

Actualities of Hungarian pharmaceutical financing market

Newsletter

HEALTHWARE
CONSULTING LTD.

News, current issues

- **Legislations** come into force from December 2013: NM Decree No.9/1993. (2013.12.11.); Act CLIV of 1997 (2013.12.24.); Gov. Decree No.43/1999. (2013.12.31.); Act XCV of 2005 (2013.12.24.)
- **NEWS:** "More than 400 guideline will expire by the end of the year" [link](#)
- **NEWS:** "COPD has become treatable" [link](#)
- **NEWS:** "Richter plans to expand" [link](#)
- **NEWS:** "Necessary to regulate the E-health services" [link](#)
- **NEWS:** "NHS spending on drugs is frozen for two years" [link](#)
- **NEWS:** "Drug prices decreased again from January" [link](#)

Macro approach to financing healthcare and medicinal products

Balance of the Health Insurance Fund

Health Security Fund	2012. I-XII.	2013 original appropriation	2013		
			I-XI.	% of appropriation	% of last year
Total of Budgetary Expenditures	1 791,3	1 804,3	1 681,4	101,7%	105,2%
Curative preventive provisions	842,1	880,6	823,3	102,0%	112,9%
Medicine subsidies	315,1	280,0	269,2	104,9%	93,4%
Total Of Budgetary Revenues	1 744,3	1 804,3	1 695,1	102,5%	106,7%
Social Security Contributions	854,2	727,0	697,8	104,7%	89,7%
Contribution of Pharmaceutical Manufacturers and Wholesalers	75,0	49,0	54,5	121,3%	77,1%
Balance	-47,0	0,0	13,7		-143,7%

Billion HUF

The 2013 budget counts with 0,7% increase in the expenditure and 3,4% increase in the revenues, while the balance is nil. The social security contribution is planned to be less with 15% than last year fulfilment, and this gap is filled with central budget contribution. The medicine subsidies plan are lower with 11% than last year expenses but higher with 2 billion HUF than last year budget plan.

In the first eleven months of 2013 the Health Security Fund produced surplus due to the higher increase of revenues (+2,5%) than increase of expenses (+2,0%) compared to the original budget appropriation, despite the fact that hospitals received 33 billion HUF for debt repayment on 20th November.

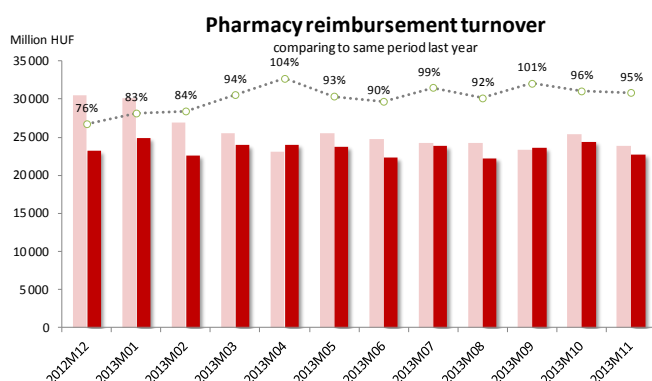
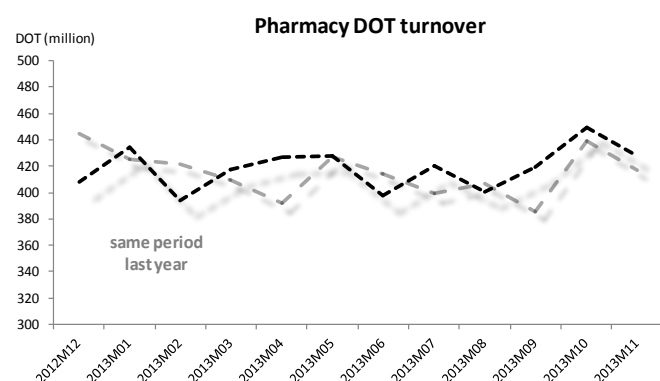
Changes to subsidised medicinal product categories

	Changes in the public drug list						
	2013 July	2013 Aug.	2013 Sep.	2013 Oct.	2013 Nov.	2014 Jan.	2014
Number of new products	15	23	18	37	42	22	22
Number of new AI	0	0	1	1	0	1	1
Number of delisted products	7	6	34	28	41	63	63
Prices							
Decrease	8	2	686	6	4	33	33
Increase	0	0	0	0	0	0	0

	Changes in the public drug list						
	2013 July	2013 Aug.	2013 Sep.	2013 Oct.	2013 Nov.	2014 Jan.	2014
Reimbursement							
Decrease	3	2	1 277	3	0	47	47
Increase	0	0	104	1	9	3	3
Co-payment							
Decrease	12	4	768	13	14	46	46
Increase	0	0	732	0	0	16	16

Source: Healthware analysis based on OEP-PUPHA data

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



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.

Drug sales in the first nine months of 2013 was 1,85% higher than the same period last year, while the average reimbursement per DOT decreased thanks to the blind bid process in February and October, thus the reimbursement turnover is 6,64% below for this period compared to last year.

Market data

Marketing authorisation information

2012	EMA	OGYI	2013 - Q3	EMA	OGYI	November 2013	EMA	OGYI
New brands	64	427	New brands	32	41	New brands	9	9
New SKUs	798	4 230	New SKUs	226	345	New SKUs	93	118

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

TOP10 MAH by all reimbursement paid in November 2013



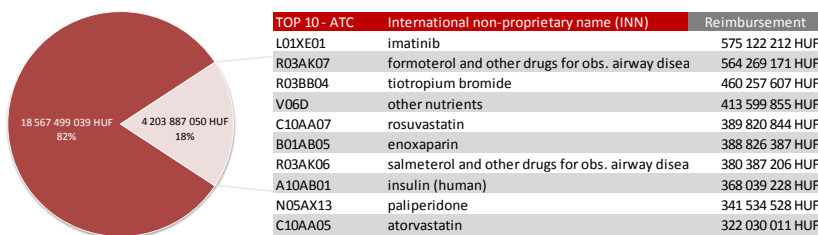
based on the sales turnover that pharmacies produced from POM

TOP10 BRAND by all reimbursement paid in November 2013



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

TOP10 ATC by all reimbursement paid in November 2013



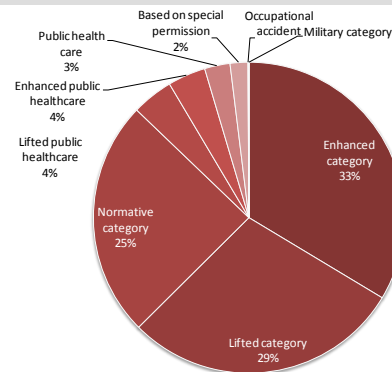
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

Average number of medical sales reps; 11/2013

All	1 830
Medicinal products	1 566
Medical aids	235
Both	29

Source: Healthware analysis based on OGYI's

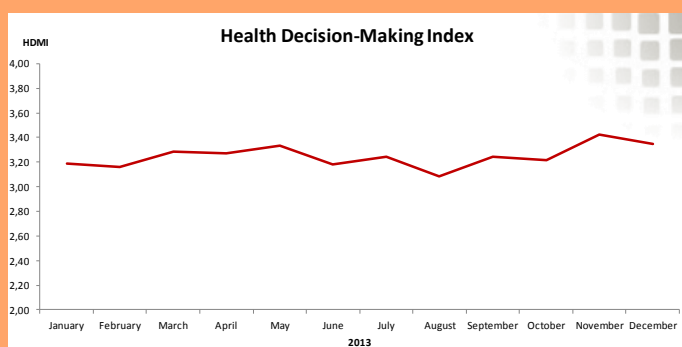
Drug reimbursement by legal title; 11/2013



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

Health Decision-Making Index (HDMI) — Case study

The first case study of 2014 evaluates the Hungarian health policy agenda of 2013 quantitatively. Our aim was to develop a system of indicators that will compare the long-term dynamic of health policy making within a year and between years.



Health decision making index is a weighted indicator (on the basis of drug industry's aspects) of 7 organizations' 16 different decision making processes – are in charge of health and healthcare regulation – which were monitored for a year.

The attached diagram shows the last year's dynamic of health decision making system in Hungary.

The indicator pays a special attention to the institutions dealing with health regulation such as the Parliament, the Ministry of Human Resources, the Government and the Constitutional Court's decisions related to health. In addition, professional organizations were also monitored, like ÁNTSZ (National Public Health and Medical Officer Service), GVH (Hungarian Competition Authority), OEP (National Health Insurance Fund Administration) and OGYI (National Institute of Pharmacy).

Maximum weight was given to the quantity of decisions of Constitutional Court and Parliament, followed by the decision-making of the government and health ministry (regulations, instructions), and decisions by professional organizations.

The index in the first year is a descriptive analysis, however, further goal is to update on a quarterly basis and thus make the following terms comparable.