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Actualities of Hungarian pharmaceutical financing market

Newsletter

HEALTHWARE CONSULTING LTD.

News, current issues

- **Legislations** come into force from July 2014**:** Act LXXXIII of 1997 (2014.07.01.); Gov.Decree No.337/2008. (2014.07.01.); Gov.Decree No.323/2010. (2014.07.01.); ESzCsM Decree No.32/2004. (2014.07.01.); EüM Decree No.5/2004. (2014.07.01.); EüM Decree No.53/2007. (2014.07.01.); NEFMI Decree No.11/2011. (2014.07.01.)
- **NEWS:** *"Polish pharma market: too cheap drugs"* link
- **NEWS:** *"Pharmaceutical Companies in the shadow of the new law"* link
- **NEWS:** *"Do not take the patient by changing the color and shape"* link
- **NEWS:** *"Napp to sell Celltrion's Remicade biosimilar in UK"* link
- **NEWS:** *"Clinical trials to Hungary - billions may come"* link
- **NEWS:** *"Another cancer that can be prevented by vaccination"* link

Legislation follow-up

In recent years, the Hungarian pharmaceutical market is characterized by an increased constant change and multiplication of the regulators, and more dense interval transformation of the system's formed elements. In the case of the change in the examined legal environment the previous and the current contexts are presented expressively, so you can be rapidly informed about the legal changes.

Downloadable document: Legislation follow-up (sample)

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	2013. I-XII.	2014 original appropriation	2014 I-VI.	2014 % of appropriation	2014 % of last year
Total of Budgetary Expenditures	**1 847,8**	**1 884,2**	**926,9**	**98,4%**	**105,3%**
Curative preventive provisions	908,0	931,9	452,8	97,2%	110,2%
Medicine subsidies	296,0	294,1	148,7	101,1%	101,7%
Medicine subsidies (pharmacy)	281,5	222,4	141,2	126,9%	100,0%
Total of Budgetary Revenues	**1 847,8**	**1 884,2**	**965,7**	**102,5%**	**103,6%**
Social Security Contributions	768,0	852,9	450,0	105,5%	117,7%
Contribution of Pharmaceutical Manufacturers and Wholesalers	58,7	56,0	29,3	104,8%	88,9%
Balance	**0,0**	**0,0**	**38,8**		**74,7%**

The 2014 budget counts with 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 5% than last year fulfilment, and this gap is filled with the 11% higher social security contribution (85 billion HUF). The medicine subsidies plan are lower with 2 billion HUF than last year expenses.
In the first six months of 2014 the Health Security Fund produced a 4,12% surplus mainly because of the higher social security contributions (+5,5%) and lower spending. The in - and outcare expenditure was 2,8% lower than the budget plan proportional to that time interval.

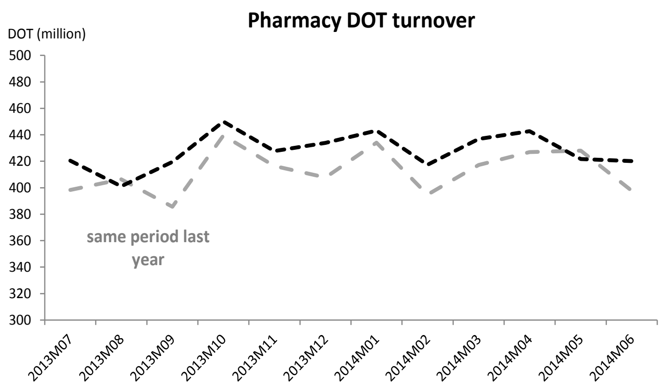
Changes to subsidised medicinal product categories

Changes in the public drug list	2014 Mar.	2014 Apr.	2014 May	2014 June	2014 July	2014 Aug.	2014
Number of new products	13	16	21	22	18	21	111
Number of new AI	1	0	1	1	4	3	10
Number of delisted products	42	49	18	18	29	26	182
Prices							
Decrease	5	349	6	4	46	10	420
Increase	1	51	1	0	0	1	54

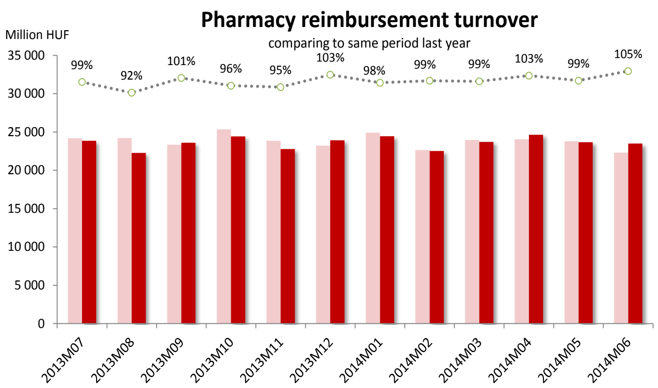
Changes in the public drug list	2014 Mar.	2014 Apr.	2014 May	2014 June	2014 July	2014 Aug.	2014
Reimbursement							
Decrease	7	863	9	3	87	11	980
Increase	0	213	1	1	2	2	219
Co-payment							
Decrease	8	540	8	6	61	18	641
Increase	3	642	11	0	41	2	699

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 or reimbursed medicines in pharmacies increased by 2,2% in 2013 (measured in DOT), the total medicine subsidy of Health Security Fund was lower by 5,9%. The main cause of this saving was the reference price system which lead to significant cuts in prices and reimbursements.
Drug sales in the first six months of 2014 was 3,33% higher than the same period last year, while the average reimbursement per DOT increased slightly compared to the previous month. The reimbursement turnover is 0,57% higher for this period compared to last year.

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Market data

Marketing authorisation information

2013	EMA	OGYI
New brands	79	207
New SKUs	716	1 742

2014 - Q2	EMA	OGYI
New brands	19	36
New SKUs	166	430

June 2014	EMA	OGYI
New brands	1	12
New SKUs	20	117

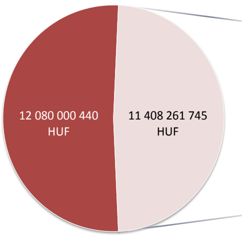
Source: Healthware analysis based on OGYI's and EMA's data

Average number of medical sales reps; 06/2014

All	1 801
Medicinal products	1 540
Medical aids	221
Both	40

Source: Healthware analysis based on OGYI's

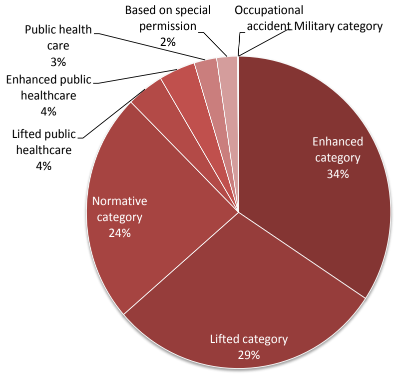
TOP10 DISTRIBUTOR by all reimbursement paid in June 2014



TOP 10 - DISTRIBUTOR	Reimbursement
Novartis Hungária Kft.	2 093 884 691 HUF
SANOFI-AVENTIS Zrt.	1 493 172 722 HUF
EGIS Gyógyszergyár Nyrt.	1 191 514 364 HUF
TEVA Gyógyszergyár Zrt.	1 174 299 715 HUF
Richter Gedeon Vegyészeti Gyár NyRt.	1 119 184 355 HUF
Pfizer Kft.	945 384 894 HUF
Lilly Hungaria Kft.	912 895 658 HUF
Novo Nordisk Hungária Kft.	861 637 403 HUF
GlaxoSmithKline Kft.	811 420 938 HUF
Janssen-Cilag Gyógyszerkereskedelmi Marketing Szolgáltató Kft.	804 867 007 HUF

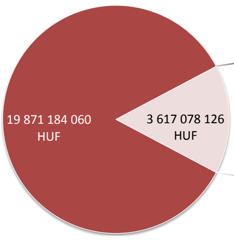
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

Drug reimbursement by legal title; 06/2014



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

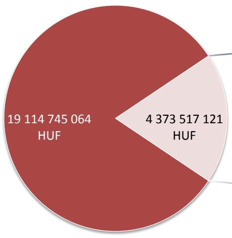
TOP10 BRAND by all reimbursement paid in June 2014



TOP 10 - BRAND	Distributor	Reimbursement
GLIVEC	Novartis Hungária Kft.	515 405 848 HUF
CLEXANE	SANOFI-AVENTIS Zrt.	495 252 741 HUF
SPIRIVA	Boehringer Ingelheim Pharma Gesellschaft m. b. H. N	423 025 468 HUF
SYMBICORT	Astra Zeneca AB	412 263 426 HUF
XEPLION	Janssen-Cilag Gyógyszerkereskedelmi Marketing Szo	375 982 477 HUF
LANTUS	SANOFI-AVENTIS Zrt.	326 309 692 HUF
SERETIDE	GlaxoSmithKline Kft.	311 568 276 HUF
HUMULIN	Lilly Hungaria Kft.	288 489 002 HUF
RISPERDAL	Janssen-Cilag Gyógyszerkereskedelmi Marketing Szo	238 934 713 HUF
LEVEMIR	Novo Nordisk Hungária Kft.	229 846 481 HUF

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

TOP10 ATC by all reimbursement paid in June 2014



TOP 10 - ATC	International non-proprietary name (INN)	Reimbursement
R03AK07	formoterol and other drugs for obs. airway diseases	614 972 101 HUF
L01XE01	imatinib	515 405 848 HUF
B01AB05	enoxaparin	495 252 741 HUF
V06D	other nutrients	455 969 208 HUF
N05AX13	paliperidone	453 375 955 HUF
R03BB04	tiotropium bromide	423 025 468 HUF
R03AK06	salmeterol and other drugs for obs. airway diseases	372 917 381 HUF
C10AA07	rosuvastatin	366 252 237 HUF
A10AB01	insulin (human)	350 036 489 HUF
A10AE04	insulin glargine	326 309 692 HUF

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

Active Ingredient Evaluating Score (AIES) — Case study

In a previous study we presented our newly developed framework and tool which was designed to evaluate pharmaceutical active ingredients with the Active Ingredient Evaluating Score (AIES). The aim of AIES is to evaluate and rank the reimbursed molecules in the Hungarian drug market based on objective criteria in order to define specific subgroups with given common characteristics. Among the indicators we chose such quantifiable variables on which the molecules as pharma submarkets can be valued and compared. The indicators are classified on a five point scale and for given analytic or market research purpose they can be selected and weighted with which we gain a multidimensional assessment tool, in which we can rank the Hungarian reimbursed molecules on the basis of an aggregated score.

Apart from the function presented earlier the model is also capable to give a broad view of the changes in the Hungarian reimbursed pharma market. On the basis of the aggregated data set the market processes can be recognized quickly and easily and we can acquainted with the changes in the market indicators of our interest.

The table below contains top lists based on 5 indicators. These top lists show those active ingredients which gained or lost the most patients, or where the highest were the increase or decrease in the co-payment, in the income or in the prices.

Increase				Decrease			
ATC	AI name	2014Q1	Change in Q2	ATC	AI name	2014Q1	Change in Q2
Number of companies							
N06AB10	escitalopram	1	+7	N06AX16	venlafaxine	7	-3
L01BC06	capecitabine	1	+6	C09BA04	perindopril and diuretics	10	-2
J01MA14	moxifloxacin	1	+3	C09BA05	ramipril and diuretics	6	-2
Patient number							
M01AE02	naproxen	416 690	+72 004	G01AF20	comb. of imidazole derivatives	0	-92 190
A11CC05	colecalciferol	713 113	+61 433	A02BC02	pantoprazole	462 461	-73 866
R01AD09	mometasone	195 916	+38 199	S01CA05	betamethasone and antiinfect.	0	-71 897
J01FA10	azitromycin	612 899	+36 501	C08CA01	amlodipine	611 965	-50 011
J01MA12	levofloxacin	352 963	+35 510	J01CA04	amoxicillin	349 698	-36 327
Co-payment per patient							
G04CA51	alfuzosin and finasteride	35 149	+11 870	N06DX01	memantine	45 800	-14 044
A10BD10	metformin and saxagliptir	22 601	+8 874	G04BD10	darifenacin	15 704	-11 341
A10BX07	liraglutide	60 277	+7 098	C09DA07	telmisartan and diuretics	11 667	-8 275
A10BD11	metformin and linagliptin	22 412	+4 672	C01EB17	ivabradine	16 661	-6 958
R03DC01	zafirlukast	17 381	+4 057	C09AA08	cilazapril	8 107	-4 319
Net income per company							
N05AX13	paliperidone	3 067 M	+829 M	R03AK07	formoterol and other drugs for o	1 336 M	-1 237 M
B01AX06	rivaroxaban	752 M	+541 M	N06AB10	escitalopram	172 M	-1 133 M
A10BX07	liraglutide	1 026 M	+337 M	L03AB10	peginterferon alfa-2b	0,00 M	-487 M
L01XE08	nilotinib	1 461 M	+242 M	L01XE03	erlotinib	6 M	-325 M
R03DX05	omalizumab	1 523 M	+214 M	J05AB04	ribavirin	-0,18 M	-316 M
Daily ex-factory price							
M05BA03	pamidronic acid	23 257	+322	L03AB07	interferon beta-1a	3 627	-3 444
N05AX13	paliperidone	2 920	+290	M05BA08	zoledronic acid	30 326	-1 898
L03AX03	BCG vaccine	644	+224	L01BA01	methotrexate	121 634	-1 249
B05XA03	sodium chloride	700	+175	C02KX01	bosentan	22 244	-703
C09AA10	trandolapril	130	+82	B01AE07	dabigatran etexilate	527	-494

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