

# Actualities of Hungarian pharmaceutical financing market

Newsletter



## News, current issues

- **Legislations** come into force between 01/04/2016 and 01/05/2016: Act XCVIII of 2006 (01.04.2016); ESzCsM Decree No.1/2003. (01.04.2016); ESzCsM Decree No.44/2004. (01.04.2016); ESzCsM Decree No.53/2004. (01.04.2016); EüM Decree No.52/2005. (01.04.2016); EüM Decree No.14/2007. (01.04.2016); EüM Decree No.41/2007. (01.04.2016); EüM Decree No.2/2008. (01.04.2016); NEFMI Decree No.11/2011. (01.04.2016)
- **NEWS:** "How much more money for healthcare?" [link](#)
- **NEWS:** "PHARMA 3D -Marketing in the Digital Age" [link](#)
- **NEWS:** "Economic Survey of Hungary 2016" [link](#)
- **NEWS:** "SAO finished monitoring two hospitals" [link](#)
- **NEWS:** "Individual reimbursement in drug budget" [link](#)
- **NEWS:** "OTC commercials 2015" [link](#)
- **NEWS:** "Drastic change in Hungarian healthcare" [link](#)
- **NEWS:** "3 million insurance cards to change" [link](#)
- **NEWS:** "Google AI has access to huge haul of NHS patient data" [link](#)
- **NEWS:** "New chairman of Hungarian drug producers" [link](#)

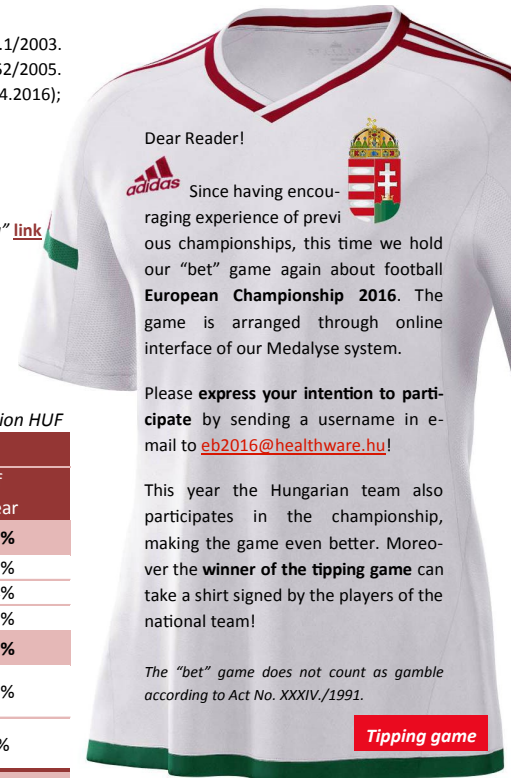
## Macro approach to financing healthcare and medicinal products

### Balance of the Health Insurance Fund

Health Security Fund	2015. I-XII.	2016 original appropriation	2016		
			I-III. months	% of appropriation	% of last year
<b>Total of Budgetary Expenditures</b>	<b>1 955,3</b>	<b>1 963,7</b>	<b>476,4</b>	<b>97,0%</b>	<b>101,3%</b>
Curative preventive provisions	960,6	982,4	231,3	94,2%	100,1%
Medicine subsidies	326,2	305,1	79,3	104,0%	106,4%
Medicine subsidies (pharmacy)	310,6	231,4	76,8	132,7%	103,5%
<b>Total of Budgetary Revenues</b>	<b>1 925,4</b>	<b>1 963,7</b>	<b>505,2</b>	<b>102,9%</b>	<b>104,7%</b>
Social Security Contributions	1 223,4	1 417,0	361,7	102,1%	119,8%
Contribution of Pharmaceutical Manufacturers and Wholesalers	65,3	58,0	16,7	115,0%	98,9%
<b>Balance</b>	<b>-29,9</b>	<b>0,0</b>	<b>28,8</b>		<b>231,4%</b>

Billion HUF

In expenditures and revenues of 2016 budget, there is 2,77% increase compared to appropriation of 2015 and 0,43% increase compared to fulfilment of 2015. The central budget contribution is planned to be less with 26,5% than last year fulfilment, and this gap is filled with the 18,2% higher social security contribution (218 billion HUFs). The medicine subsidies plan is lower with 21,2 billion HUFs than last year expenses, but higher with 7 billion HUFs than the last year's original appropriation. In the first three months of 2016 the Health Security Fund produced a 5,87% surplus due to the higher social security contributions (+7,5 billion HUFs; +2,1%) and the lower expenditures of curative preventive provisions (-14,3 billion HUFs; -5,8%). Medicine subsidies shows 4,0% surplus as a result of the medicines' higher turnover particularly that reimbursement based on special permission.



Dear Reader!  
Since having encouraging experience of previous championships, this time we hold our "bet" game again about football **European Championship 2016**. The game is arranged through online interface of our Medalyse system.

Please **express your intention to participate** by sending a username in e-mail to [eb2016@healthware.hu](mailto:eb2016@healthware.hu)!

This year the Hungarian team also participates in the championship, making the game even better. Moreover the **winner of the tipping game** can take a shirt signed by the players of the national team!

The "bet" game does not count as gamble according to Act No. XXXIV./1991.

**Tipping game**

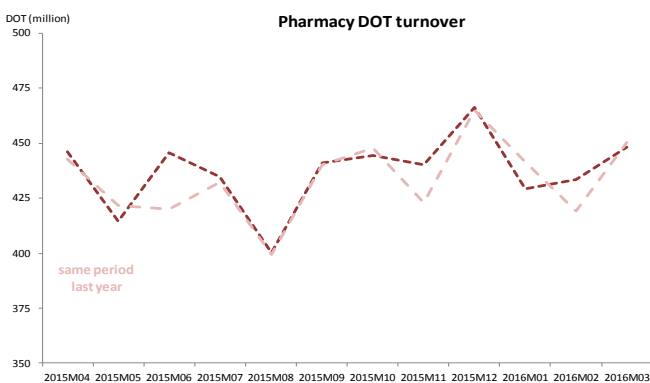
## Changes to subsidised medicinal product categories

Changes in the public drug list	2015 Dec.	2016 Jan.	2016 Feb.	2016 Mar.	2016 Apr.	2016 May	2016
Number of new products	8	28	9	19	12	7	75
Number of new AI	1	5	0	1	0	0	6
Number of delisted products	20	27	18	9	36	19	109
<b>Prices</b>							
Decrease	0	31	3	5	59	1	99
Increase	0	0	0	0	3	0	3

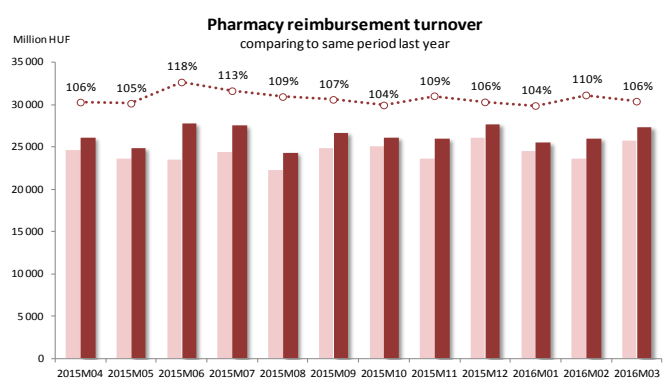
Changes in the public drug list	2015 Dec.	2016 Jan.	2016 Feb.	2016 Mar.	2016 Apr.	2016 May	2016
<b>Reimbursement</b>							
Decrease	0	40	1	6	155	1	203
Increase	0	24	2	0	138	0	164
<b>Co-payment</b>							
Decrease	0	67	4	6	200	2	279
Increase	0	16	0	1	123	0	140

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

Prescription drugs' DOT turnover in 2015 was 1,04% higher than in 2014, so the trend of drug consumption is still increasing, but in slower rate than in 2014 (2,74%) or 2013 (2,23%); while the reimbursement turnover was higher with 7,44%. The average reimbursement per DOT was higher with 6,34% than the 2014's average. New innovative reimbursement decisions were made in 2014 and 2015 generated 3,1% and 0,65% of annual reimbursement turnover, while only 0,4% of annual DOT turnover. Drug sales in the first three months of 2016 was 0,03% higher than the same period last year, while the average reimbursement per DOT increased with 6,48%. The reimbursement turnover was higher with 6,5% for this period compared to last year.



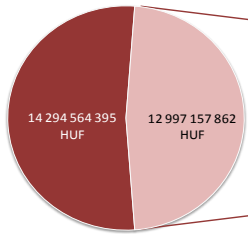
## Market data

### Marketing authorisation information

2015	EMA	OGYI	2016 - Q1	EMA	OGYI	March 2016	EMA	OGYI
New brands	90	190	New brands	22	31	New brands	5	6
New SKUs	873	2 208	New SKUs	257	404	New SKUs	95	43

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

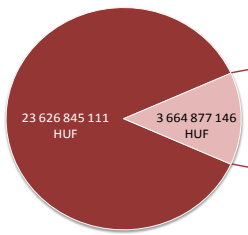
### TOP10 DISTRIBUTOR by all reimbursement paid in March 2016



TOP 10 - DISTRIBUTOR	Reimbursement
Novartis Hungária Kft.	2 514 033 312 HUF
SANOFI-AVENTIS Zrt.	1 770 677 426 HUF
EGIS Gyógyszergyár Zrt.	1 357 103 942 HUF
Richter Gedeon Vegyészeti Gyár NyRt.	1 307 369 278 HUF
TEVA Gyógyszergyár Zrt.	1 238 214 951 HUF
Pfizer Kft.	1 152 510 306 HUF
Novo Nordisk Hungária Kft.	1 014 181 291 HUF
Sandoz Hungária Kereskedelmi Kft.	897 736 069 HUF
Janssen-Cilag Gyógyszerkereskedelmi Marketing Szolgáltató Kft.	879 630 886 HUF
Lilly Hungaria Kft.	865 700 401 HUF

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

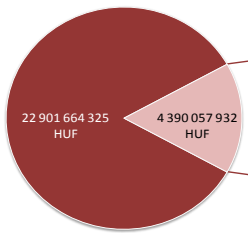
### TOP10 BRAND by all reimbursement paid in March 2016



TOP 10 - BRAND	Distributor	Reimbursement
CLEXANE	SANOFI-AVENTIS Zrt.	590 368 096 HUF
GLIVEC	Novartis Hungária Kft.	547 858 848 HUF
XEPLION	Janssen-Cilag Gyógyszerkereskedelmi Market	465 350 350 HUF
SPIRIVA	Boehringer Ingelheim Pharma Gesellschaft m.	342 142 749 HUF
LANTUS	SANOFI-AVENTIS Zrt.	333 139 432 HUF
HUMULIN	Lilly Hungaria Kft.	294 721 200 HUF
TECFIDERA	Biogen Idec Hungary Kft.	285 617 289 HUF
SUTENT	Pfizer Kft.	276 463 690 HUF
TASIGNA	Novartis Hungária Kft.	270 750 820 HUF
IMBRUVICA	JANSSEN-CILAG INTERNATIONAL NV	258 464 672 HUF

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

### TOP10 ATC by all reimbursement paid in March 2016



TOP 10 - ATC	International non-proprietary name (INN)	Reimbursement
B01AB05	enoxaparin	590 368 096 HUF
V06D	other nutrients	586 321 825 HUF
L01XE01	imatiniib	547 858 848 HUF
N05AX13	paliperidone	534 812 866 HUF
C10AA07	rosuvastatin	438 345 757 HUF
A10AE04	insulin glargine	391 690 621 HUF
A10AB01	insulin (human)	347 783 024 HUF
R03BB04	tiotropium bromide	342 142 749 HUF
C09BA04	perindopril and diuretics	325 116 856 HUF
N07XX09	dimethyl fumarate	285 617 289 HUF

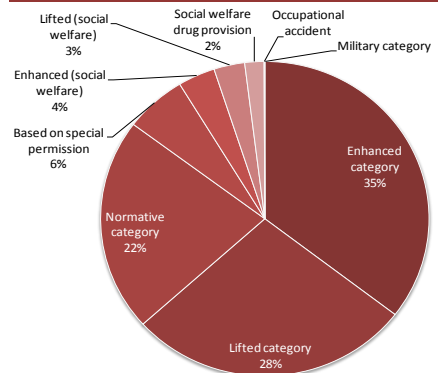
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

### Average number of medical sales reps; 03/2016

All	1 790
Medicinal products	1 535
Medical aids	230
Both	25

Source: Healthware analysis based on OGYI's

### Drug reimbursement by legal title; 03/2016



Source: Healthware analysis based on the sales

### TOP10 ATC by number of patients in March 2016

TOP 10 - ATC	International non-proprietary name (INN)	Patients
B01AC06	acetylsalicylic acid	353 042
C09BA04	perindopril and diuretics	298 561
C08CA01	amlodipine	267 221
C07AB12	nebulivol	253 087
C10AA07	rosuvastatin	229 548
C10AA05	atorvastatin	228 984
M04AA01	allopurinol	207 957
A02BC02	pantoprazole	203 837
A11CC05	colecalciferol	188 312
C09AA04	perindopril	182 967

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

## Budget Proposal of 2017 and management of Health Insurance Fund — Case study

Hungarian Government published bill of budget for 2017 on April 2016, involving income and expenditure key figures of Health Insurance Fund. Appropriation of the budget is 17.347 thousand billion HUFs income, 18.541 thousand billion HUFs expenditure and 1.16 thousand billion Forints deficit for 2017, and 3.1% GDP growth (for 2016, inflation report of Central Bank<sup>1</sup> mentions 0.3% points higher, for 2017 0.1% points lower growth, although forecast of European Commission concurs with the Government's). In total it means 2.4% deficit compared to GDP for 2017 (according to European Union methodology), which is not consistent with convergence programme for 2016-2020 that targets 1.5% budget deficit for 2017. Inflation expectations may occur some uncertainty. Concerning expenditures of the Fund, figures of 2015 can be compared to appropriation of 2016, and bill of 2017.

Billion HUFs	Fact			Forecast/appropriation		
	2015	2016	2017	2015	2016	2017
GDP	33 712	35 194	37 279			
GDP growth	2,9%	2,5-2,8%	3,0-3,1%			
Inflation	-0,1%	0,3-0,4%	0,9-2,4%			
Budget expenditures	17 258	16 551	18 541			
Budget incomes	16 381	15 790	17 375			
Deficit	878 Ft	762 Ft	1 166 Ft			
Deficit (% of GDP)	-2%	-1,8%	-2,4%			
H. Fund expenditures	1 955	1 964	2 059			
Curative-preventive provisions	961	982	1 040			
Drug budget	326	305	313			
H. Fund Exp. (% of GDP)	5,80%	5,58%	5,52%			
Curative-preventive provisions	2,85%	2,79%	2,79%			
Drug budget	0,97%	0,87%	0,84%			

GDP growth source: SAO calculation, based on CB data (budget bill of 2017)<sup>2</sup>

Incomes and expenditures of Health Insurance Fund are in balance, there is 2059.12 billion HUFs to manage in 2017 which is, in nominal terms, 95.4 billion HUFs more than this year. In the text of budget estimation it is highlighted by the Government that in 2017<sup>3</sup> significant additional funding will be provided for healthcare in order to raise the level of supply, and ensure better working environment for workers. According to the document, screening and preventive programmes will be emphasised. Nevertheless, it is important to notice that, according to Government calculations, healthcare expenditures in GDP (which means expenditures of Health Insurance Fund only) will decrease 0.06pp in 2017 compared to 2016, and 0.28pp compared to 2015. In case of budget of curative-preventive provisions, after the 21.8 billion HUFs growth in 2016, in budget estimation for 2017 additional 21.8 billion HUFs growth is expected, which takes 60% of the whole growth of the Fund.

Considering the drug budget it is important to know that hospital medicines are not involved, although in 2015 expenditures there was 28 billion HUFs sufficient compared to appropriation. According to Healthware estimation, the 305.1 billion HUFs notified in appropriation of 2016 will not completely cover the drug budget expense which is expected not to change significantly in 2016. In case of the 313 billion HUFs expenditure appropriation for 2017 there is an important change: „Special purchase“ (retail tender) was reclassified, which took 15.5 billion HUFs in 2015 and 15.7 in 2016.

According to the proposal, all expenses for pharmaceuticals financed in public procurement will appear as new lines in budget expenditure in the legal title of hospital care. Fund for reimbursement reserve increases significantly (from 58 billion HUFs in 2016 to 66 billion HUFs). This item means pharma industries repayment obligations, the compliance in 2015 was 65.3 billion HUFs, exceeding the appropriation with 7.3 billion HUFs.

Legal title of hospital care was changed the most. Compared to previous year, it induces 112 billion HUFs bigger budget, which mostly comes from reclassifications in and between legal title groups, real additional resource takes 25.877 billion HUFs.

According to the proposal, besides reclassifications 100 billion Forints additional resource is available for funding diagnosis-related group revision and wage incorporation. As new title appears „High value pharmaceuticals financing“ with 70 billion Forints budget, „which is covered by the 17 000 million HUFs reclassification of special purchase, besides reclassification of special funding care and compassionate care appropriation, which are for financing provisions for ultra orphan illnesses but not accepted in the funding in Hungary yet, although professionally confirmed. Development budget for 2017 appropriation takes 5 000 million HUFs“<sup>5</sup>. According to the proposal, transformation may not consider not only special budget drugs, but compassionate care also, which appeared completely on row of pharmacy drug budget until 2016.

According to public opinion of SAO (State Audit Office) budget expenditures of 2017 and management of Health Insurance Fund is well supported and not hazardous.

Billion HUFs	2015 (fact)	2016 (appropriation)	2017 (proposal)
<b>Drug budget expenditures</b>	<b>326,25</b>	<b>305,10</b>	<b>313,00</b>
Pharmacy (prescription only) reimbursement	310,64	231,40	247,00
Included: Compassionate care (do not have own legal title)	18,31	8,10	10,00
Special purchase	15,61	15,70	reclassified
Pharmacy reimbursement advance	0,005		
Reimbursement reserve	-	58,00	66,00
<b>Curative-preventive provisions</b>	<b>960,58</b>	<b>982,36</b>	<b>1039,76</b>
Hospital care	651,05	633,92	746,10
High value pharmaceutical financing			70,00
High value pharmaceutical financing reserve			5,00
Appropriation	69,14	83,86	15,06
Curative-preventive provisions reserve	-	12,40	19,90

1. <https://www.mnb.hu/letoltes/boritoval-hun-ir.pdf>  
 2. [http://ec.europa.eu/economy\\_finance/eu/countries/hungary\\_hu.htm](http://ec.europa.eu/economy_finance/eu/countries/hungary_hu.htm)  
 3. <https://www.asz.hu/storage/files/files/C3%96sszes%20jelent%C3%A9s/2016/16062.pdf?download=true>  
 4. <http://www.parlament.hu/irom40/10377/10377.pdf> - p. 214.  
 5. <http://www.parlament.hu/irom40/10377/10377/10377.pdf> - p. 9.