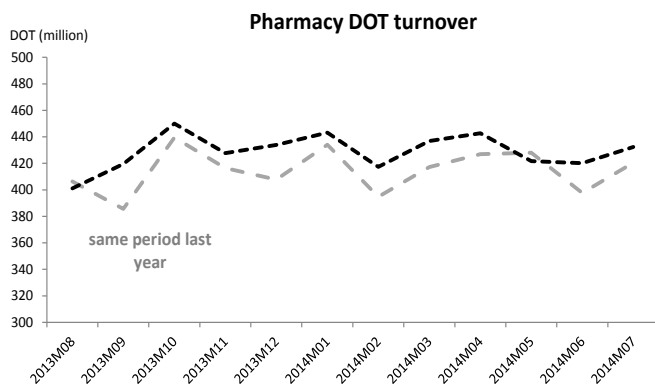
Changes to subsidised medicinal product categories

	Changes in the public drug list							2014
	2014 Apr.	2014 May	2014 June	2014 July	2014 Aug.	2014 Sep.		
Number of new products	16	21	22	18	21	26	193	
Number of new AI	0	1	1	4	3	1	20	
Number of delisted products	49	18	18	29	26	20	286	
Prices								
Decrease	349	6	4	46	10	7	467	
Increase	51	1	0	0	1	2	56	

	Changes in the public drug list							2014
	2014 Apr.	2014 May	2014 June	2014 July	2014 Aug.	2014 Sep.		
Reimbursement								
Decrease	863	9	3	87	11	2	1 030	
Increase	213	1	1	2	2	0	224	
Co-payment								
Decrease	540	8	6	61	18	9	706	
Increase	642	11	0	41	2	2	717	

Source: Healthware analysis based on OEP-PUPHA data

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



While the turnover or reimbursed medicines in pharmacies increased by 2,2% in 2013 (measured in DOT), the total medicine subsidy of Health Security Fund was lower by 5,9%. The main cause of this saving was the reference price system which lead to significant cuts in prices and reimbursements.

Drug sales in the first seven months of 2014 was 3,25% higher than the same period last year, while the average reimbursement per DOT increased slightly compared to the previous month. The reimbursement turnover is 0,81% higher for this period compared to last year.

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



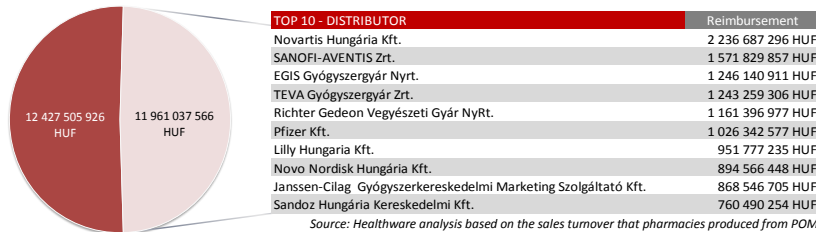
Market data

Marketing authorisation information

2013	EMA	OGYI	2014 - Q2	EMA	OGYI	July 2014	EMA	OGYI
New brands	79	207	New brands	19	36	New brands	4	16
New SKUs	716	1 742	New SKUs	166	430	New SKUs	40	185

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

TOP10 DISTRIBUTOR by all reimbursement paid in July 2014



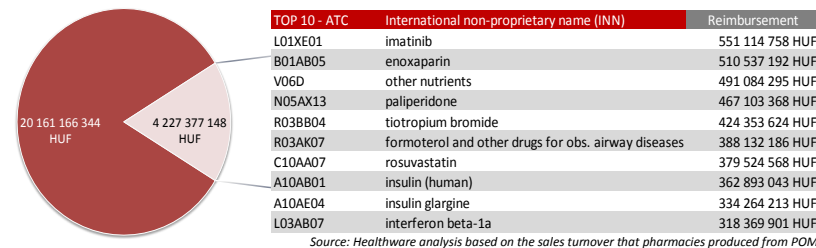
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

TOP10 BRAND by all reimbursement paid in July 2014



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

TOP10 ATC by all reimbursement paid in July 2014



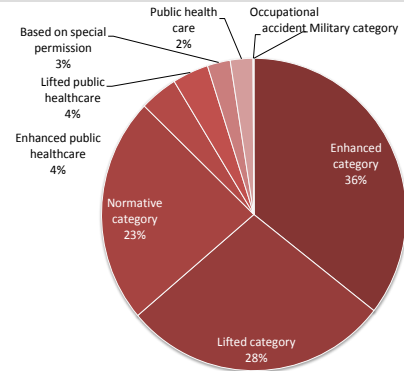
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

Average number of medical sales reps; 07/2014

All	1 660
Medicinal products	1 403
Medical aids	230
Both	27

Source: Healthware analysis based on OGYI's

Drug reimbursement by legal title; 07/2014



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

Role of medical sales rep activities in business planning — Case study

Activities of medical sales reps imply significant tax burden for distributor companies, therefore optimization of this activity is one of the key parts of business planning. Each companies apply optimization in different ways in their strategies. In course of this case study we analysed, whether well-separable patterns can be observed in case of the TOP10 companies, realizing the highest net sales (reimbursed pharmacy ex-factory price turnover minus 20% and 10% industry tax) in 2013, in the dimensions of change of net sales (from 2012 to 2013), and change of number of medical sales reps, which is based on the difference of maximum number of reps in 2012H2 and 2013H2. Although numerous factors influence the way in which the companies form and change their sales reps portfolios year by year, in the dimensions, can be observed in the figure, those companies can be considered as precedent to be followed, who are located in that quarter, where sales growth is not accompanied by growth of number of sales reps. Those companies can be consider as less progressive actors, who realized sales decrease while number of sales reps increased.

In order to understand the outlined patterns in details, and to set up utilizable conclusions in course of business planning, it is worth considering among others the following fields to analyse:

- R+D discount effect
- Introduction mechanism of new products
- Other marketing tools (eg. pricing)
- Effect of portfolio cleaning and restructuring decisions

