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Actualities of Hungarian pharmaceutical financing market

Newsletter

HEALTHWARE CONSULTING LTD.

News, current issues

- **Legislations** come into force between 01/05/2015 and 01/06/2015: Gov.Decree No.43/1999. (01.06.2015); Gov.Decree No.323/2010. (01.06.2015)
- **NEWS:** *"Changes in the central e-Health developments' focus"* link
- **NEWS:** *"European pharmaceutical portfolio may expand by cholesterol-lowering and immunological drugs"* link
- **NEWS:** *"The role of innovative products in the improving of health indicators"* link
- **NEWS:** *"You will have a surgery on the other side of the country"* link
- **NEWS:** *"New drug against melanoma"* link
- **NEWS:** *"Romania would like to enter into "drug union" with Bulgaria"* link
- **STUDY:** *"In It Together: Why Less Inequality Benefits All"* link

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

Macro approach to financing healthcare and medicinal products

Balance of the Health Insurance Fund

Billion HUF

Health Security Fund	2014. I-XII.	2015 original appropriation	2015 I-IV. months	2015 % of appropriation	2015 % of last year
Total of Budgetary Expenditures	**1 907,1**	**1 910,8**	**633,7**	**99,5%**	**97,1%**
Curative preventive provisions	945,6	948,6	308,7	97,6%	91,0%
Medicine subsidies	302,3	298,1	103,8	104,4%	104,4%
Medicine subsidies (pharmacy)	286,4	224,4	100,6	134,4%	106,4%
Total of Budgetary Revenues	**1 907,1**	**1 910,8**	**646,7**	**101,5%**	**99,7%**
Social Security Contributions	896,3	1 198,5	406,7	101,8%	135,6%
Contribution of Pharmaceutical Manufacturers and Wholesalers	57,4	58,0	24,0	124,2%	121,9%
Balance	**0,0**	**0,0**	**13,0**		**0,0%**

The 2015 budget counts with 0,2% increase in the expenditure and in the revenues too, while the balance is nil. The central budget contribution is planned to be less with 35,1% than last year fulfilment, and this gap is filled with the 33,7% higher social security contribution (302 billion HUFs). The medicine subsidies plan are lower with 4,2 billion HUFs than last year expenses.
In the first four months of 2015 the Health Security Fund produced a 2,04% surplus mainly because of the higher social security contributions (+1,8%) and the lower curative preventive provisions (-2,4%). Medicine subsidies shows 4,4% surplus as a result of the medicines' higher turnover that reimbursement based on special permission.

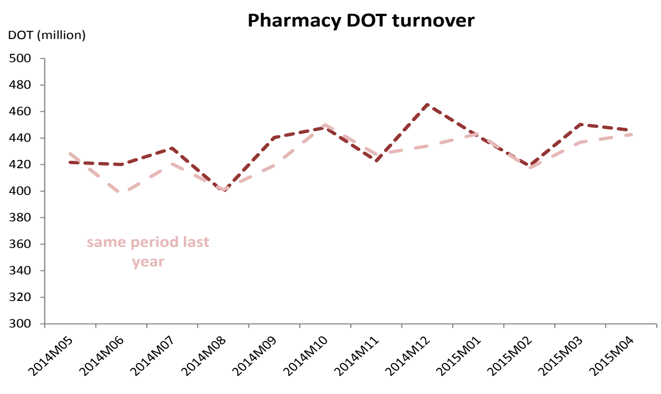
Changes to subsidised medicinal product categories

Changes in the public drug list	2015 Jan.	2015 Feb.	2015 Mar.	2015 Apr.	2015 May	2015 June	2015
Number of new products	26	6	31	57	11	16	147
Number of new AI	3	2	5	2	1	2	15
Number of delisted products	26	10	36	44	51	30	197
Prices							
Decrease	24	1	7	166	3	0	201
Increase	3	0	0	3	0	0	6

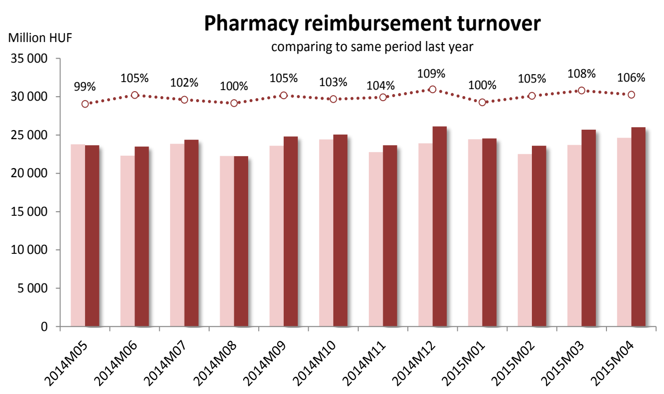
Changes in the public drug list	2015 Jan.	2015 Feb.	2015 Mar.	2015 Apr.	2015 May	2015 June	2015
Reimbursement							
Decrease	47	1	6	393	1	0	448
Increase	13	0	1	69	0	0	83
Co-payment							
Decrease	42	1	14	255	5	0	317
Increase	24	0	1	280	0	0	305

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

While the turnover of reimbursed medicines in pharmacies increased by 2,74% in 2014 (measured in DOT), the total medicine subsidy of Health Security Fund was higher by 2,21%. The subsidy of new INNs (got reimbursed status in 2014) was 1,26% of the yearly total, while its turnover was only 0,03% of the yearly DOT turnover.
Drug sales in the first four months of 2015 was 0,63% higher than the same period last year, while the average reimbursement per DOT increased with 1,4% compared to the previous month. The reimbursement turnover is 3,16% higher for this period compared to last year.

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Market data

Marketing authorisation information

2014	EMA	OGYI
New brands	70	182
New SKUs	359	1 779

2015 - Q1	EMA	OGYI
New brands	23	42
New SKUs	141	532

April 2015	EMA	OGYI
New brands	1	14
New SKUs	9	170

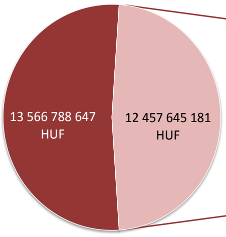
Source: Healthware analysis based on OGYI's and EMA's data

Average number of medical sales reps; 04/2015

All	1 814
Medicinal products	1 540
Medical aids	247
Both	26

Source: Healthware analysis based on OGYI's

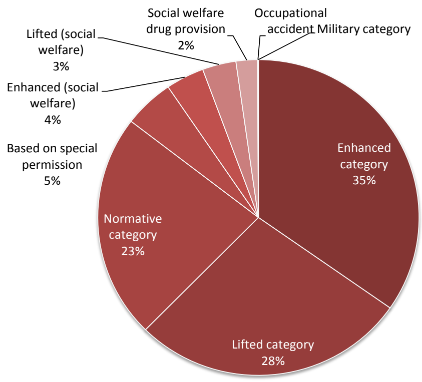
TOP10 DISTRIBUTOR by all reimbursement paid in April 2015



TOP 10 - DISTRIBUTOR	Reimbursement
Novartis Hungária Kft.	2 384 433 901 HUF
SANOFI-AVENTIS Zrt.	1 686 400 513 HUF
EGIS Gyógyszergyár Zrt.	1 292 846 161 HUF
Richter Gedeon Vegyészeti Gyár NyRt.	1 238 833 484 HUF
TEVA Gyógyszergyár Zrt.	1 204 305 057 HUF
Pfizer Kft.	1 069 928 990 HUF
Lilly Hungaria Kft.	958 859 982 HUF
Novo Nordisk Hungária Kft.	943 458 064 HUF
Sandoz Hungária Kereskedelmi Kft.	852 388 541 HUF
Janssen-Cilag Gyógyszerkereskedelmi Marketing Szolg. Kft.	826 190 488 HUF

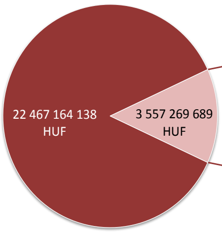
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

Drug reimbursement by legal title; 04/2015



Source: Healthware analysis based on the sales

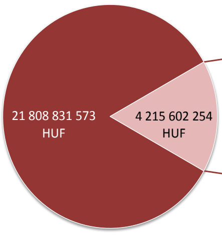
TOP10 BRAND by all reimbursement paid in April 2015



TOP 10 - BRAND	Distributor	Reimbursement
CLEXANE	SANOFI-AVENTIS Zrt.	553 358 286 HUF
GLIVEC	Novartis Hungária Kft.	531 640 498 HUF
SPIRIVA	Boehringer Ingelheim Pharma Gesellschaft m. b. H	406 098 236 HUF
XEPLION	Janssen-Cilag Gyógyszerkereskedelmi Marketing S	400 607 846 HUF
LANTUS	SANOFI-AVENTIS Zrt.	344 553 335 HUF
HUMULIN	Lilly Hungaria Kft.	292 335 700 HUF
SUTENT	Pfizer Kft.	289 445 432 HUF
TASIGNA	Novartis Hungária Kft.	250 314 094 HUF
LEVEMIR	Novo Nordisk Hungária Kft.	250 292 300 HUF
COVEREX	EGIS Gyógyszergyár Zrt.	238 623 963 HUF

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

TOP10 ATC by all reimbursement paid in April 2015



TOP 10 - ATC	International non-proprietary name (INN)	Reimbursement
B01AB05	enoxaparin	553 358 286 HUF
L01XE01	imatinib	531 640 498 HUF
V06D	other nutrients	514 758 017 HUF
N05AX13	paliperidone	474 694 778 HUF
C10AA07	rosuvastatin	411 008 590 HUF
R03BB04	tiotropium bromide	406 098 236 HUF
A10AB01	insulin (human)	371 319 188 HUF
A10AE04	insulin glargine	344 553 335 HUF
C09BA04	perindopril and diuretics	317 191 783 HUF
C10AA05	atorvastatin	290 979 544 HUF

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

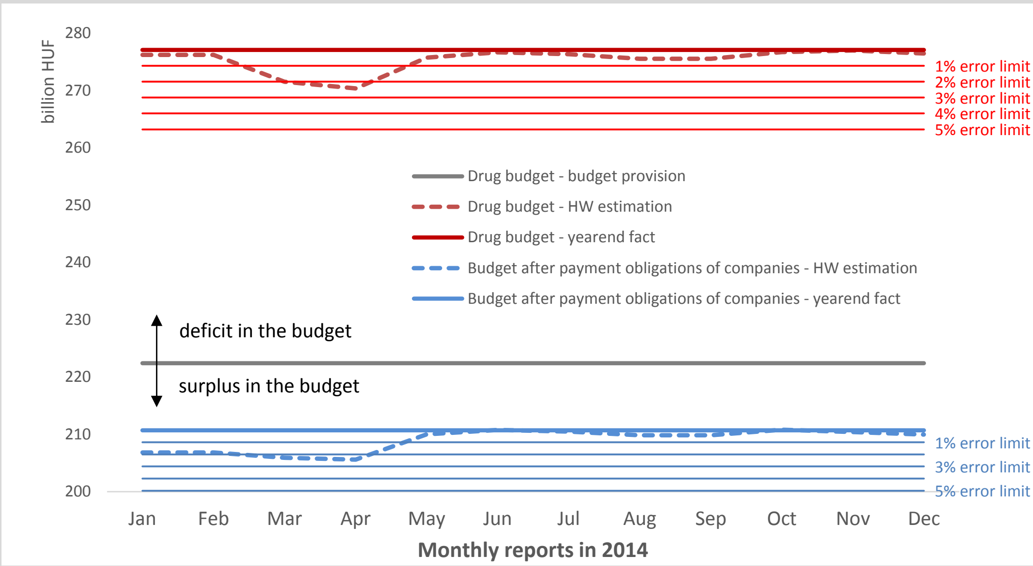
TOP10 ATC by number of patients in April 2015

TOP 10 - ATC	International non-proprietary name (INN)	Patients
B01AC06	acetylsalicylic acid	354 491
C09BA04	perindopril and diuretics	293 136
C08CA01	amlodipine	279 746
C07AB12	nebivolol	247 293
C10AA05	atorvastatin	242 054
C10AA07	rosuvastatin	221 177
A02BC02	pantoprazole	200 958
M04AA01	allopurinol	200 480
C09AA04	perindopril	179 552
C09BB04	perindopril and amlodipin	170 448

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

Monthly estimations for the yearend expenditure of pharmacy drug budget — Case study

In case of overspending in the pharmacy drug budget companies are obliged to pay back the first 9 months' deficit until 20th December, and the annual deficit until 25th March. Healthware Kft. – in a monthly budget estimation report – provides an estimation for the yearend budget expenditure and the amount of the company payback obligations, which items decrease the actual budget in the overspending calculation. This forecast is based on the past drug turnover, a drug price estimation for the current year, and other factors such as new innovative drugs in the reimbursement, new generic products, legal changes. On the chart we summarise the estimations in the monthly reports comparing to the actual yearend figures. The first report was made in February 2014, and the following ones are adjusted with the actual monthly numbers which was published by the National Health Insurance Fund. The drug budget after the company payback in 2014 was 210.7 billion HUFs, which is lower than the budget provision by 11.7 billion HUFs. The estimation of HW was 2% below the yearend number in the first report and from April 2014 the difference was less than 1%.



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