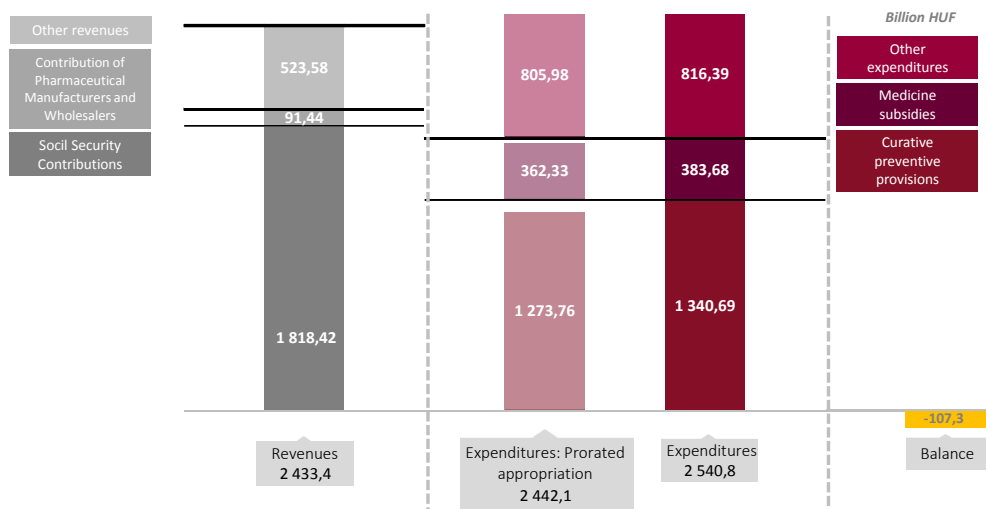


News, current issues

- News** Hospital debt increased by 10 billion in January >>
- News** Two-thirds of the 10-years-ago graduated skilled health workers left their profession >>
- News** A new president elected to head AIPM >>

Macro approach to financing healthcare and medicinal products

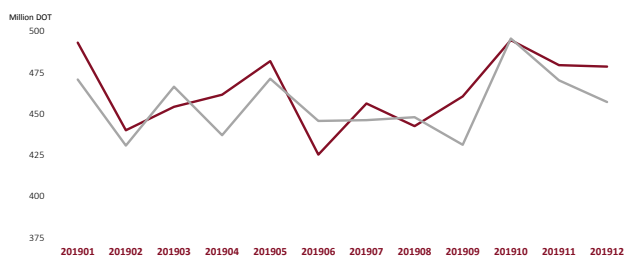
Balance of the Health Insurance Fund, December 2020



Source: Healthware analysis based on NHIFA data

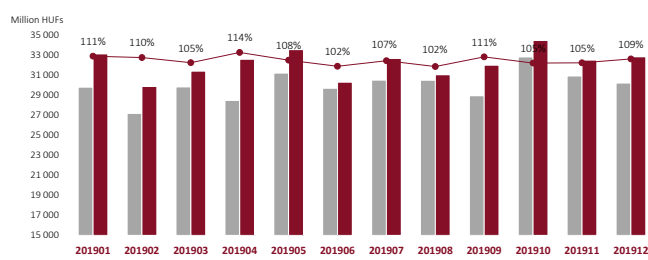
Dynamics of the sales/circulation of prescription-only-medicine

Pharmacy DOT turnover



Source: Healthware analysis based on NHIFA data

Pharmacy reimbursement turnover



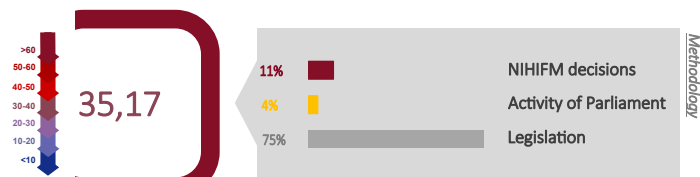
Source: Healthware analysis based on NHIFA data

Changes to subsidized medicinal product categories, December 2020



Source: Healthware analysis based on NHIFA data

Decision-making index, December 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

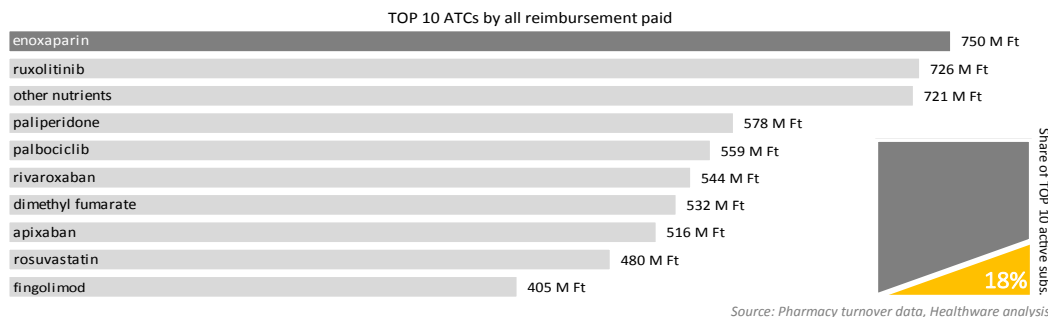
According to the demand of Client we make decision preparatory and modelling analysis about fix groups related to the portfolio.

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

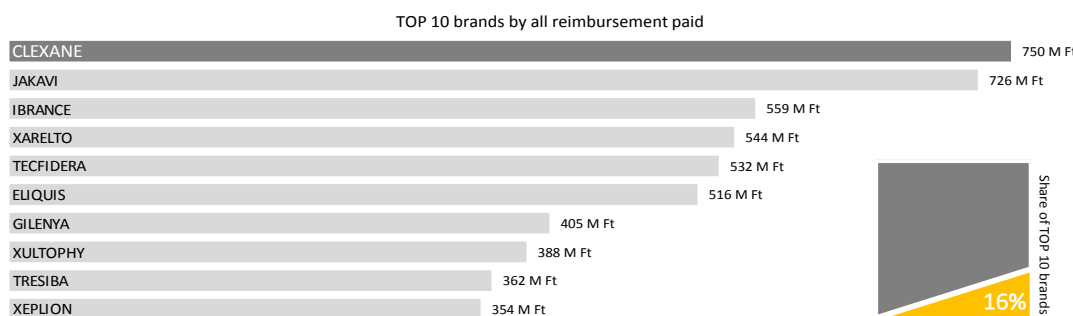


Market data

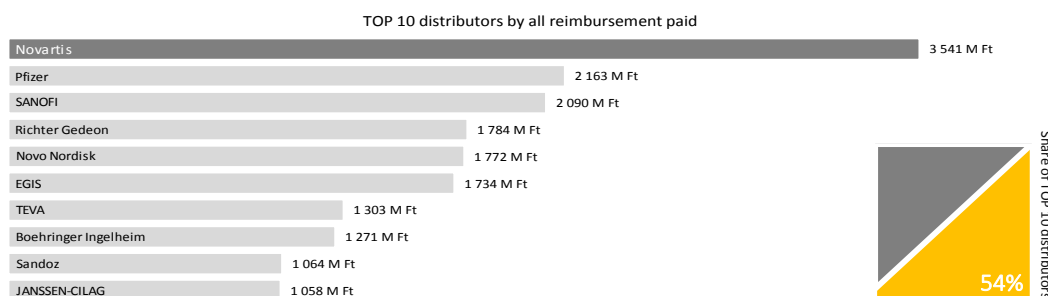
Toplists of reimbursement and number of patients, December 2020



Source: Pharmacy turnover data. Healthware analysis



Source: Pharmacy turnover data, Healthware analysis



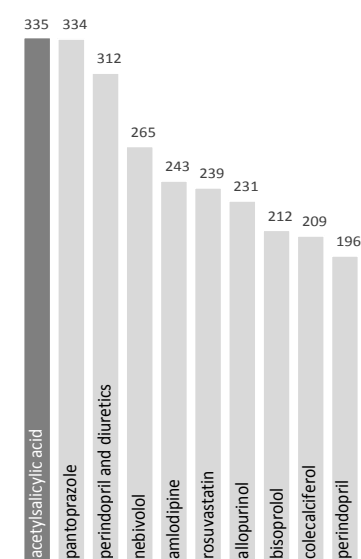
Source: Pharmacy turnover data, Healthware analysis

Average number of medical sales reps



Source: NHIFA data. Healthware analysis.

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



Source: Pharmacy turnover data. Healthware analysis

Budget implementation in 2018 - Case study

In November 2019, the Hungarian Parliament approved the proposed legislation¹ about budget implementation introduced in 2018. In our current case study, we examine the final gross drug expenditures of 2018, in comparison with the value from the year before (2017), based on this documentation.² (About the payments of pharmaceutical manufacturers, we provide an overview in the bordered section.) On Table 1, the drug budget fulfillments are shown for 2017 and 2018.

1. table: Drug budget fulfillment	2017	2018	Absolute change (million HUF)	Percentage change
Drug reimbursement outflow	339 191	357 804	18 613	5,5%
Financing high-value drugs	87 958	95 386	7 428	8,4%
<i>Itemized accounting</i>	61 321	71 946	10 625	17,3%
<i>Special purchase</i>	17 602	16 400	-1 202	-6,8%
<i>Orphan drugs</i>	9 035	7 040	-1 995	-22,1%
Total	427 149	453 190	26 041	6,1%

Source: I/2556 and I/01621, HMI

Source: T/7556 and T/01671. bill

The drug reimbursement expenditure (which covers the reimbursement of prescription drugs) increased by 5.5% compared to the last year, in 2018 the fulfillment was 357 804 million HUF. The NPP reimbursement (classified under this category) shows a steady increase over the years, as does the number of submissions and the rate of accepted requests. In 2018 the total amount of NPP was 24 853.2 million HUF, which is 5 876.6 million HUF more than the NPP last year. 14 high-value products were included to itemized accounting products, but in 2018 their reimbursement was still financed from the NPP budget. The NPP reimbursement outflow was extremely concentrated in 2018, too, since 72.9% of the total NPP was spent on the 25 biggest reimbursement outflow generating NPP products. In 2017, this proportion was 65.1%.

Those products which are included to the high-value drug financing category, including products under itemized accounting, orphan drugs, and special purchased medicines have shown an increase of 8.4% in 2018 (their growth was 12.2% in 2017).

The expenditures for inflammatory medicines decreased (by 5.5%), despite the fact that there was no significant change in the number of treated patients. The latter is due to the growing competition between the products available for treating these diseases.

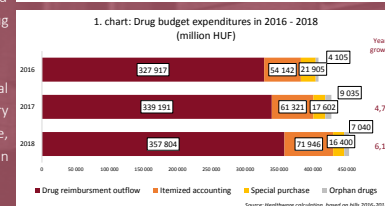
The reimbursement for special purchased drug financing category - which category involves products used for treating hemophilia and Hepatitis-C - decreased by 6.8% in 2018 compared to the year before. Orphan drugs - appearing under high-value drug financing category first in 2017 - decreased by 22.1% in 2018 compared to 2017.

Payments by pharmaceutical manufacturers

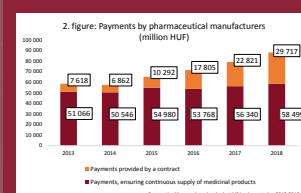
Examining the budget implementation expenditures, we dispensed with the manufacturers' payments. However, these payments affect significantly the final, net expenditure of the Health Fund. Figure 2 shows the clearly growing trend in payments of pharmaceutical manufacturers. Both payments by contract (29 717 million HUF) and payments, ensuring the continuous supply of medicinal products (58 499 million HUF) exceeded the value from the year before. The former increased by 30.2%, the latter by 3.8%. The 11.4% increase of the total income from pharmaceutical industrial payments (88 215 million HUF) was caused by the growing reimbursement outflow, rep fee and payments related to price-value agreements.

2 table: Reimbursement of the main orphan diseases	Number of patients 2018	Reimbursement outflow 2018 (mHUF)
SMA	38	1 182
Gaucher-kór	31	1 204
Pompe-kór	22	1 199
aHUS és PNH	21	1 022
LHON	13	
Duchenne izomdistrophia	9	953
Hunter kór (MPS-II)	8	
Marquio szindróma (MPS-IV)	2	
Maroteaux-Lamy szindróma (MPS-VI)	1	1 232
Hurler-Scheie szindróma (MPS-I)	1	
Wolman-kór	2	
Fabry-kór	1	
CN12	1	
Hypophosphatasia (HPP)	1	
Total reimbursement outflow	151	7 040

Source: T/7556, b



Source: Healthware calculation, based on bills 2006-2007.



Source: Healthcare, based on budget bill implementation 2013-2018

²<http://www.parlament.hu/irom41/01671/adatok/fejezetek/72.pdf>