Newsletter

HEALTHWARE
CONSULTING LTD.

News, current issues

- **Legislations** come into force from January 2013: Act XCVIII of 2006 (2013.01.01., 2013.02.01.); Act XCV of 2005 (2013.01.01., 2013.01.02.); Act LXXXIII of 1997 (2012.12.28., 2013.01.01.); Act CLIV of 1997 (2012.12.28., 2013.01.01.); ESzCsM Decree No. 32/2004 (2013.01.31.); NM Decree No 9/1993 (2013.01.01., 2013.02.01.); Gov. Decree No. 364/2010 (2013.01.01.); EüM Decree No. 3/2009 (2013.01.31.); ESzCsM Decree No. 44/2004 (2013.01.01., 2013.01.31.); EüM Decree No. 14/2004 (2013.01.01.); Gov. Decree No. 43/1999 (2013.01.01.); EüM Decree No. 52/2005 (2013.01.02., 2013.01.31.).

- **NEWS:** 01/02/2013 - FX process started. Further information: link

- **NEWS:** *„EU: decision on the reimbursement of generic products must be made within 60 days"* link

- **NEWS:** *„OEP: The full reimbursement has been revoked from one fifth of analogue insulin users"* link

Macro approach to financing healthcare and medicinal products

Balance of the Health Insurance Fund

Billion HUF

Health Security Fund	2011. I-XII.	2012 original appropriation	2012		
			I-XII.	% of appropriation	% of last year
Total of Budgetary Expenditures	**1 486,5**	**1 735,4**	**1 791,3**	**103,2%**	**120,5%**
Curative preventive provisions	806,9	824,9	842,1	102,1%	104,4%
Medicine subsidies	376,9	277,7	315,1	113,5%	83,6%
Total Of Budgetary Revenues	**1 403,1**	**1 700,1**	**1 744,3**	**102,6%**	**124,3%**
Social Security Contributions	692,5	856,9	854,2	99,7%	123,4%
Contribution of Pharmaceutical Manufacturers and Wholesalers	59,7	52,0	75,0	144,3%	125,6%
Balance	**-83,4**	**-35,3**	**-47,0**	**133,1%**	**56,4%**

The excess in the expenditure and revenues of the Health Security Fund was nearly the same rate, 3% compared to the original appropriation in 2012, thus the deficit reached 47 billion HUF, 12 billion higher than the budget plan. Though the overspending of the medicine subsidies was 13%, the surplus in the contribution of the Pharmaceutical Manufacturers was mostly balanced the medicine budget. From 2012 the Disability and rehabilitation provisions were transferred to the Health Security Fund from the Pension Security Fund, which increased the total budget with 20%.
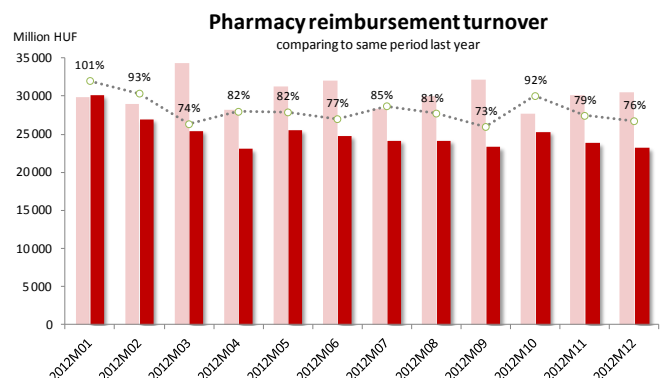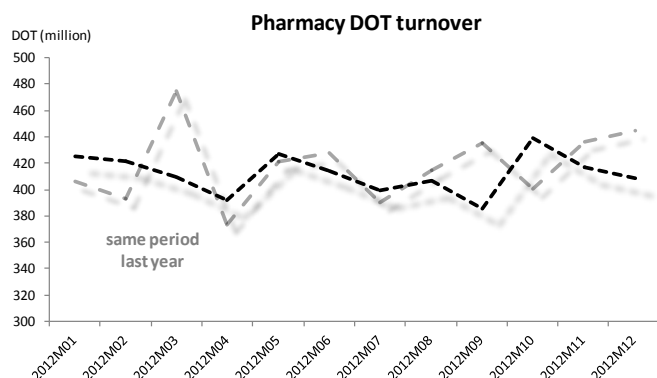
Changes to subsidised medicinal product categories

Changes in the public drug list	2012 Sep.	2012 Oct.	2012 Nov.	2012 Dec.	2013 Jan.	2013 Feb.	2013
Number of new products	0	50	26	33	43	34	77
Number of new AI	0	3	2	0	2	0	2
Number of delisted products	41	65	44	14	88	19	107
Prices							
Decrease	2	789	24	11	61	13	74
Increase	1	0	0	1	0	0	0

Changes in the public drug list	2012 Sep.	2012 Oct.	2012 Nov.	2012 Dec.	2013 Jan.	2013 Feb.	2013
Reimbursement							
Decrease	0	1 472	7	4	71	7	78
Increase	4	418	2	0	4	0	4
Co-payment							
Decrease	6	1 000	40	16	107	18	125
Increase	1	1 026	0	3	22	0	22

Source: Healthware analysis based on OEP-PUPHA data

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

Pharmacy DOT turnover

DOT (million)

same period last year

Source: Healthware analysis based on OEP's data

Pharmacy reimbursement turnover
comparing to same period last year

Million HUF

Source: Healthware analysis based on OEP's data

While the turnover of reimbursed medicines in pharmacies decreased by 1,6% in 2012 (measured in DOT), the total medicine subsidy of Health Security Fund was lower by 17%. The main causes of this saving were the reallocation of the drug budget (expensive therapies were transferred to the hospital budget), and the new process of reference price system which lead to significant cuts in prices and reimbursements.

Subscribe   Unsubscribe

Market data

Marketing authorisation information

2012	EMA	OGYI
New brands	64	427
New SKUs	798	4 230

2012 - Q4	EMA	OGYI
New brands	13	95
New SKUs	184	773

December 2012	EMA	OGYI
New brands	2	24
New SKUs	91	243

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

Average number of medical sales reps; 12/2012

All	1 794
Medicinal products	1 545
Medical aids	216
Both	34

Source: Healthware analysis based on OGYI's

TOP10 MAH by all reimbursement paid in December 2012

14 449 526 626 HUF 62%
8 760 359 780 HUF 38%
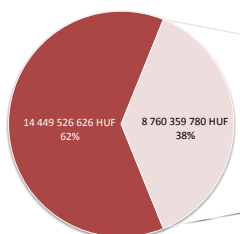
TOP 10 - MAH	Reimbursement
Novartis Europharm Limited	1 255 922 398 HUF
Richter Gedeon Vegyészeti Gyár NyRt.	1 101 280 505 HUF
EGIS Gyógyszergyár Nyrt.	1 090 613 659 HUF
SANOFI-AVENTIS Zrt.	915 386 274 HUF
Eli Lilly Nederland B. V.	876 048 972 HUF
Novo Nordisk A/S	790 801 974 HUF
GlaxoSmithKline Kft.	731 004 840 HUF
Teva Magyarország Zrt.	701 404 107 HUF
AstraZeneca Kft.	650 464 622 HUF
Boehringer Ingelheim International GmbH	647 432 430 HUF

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

Drug reimbursement by legal title; 12/2012

Public health care 3%
Enhanced public healthcare 4%
Lifted public healthcare 4%
Based on special permission 2%
Occupational accident Military category
Enhanced category 34%
Normative category 26%
Lifted category 27%

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

TOP10 BRAND by all reimbursement paid in December 2012

19 480 386 893 HUF 84%
3 729 499 513 HUF 16%
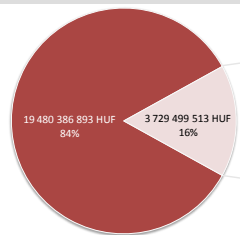
TOP 10 - BRAND	Distributor	Reimbursement
GLIVEC	Novartis Hungária Kft.	547 221 606 HUF
CLEXANE	SANOFI-AVENTIS Zrt.	520 577 942 HUF
SPIRIVA	Boehringer Ingelheim Pharma Gesellschaft m. b.	465 331 509 HUF
RISPERDAL	Janssen-Cilag Kft.	429 246 294 HUF
SYMBICORT	AstraZeneca Kft.	385 028 930 HUF
SERETIDE	GlaxoSmithKline Kft.	321 122 646 HUF
HUMULIN	Lilly Hungaria Kft.	310 037 870 HUF
LANTUS	SANOFI-AVENTIS Zrt.	291 046 065 HUF
SUTENT	Pfizer Kft.	249 039 876 HUF
COVEREX	EGIS Gyógyszergyár Nyrt.	210 846 775 HUF

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

TOP10 ATC by all reimbursement paid in December 2012

18 655 747 419 HUF 80%
4 554 138 987 HUF 20%
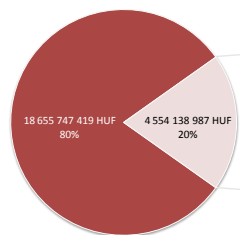
| TOP 10 - ATC	International non-proprietary name (INN)	Reimbursement
L01XE01	imatinib	547 221 606 HUF
R03AK07	formoterol and other drugs for obs. airway disea	541 694 387 HUF
B01AB05	enoxaparin	520 577 942 HUF
C10AA05	atorvastatin	466 197 554 HUF
C10AA07	rosuvastatin	465 442 806 HUF
R03BB04	tiotropium bromide	465 331 509 HUF
N05AX08	risperidone	456 365 358 HUF
R03AK06	salmeterol and other drugs for obs. airway disea	371 376 574 HUF
A10AB01	insulin (human)	365 008 017 HUF
V06D	other nutrients	354 923 233 HUF
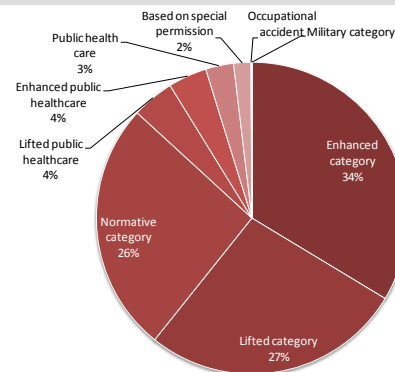
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

The relationship between the therapeutic adherence and spendings — Case study

In course of the following case study we examined the extent and direction of the relation between the reimbursement amount per capita of new patients in asthma indication expended by the health fund administration, and the adherence of these patients based on real world data. From the Fund's aspect positive correlation is a justifiable claim particularly in chronic and more expensive therapy fields.

Considering a simple way of examining this practical question we analysed the refillings and expenses of new patients (patients with no relevant refilling from a given therapy by ICD code J45) in asthma indication, started a given relevant therapy. On the chart above distribution of each relevant therapy is presented in the point of average annual (2010) reimbursement amount per capita (Axis X) and of the part share of patients, who had a refilling in the 6th month after therapy beginning (Axis Y). Size of bubbles and the amounts within them reflect the size of patient population of each therapy.

A positive, but slight relation between cost-increase and adherence-improvement can be observed on the chart, but the extent can be considered – particularly on chronic therapy fields – still low.
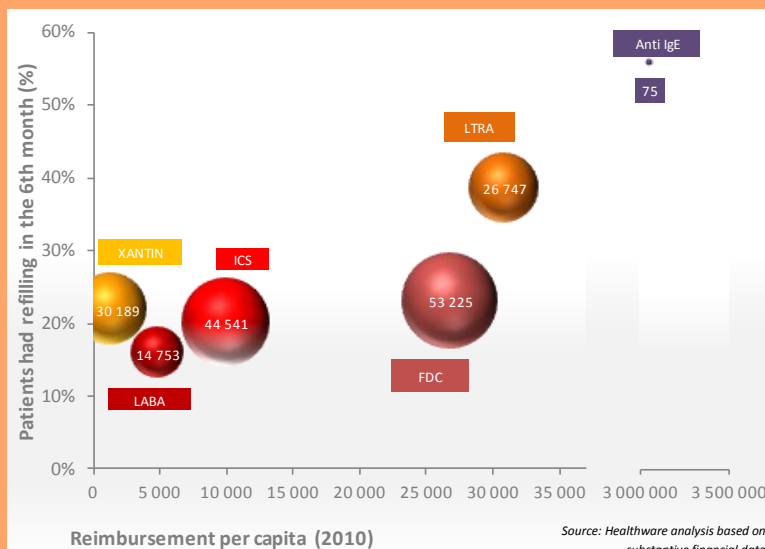
Source: Healthware analysis based on substantive financial data

Further research directions are feasible in order to implement a more complex examination of therapy patterns:
- Setting up relevant study patient population(s) along the relevant dimensions (study time period, refillings, ICD codes, classification by indications, diagnosed in/-outpatients)
- Therapy adherence examination based on therapy vectors instead of refilling-based approach
- Measurement of real defined daily dose, and thus DOT values to determine real therapy-length
- Therapy-compliance, therapy-persistence
- Observing combination therapies in order to determine the exact expenses more adequate

Subscribe   Unsubscribe