HEALTHWARE

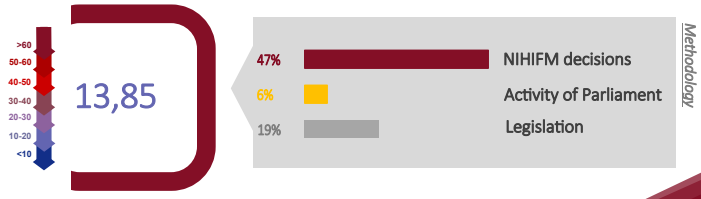
Actualities of Hungarian pharmaceutical financing market

Newsletter
No. 11, Issue VII. 2019
Published: 02/12/2019

News, current issues

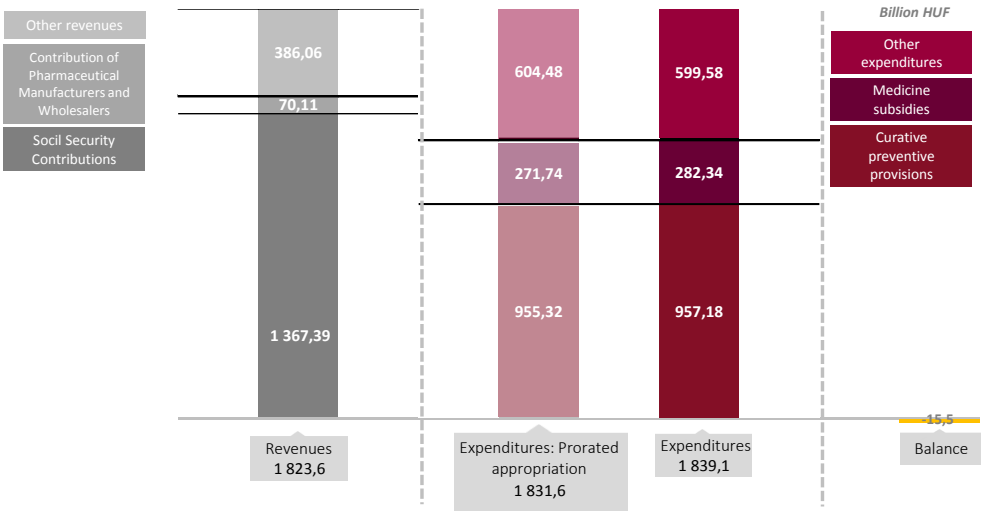
- News — Gene diagnostic for healthy children »
- News — False hope by gene diagnostics »
- News — SMA treatment is available for every patient under 18 »

Decision-making index, September 2019



Macro approach to financing healthcare and medicinal products

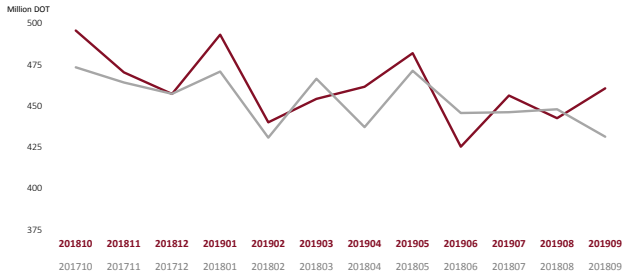
Balance of the Health Insurance Fund, September 2019



Source: Healthware analysis based on NHIFA data

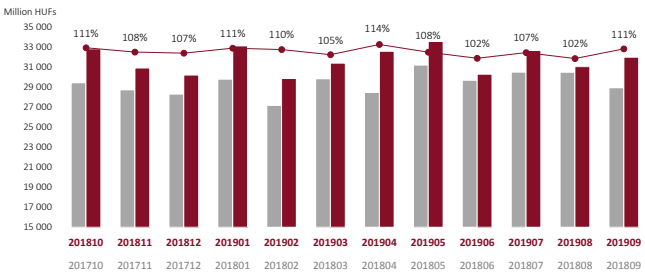
Dynamics of the sales/circulation of prescription-only-medicine

Pharmacy DOT turnover



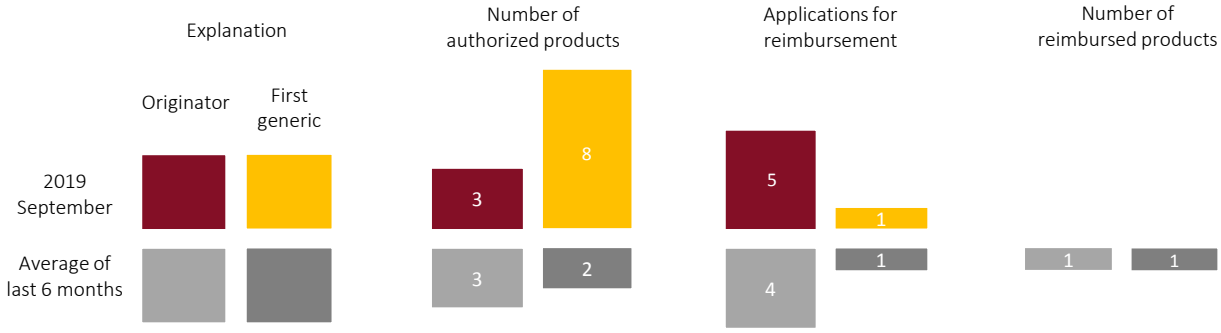
Source: Healthware analysis based on NHIFA data

Pharmacy reimbursement turnover



Source: Healthware analysis based on NHIFA data

Changes to subsidized medicinal product categories, September 2019



Source: Healthware analysis based on NHIFA data

Product offering

Public turnover data in our Medalyse service

With our service Medalyse for our clients, public turnover data published by NHIFA is easily available and it is possible to follow them with time series analysis.

The turnover data is available in the end of the following month after the given month.

Healthware takes under to upload the data in the information system of Medalyse, if it is possible within 1 workday.

Therefore our clients are free to reach and analyze the turnover data of NHIF on the 20th day after the given month.

Detailed description about the data published by NHIFA: **link**

Details about Medalyse: **link**

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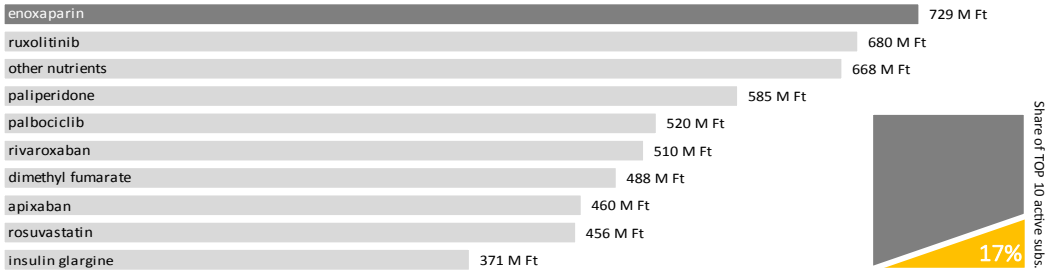
Market data

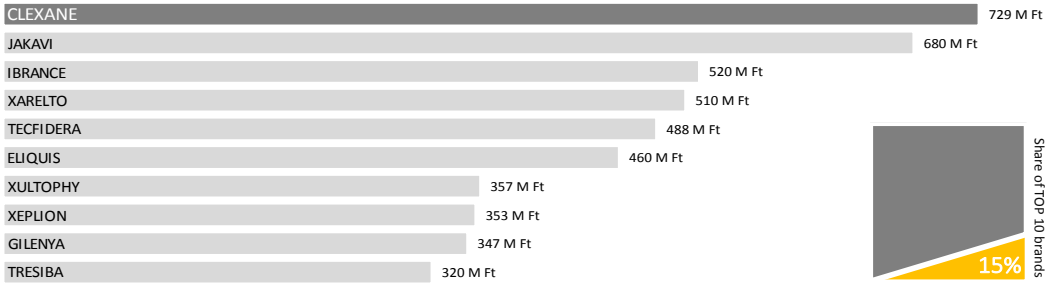
Toplists of reimbursement and number of patients, September 2019

TOP 10 ATCs by all reimbursement paid



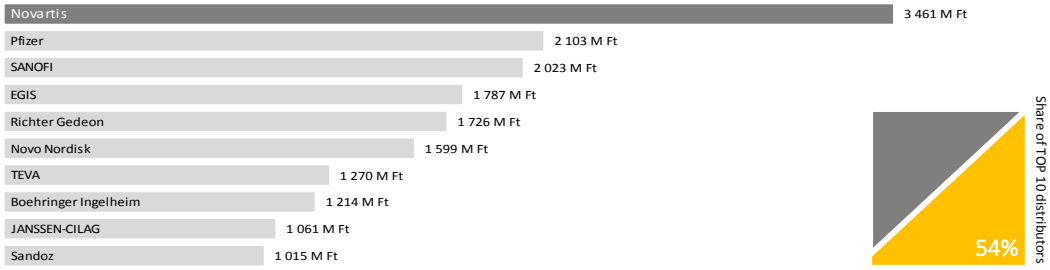
Source: Pharmacy turnover data, Healthware analysis

TOP 10 brands by all reimbursement paid



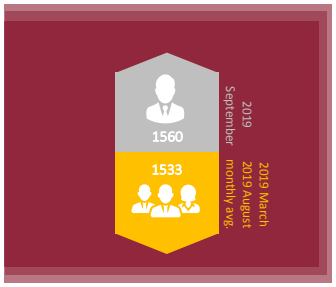
Source: Pharmacy turnover data, Healthware analysis

TOP 10 distributors by all reimbursement paid



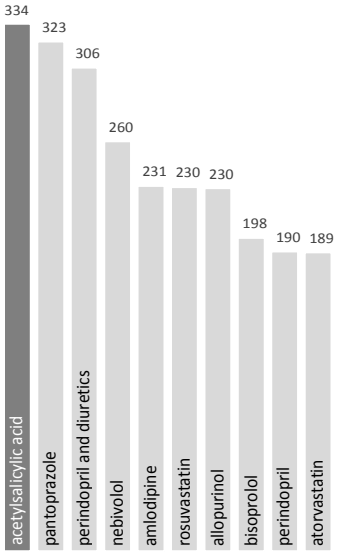
Source: Pharmacy turnover data, Healthware analysis

Average number of medical sales reps



Source: NHIFA data, Healthware analysis

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



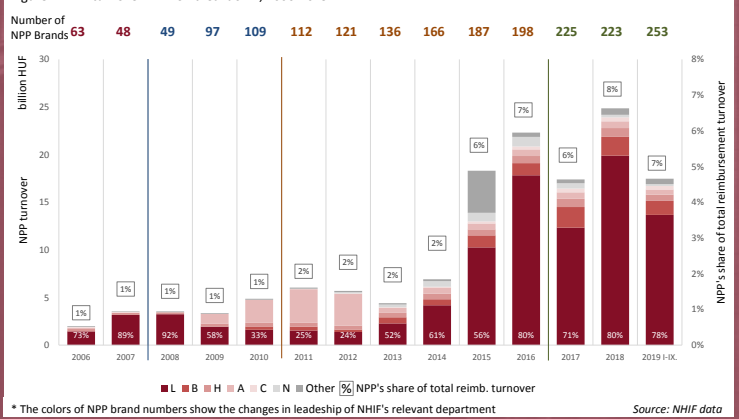
Source: Pharmacy turnover data, Healthware analysis

NPP market analysis, 2006-2019 — case study

In our series of case studies in October, November, and December, we examine the turnover of the reimbursed pharmaceutical market from different perspectives to show what information we can get from public health financing data published by NHIF. Our last case study was a retrospective analysis approaching the topic with an analysis of DOT turnover in the 2006-2019 period. The potential of financing responses to the growing demand of the market and in parallel, to the increasing reimbursement-outflow seems to be limited. This process stimulates the penetration of less transparent financing techniques meaning no final solution to the arising issues.

The case by case reimbursement of substances and indications with no reimbursed status as Named Patient Program (NPP) got into the focus of the pharmaceutical financing first in 2016. This was the first year when NPP reimbursement-outflow has been taken into account in the calculation of the claw-back deriving from the budget deficit (overspending tax), and the first year when there was a real chance to apply this tax. Since then, NPP has been decisive in estimating the expenditures of the pharma budget and the claw-back. In our current case study, we examine the patterns of the reimbursement-outflow of NPP.

Figure 1. NPP turnover in ATC1 breakdown, 2006-2019



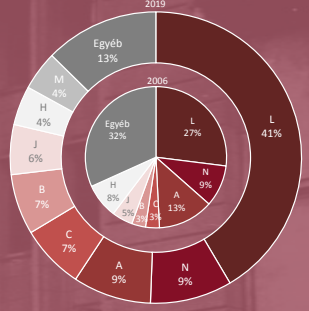
* The colors of NPP brand numbers show the changes in leadership of NHIF's relevant department

Source: NHIF data

Last month – in the analysis of the total turnover – we did not include the values of NPP, since in case of NPP the DOT values do not give an accurate picture of the turnover of the products reimbursed in NPP due to administrative uncertainties. But the reimbursement-outflow (1. figure) is an appropriate tool to do that. Figure 1. outlines the moderate volatility of the NPP reimbursement between 2006 and 2014, but also shows that there is no significant difference between the amounts of each year. In 2015, there is a drastic peak in the NPP turnover, which stayed around the same level in the following years with a slightly but not linearly growing trend.

During the examined period, the number of brands included in NPP increased from 63 to 253. The most common therapy group identifies cancer and autoimmune disease therapies ("L") that had a share of 80% in total NPP in the last few years. Regarding the number of brands, between 2006 and 2019 "L" therapies' increased from 17 to 105, their share of the total number of brands started at 27% in 2006 and reached 41% by the end of the examination period. Comparing to other pharmacy reimbursement categories, the total value of NPP have seen a dynamic increase.

Figure 2. Share of the therapy groups in the total number of brands reimbursed as NPP in 2006 and 2019



In the period of 2006-2014, the share of NPP in the total reimbursement outflow was around 1-2%, in the past couple of years 7-8% of the total reimbursement turnover was generated by products getting reimbursed by NHIF but having no reimbursement status.

By investigating the patterns shown in Figure 1., the following questions may arise:

- Which products have a "rightful place" in the Named Patient Program?
- Is it a Health Policy decision? – Is it possible to favor certain therapeutic fields?
- Is there pressure on the Health Fund? – Keeping the budgetary appropriation vs. compulsion to reimbursement inclusion

(Continue on the next page)

NPP market analysis, 2006-2019 — case study

The Named Patient Program has been created typically for therapies and indications concerning a low numbered (<50) and sporadic patient population, constant in time, in case of which the reimbursement submission and inclusion to any of the reimbursement categories is not necessary.

Figure 1. suggests that between 2006 and 2014, the number of permitted NPP applications and the reimbursement-outflow behind them is constant in time, probably for two main reasons. On the first hand, NPP applications might have been submitted to NHIF only for the above-mentioned category. On the second hand, that NHIF – as a responsible budgetary institution for public expenditures – has given NPP adapted the number of granted permissions to the budgetary appropriation before 2014.

Subsequently, the number of permitted products has risen significantly, including products having already submitted to reimbursement inclusion. Thereby NPP became the waiting room for reimbursement inclusion.

We examined the products reimbursed as NPP and labeled them according to their NPP status, whether they have a place in NPP in a classic sense or they stand before reimbursement inclusion. Based on our estimation, in the period of 2016-2019, the former category generates a steady reimbursement outflow of around 10 billion HUF. The turnover of submitted products increases drastically before the reimbursement inclusion decision and falls after the positive decision. The budgetary appropriation for the NPP budget was 10 billion HUF in the past few years, which suggests that the system could ensure its original function but the practice of this period is questioning the sustainability of the system.

Regarding the range of indications, products with „L" ATC codes still dominate, but other therapeutic fields also appear in this financing category (for example in 2015, hepatitis-C). From the perspective of health policy, the range of reachable therapies and therapeutic fields has been extended, besides the oncological and autoimmune diseases, now therapies of other diseases are also available.

The demand for the continuously increasing number of innovative therapies and keeping the budgetary appropriation is putting double pressure on the Health Fund. On one side, from the medical professional and patient sides, the prolonged reimbursement inclusion processes determine that patients can get new, innovative therapies only through NPP at the beginning, which leads to a compulsory extension of the classic NPP product range. In the meantime, the extended range of products increases the expenditure of the pharmacy drug budget. As a responsible budgetary authority, NHIF has to apply different market-regulating mechanisms (overspending tax, PVA) to manage this situation.

Nowadays NPP budget has the characteristics of tightening transparency and increasing bureaucratic and administrative burdens, which does not support the sustainability of the system in the long term. Accelerating the inclusion process of submitted products and increasing the frequency of legal amendments could lead back the NPP financing to its original principles, and release the pressure on the Health Fund and establishing a more predictable environment for the manufacturers, the healthcare providers, and the patients.