

News, current issues

- **Legislations** come into force between 01/11/2016 and 01/12/2016: Act CLIV of 1997 (05.11.2016); NM Decree No.9/1993. (01.11.2016); EüM Decree No.31/2010. (01.11.2016)
- **NEWS [HUN]:** "Lack of general practitioners at the edges of the country" [link](#)
- **NEWS [HUN]:** "It's not the poor doctor and the evil under-secretary" [link](#)
- **NEWS [HUN]:** "More optimal payments would bring less victims of cancer" [link](#)
- **NEWS [HUN]:** "World Health Organization (WHO) opened office in Budapest" [link](#)
- **NEWS [HUN]:** "Government pays hospital debts older than 30 days" [link](#)
- **NEWS [HUN]:** "More and more diabetics, but less complicated issues" [link](#)
- **NEWS [HUN]:** "Government support: is pharma industry preferred?" [link](#)

Macro approach to financing healthcare and medicinal products

Balance of the Health Insurance Fund

Billion HUF

Health Security Fund	2015. I-XII.	2016 original appropriation	2016		
			I-X. months	% of appropriation	% of last year
Total of Budgetary Expenditures	1 955,3	1 963,7	1 678,6	102,6%	105,1%
Curative preventive provisions	960,6	982,4	821,1	100,3%	105,7%
Medicine subsidies	326,2	305,1	281,7	110,8%	105,4%
Medicine subsidies (pharmacy)	310,6	231,4	269,3	139,7%	104,6%
Total of Budgetary Revenues	1 925,4	1 963,7	1 682,1	102,8%	105,3%
Social Security Contributions	1 223,4	1 417,0	1 215,3	102,9%	120,1%
Contribution of Pharmaceutical Manufacturers and Wholesalers	65,3	58,0	60,1	124,4%	110,1%
Balance	-29,9	0,0	3,5		-433,2%

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 ten months of 2016 the Health Security Fund produced a 0,21% surplus. Medicine subsidies shows 10,8% surplus as a result of the medicines' higher turnover particularly that reimbursement based on special permission (+11 billion HUFs; +162%), and reimbursement of medicines without reference price group.

Macroeconomic report

In our quarterly compiled macroeconomic report with our guide to the evolution of the main macroeconomic indicators, the absolute performance and the relative performance compared to the whole economy of the health care in the given period are the focus. In addition to the domestic situation the description of the similar indicators in neighbouring countries also plays a role, which helps to place the situation of the domestic health care at regional level.

More about the service: [link](#)

Product offering

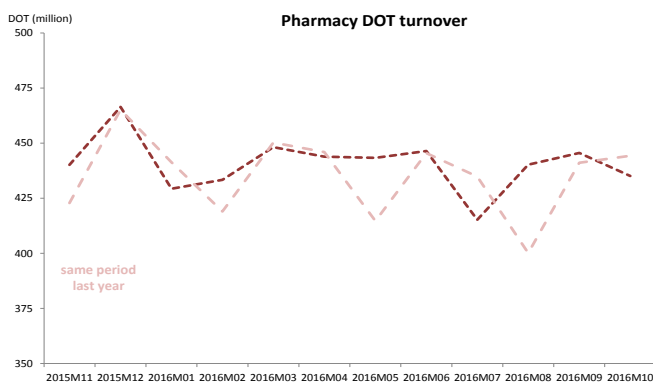
Changes to subsidised medicinal product categories

Changes in the public drug list	2016 July	2016 Aug.	2016 Sep.	2016 Oct.	2016 Nov.	2016 Dec.	2016
Number of new products	9	15	47	31	32	12	238
Number of new AI	2	0	0	3	15	0	26
Number of delisted products	11	31	6	10	28	33	229
Prices							
Decrease	43	2	3	98	11	5	261
Increase	5	0	0	1	1	0	10

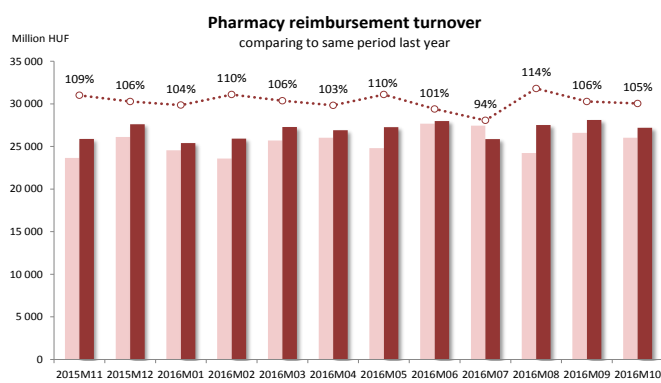
Changes in the public drug list	2016 July	2016 Aug.	2016 Sep.	2016 Oct.	2016 Nov.	2016 Dec.	2016
Reimbursement							
Decrease	53	0	5	237	5	4	507
Increase	6	36	0	28	5	0	239
Co-payment							
Decrease	52	2	7	150	19	5	514
Increase	23	36	1	152	1	0	353

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 ten months of 2016 was 1,00% higher than the same period last year, while the average reimbursement per DOT increased with 3,99%. The reimbursement turnover was higher with 5,04% for this period compared to last year.



Market data

Marketing authorisation information

2015	EMA	OGYI	2016 - Q3	EMA	OGYI	October 2016	EMA	OGYI
New brands	91	190	New brands	19	39	New brands	1	12
New SKUs	1 081	2 254	New SKUs	107	308	New SKUs	11	213

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

TOP10 DISTRIBUTOR by all reimbursement paid in October 2016



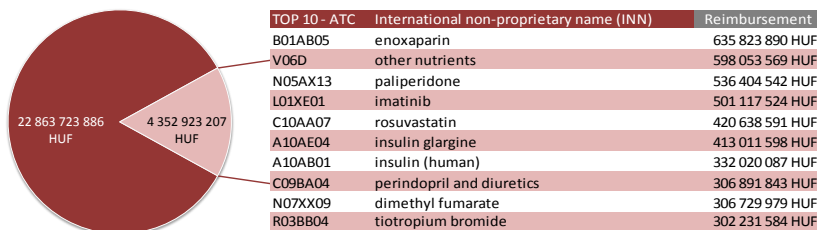
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

TOP10 BRAND by all reimbursement paid in October 2016



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

TOP10 ATC by all reimbursement paid in October 2016



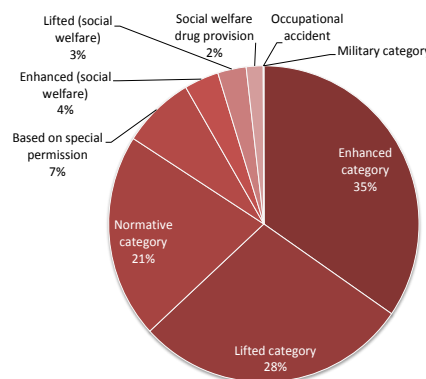
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

Average number of medical sales reps; 10/2016

All	1 889
Medicinal products	1 599
Medical aids	253
Both	37

Source: Healthware analysis based on OGYI's

Drug reimbursement by legal title; 10/2016



TOP10 ATC by number of patients in October 2016

TOP 10 - ATC	International non-proprietary name (INN)	Patients
B01AC06	acetylsalicylic acid	346 259
C09BA04	perindopril and diuretics	291 738
C08CA01	amlodipine	250 239
C07AB12	nebulivol	248 305
A02BC02	pantoprazole	226 246
C10AA07	rosuvastatin	219 674
C10AA05	atorvastatin	212 391
M04AA01	allopurinol	210 884
A11CC05	colecalciferol	203 655
C09AA04	perindopril	177 361

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

Healthcare and pharmaceutical industry in decision-making, 2016 — Case study

Legislative work

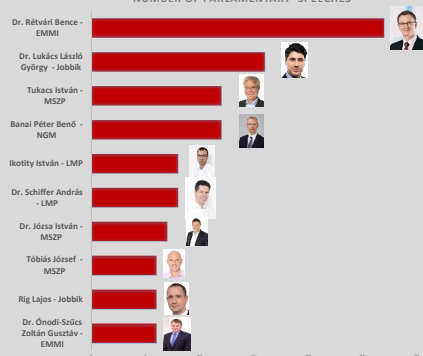
In 2016 there were 10 004 comments in the Parliament, which included 259 times – in any context – the word „health”, and 29 times the word „medicine”. Compared to its importance in the national economy, this topic is significantly under-represented, just as the numbers show, and meanwhile in 2016 the expenses of the Health Security Fund were approx. 5.5% of the GDP, the related words were mentioned not as often as 3%.

The top-list of the most active politicians based on their parliamentary comments is led by Bence Rétvári, under-secretary of the Ministry of Human Resources, which is mainly because of that he gave the answers for healthcare-related oppositionist questions and interpellations instead of, and besides Zoltán Ónodi-Szűcs, under-secretary of healthcare. From the opposition side, from Movement for a Better Hungary, György Lukács László and Lajos Rig, from Hungarian Socialist Party István Tukacs, István Józsa and Lajos Korózs spoke quite often. Besides them, István Ikotily and András Schiffer from Politics Can Be Different party were active. In case of written questions, „health” appeared in 91 document titles and „medicine” in 3 ones, the parliamentary Welfare Committee dealt with this topic 15 times. On th 26th of April 2016, for the initiative of a representative group of Movement for a Better Hungary, a debate day was held about healthcare, therefore it is a significant day regarding the number of healthcare-related comments.

Decision-making in Healthcare

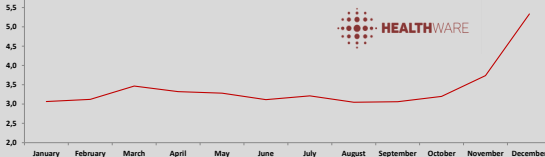
We observed the healthcare legislation of 2016 with the methodology of Healthcare Decision-making Index evolved by Healthware. We involved 14 decision-making acts of 7 institutions (Parliament, Healthcare Committee, Ministry of Human Resources, NHIF, Competition Authority, Constitutional Court). We created an importance top-list of the decision types from the viewpoint of health market, with the use of weighting. The calculation does not involve content analysis. Time classification is based on the protocol date of the comment, in other cases the extent of proclamation. In case of NHIF, we examined the authorization of the new active substance or medicine.

NUMBER OF PARLIAMENTARY SPEECHES



As the figure shows, importance of healthcare obviously grew in decision-making, although behind numbers the current phenomenon is unfortunately not the growth of intensity of healthcare-related decision-making. The reason of the protrusion is, that in December 2016 several relevant laws, declarations got proclaimed, also having healthcare-related aspects, meanwhile the other examined fields had lower activity than usual, so other factors made no correction. Besides this height, seasonality of decision-making is equal to the previous years.

Health Decision-Making Index (HDMI) in 2016



Most important changes in legislation - overview

The Act XXXIV of 2016 was published in the Hungarian Official Journal on the 5th of May, modifying several healthcare-related laws, also including the modifications regarding Act XCV of 2005 and Act XCVIII of 2006. The Act primarily affects the legislation of operation of pharmacies (condition of branch pharmacies and hand pharmacies, price reimbursement contracts of pharmacies signed by NHIF), and also includes the modification of laws regarding the activity of representatives, and the expansion of authority of the pharmaceutical administrative body (OGYÉI). The Act of 2017 budget estimation was proclaimed on June 2016, which intends for nominal increase regarding healthcare and pharmaceutical expenses, but a few tenths of a percentage decrease in GDP rate regarding healthcare expenses of the next year. EMMI Decree No. 17/2016 was accepted on July, which included modifications regarding DRG system. EszCsM Decree No. 32/2004. was modified at the same time by EMMI Decree No. 15/2016, which modify the legislation of drugs reimbursement mechanism not belonging to substance fix group. EMMI Decree No. 32/2016. (X. 27.) got published at the end of October, which includes modifications regarding NM Decree No. 9/1993. (IV. 2.) of issues of social insurance funding of healthcare. It is highly significant from industrial viewpoint due to approving new substances in itemized accounting reimbursement. Act CXXV of 2016 published on 25th of November 2016 is very important from the viewpoint of pharma market, because it modifies 42 § of Act XCVIII of 2006, resulting ignorance of compassionate cares reimbursement turnover, when the fulfillment of medicines reimbursement compared to the appropriation of medicine expenses appropriation. Therefore pharma MAHs/distributors are not obligated to pay overpending tax after the first 9 months balance of pharma budget. EMMI published on 25th of November, but enters into force from 1st of January 2017, the next modification of EszCsM Decree No. 32/2004., which includes the modification and creates of indication points. Due to the reorganization changed the National Health Insurance Fund's name in Hungarian, but remains the same in English.