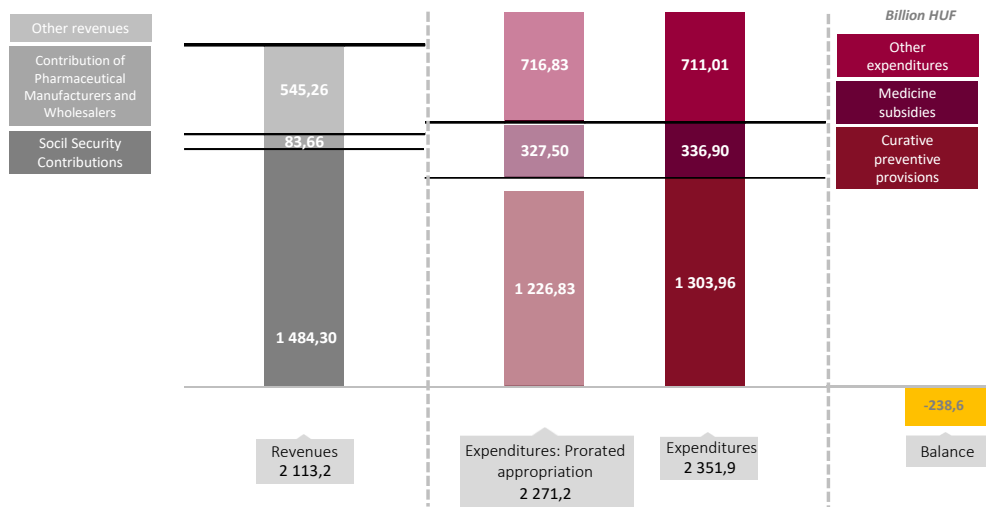


News, current issues

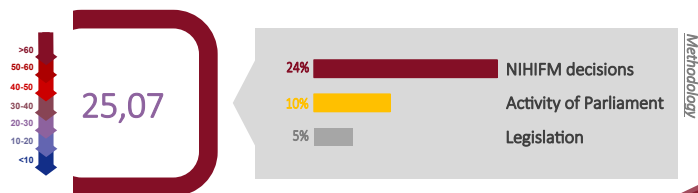
- News COPD patients are at higher risk with Coronavirus infection >>
- News Macroeconomic impact of innovative drug therapies has also been observable >>
- News Developing pharmacy capital fund >>

Macro approach to financing healthcare and medicinal products

Balance of the Health Insurance Fund, October 2020



Decision-making index, October 2020



Product offering

FX-process/Reference pricing

Following the changes eventuated in the course of formation of FX-groups:

- ◆ Presentation of changes in group- and product level
- ◆ Modelling of forming of FX-groups:
 - Cancel and create groups,
 - Combine and dissociate groups,
 - Cancellation of products,
 - Translocation of products,
 - Change of price, reimbursement and DOT-values of products
- ◆ Analysis related to FX-process

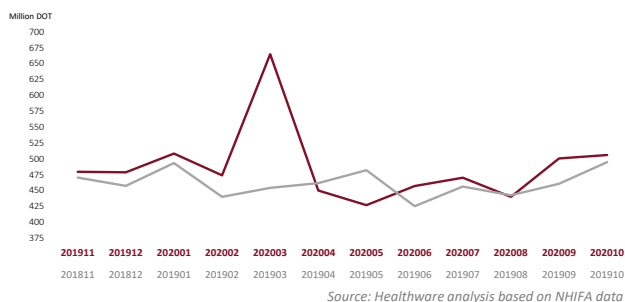
According to the demand of Client we make decision preparatory and modelling analysis about fix groups related to the portfolio.

Further information about the service: [link](#)

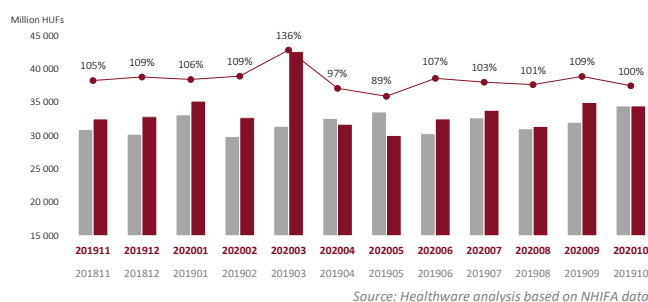


Dynamics of the sales/circulation of prescription-only-medicine

Pharmacy DOT turnover



Pharmacy reimbursement turnover



Changes to subsidized medicinal product categories, October 2020

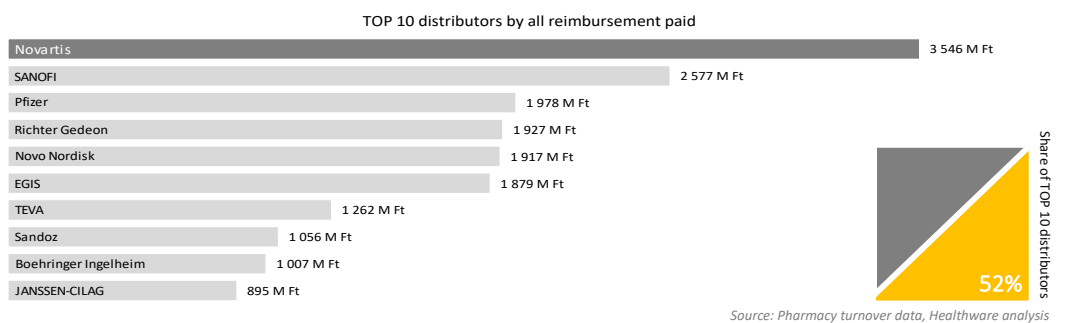
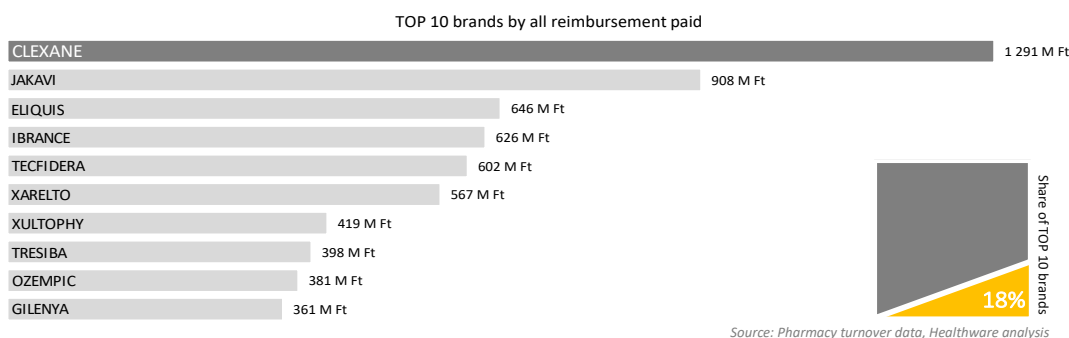
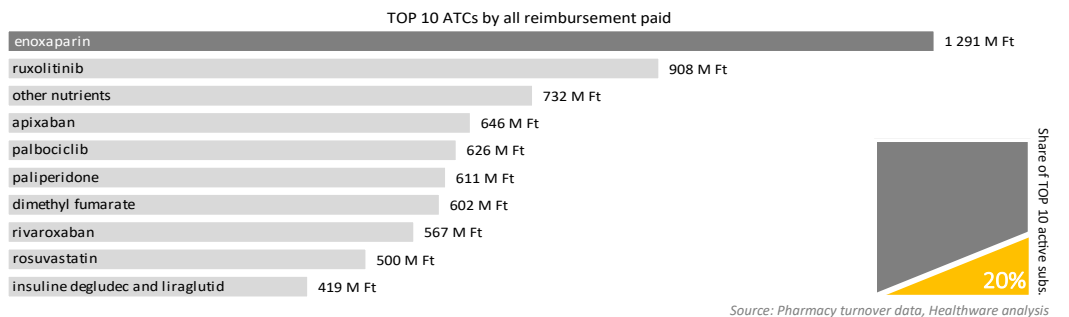
Explanation	Number of authorized products	Applications for reimbursement	Number of reimbursed products
Originator			
First generic			
2020 October	4		1
Average of last 6 months	5	2	1

Source: Healthware analysis based on NHIFA data

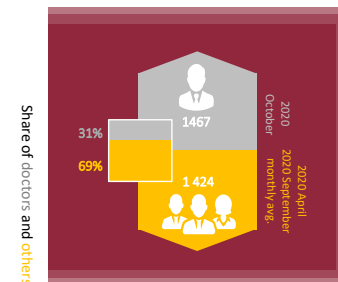


Market data

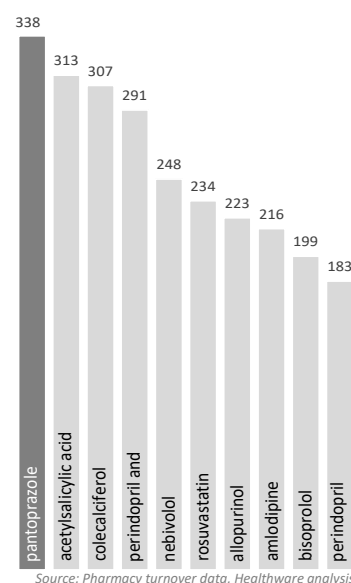
Toplists of reimbursement and number of patients, October 2020



Average number of medical sales reps



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



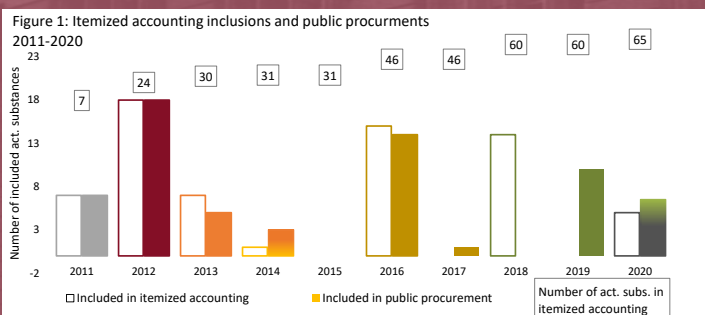
Analysis of the submission procedure and procurement of itemized substances — Case study

Healthware analysis based on NEAK data

NHIF (NEAK – National Health Insurance Fund) has issued 13 calls for public procurement in 2020. 9 of them were only launched in the second half of the year, hence the results are still unknown in most cases. Although the last announcement of new therapies or indications in itemized accounting was 11 months ago, there are itemized accounting substances with no successful or any public procurement call yet. In our current case study, we analyzed the lead times in reimbursement inclusion and procurement of the itemized accounting substances, focusing on last years' improvements.

A dynamic expansion of the range of active substances accepted for itemized accounting can be observed in the period under review. The budget financed only 7 substances in 2011 expanded to 65 members by 2020, at the same time the reimbursement outflow of it increased from HUF 9.3 billion to HUF 79.3 billion – according to the last already closed budget, for 2019.¹

The first figure shows the number of active substances included and procured each year, with each year marked with separate colors. The coloring makes it possible to follow the pathway of the included substances, in which year the public procurement of active substances accepted in a given year started.



Before the therapies admitted in October 2018, we barely find any examples for the year of reimbursement inclusion and tender start differing. The reason for this is not that the inclusion took place later in the calendar year. In 2016, although the 15 active substances were accepted in itemized accounting in November, the procurement of 14 of them was started in that same year. However, for some of the 14 active substances admitted in 2018, tenders were first issued only in June 2019, and then for two others in 2020. There are therapies in this group and among the therapies included in 2020 also, for which we have not yet seen an efficient or any public procurement calls. These active substances are presumably still to be funded from financial framework.

This indicates that, in contrast to the practice followed for most of the decade, in recent years, the reimbursement inclusion of therapies has not been accompanied by the initiation of the public procurement procedures for them. The included substances often end up in a longer transitional status and are financed first as NPP, then presumably from financial framework, which, due to its current regulation, does not allow the procurement process to be monitored publicly at all, it is not a transparent stage in the product life cycle. (The financial framework was the scope of our special edition August 2019, with an analysis of the turnover of active substances included in itemized accounting in October 2018)

In parallel with the delay of public procurement, the length of the reimbursement procedure for the new itemized substances has also increased significantly in recent years. In Figure 1 it is already suggested, since the circle of itemized substances expanded every year in the period of 2012–2014. After that, we can only see admissions every two years, however, with more inclusions at once. This could simply be due to the lack of submissions to the itemized accounting, but this can be easily refuted.

Continued on the next page...

¹ Budget implementation 2011: [link](#)
Budget implementation 2019: [link](#)

Analysis of the submission procedure and procurement of itemized substances — Case study

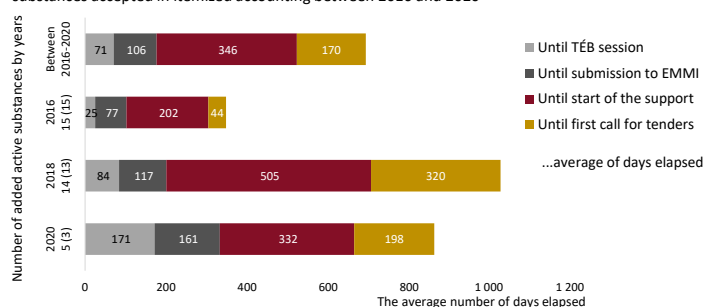
Healthware analysis based on NEAK data

In 2016, dossiers for 9 active substances were already submitted which had only gotten the itemized status in October 2018; and at the time of admissions in 2018, two applications had a pending decision, which was finally approved only in 2020 (their procedure started in the first and second quarters of 2017).

Figure 2 shows the lead times for the 34 active substances included in itemized accounting between 2016 and 2020, broken down by major milestones, from submission of the application for inclusion to the start of their first procurement procedure.

Until the start of funding (following a positive decision), three sections have been identified, which together represent the full length of the admission process. Examining the data of the applications for the 34 active substances - published by NHIF - it seems that on average, 71 days elapsed between the submission of the application for reimbursement and the first HTA meeting, and then another 106 days before the application was submitted to the Ministry of Human Capacities (EMMI). After that, an average of approximately 346 days elapsed until the announced start date for funding.

Figure 2: The average number of days until the admission/acquisition of active substances accepted in itemized accounting between 2016 and 2020



Based on the last 4 years' practice, preparing a submission dossier of an active substance 'heading' to the itemized accounting system, the applicant can expect an average of 523 days procedure length until the reimbursement decision. The tendency is even more unfavorable when examining the procedures of therapies included in each year. As it can be seen in Figure 2, the procedure length was significantly longer in the last two occasions of itemized reimbursement inclusion. The 15 active substances received in 2016 got the reimbursed status after an average of 304 days. The same number was 705 days for the 14 active substances in 2018 and 664 days for 5 active substances in 2020.

Thereafter, an additional 170 days (2016: 44 days, 2018: 320 days, 2020: 198 days) elapsed on average before the launch of the public procurement procedure and only after its final results and after concluding individual delivery contracts, becomes the therapy available in the itemized accounting system.

Based on the last decade, we can conclude that although the range of active substances in itemized accounting is expanding continuously, the regular and reliable "schedule" of the initial years lost its predictability in recent years - both in terms of the reimbursement procedure and the procurement process. In the case of this year, it should be borne in mind that the uncertain environment created by COVID-19 may also have had a negative impact on normal operations, but this does not change the overall picture significantly. Whether there is a funding consideration or bureaucratic hurdles behind this trend, it is not beneficial to maintain such uncertainty in the case of a budget slice with a year-to-year increasing emphasis and reimbursement outflow.

Thus, we see a need to make the reimbursement inclusion process and procurement of itemized accounting substances more predictable by refining the current system, or even by narrowing the range of itemized active substances - by shifting existing active substances to other forms of reimbursement. The latter would automatically result in greater transparency and traceability for the market.