

News, current issues

- **Legislations** come into force from May 2013: ESzCsM Decree No. 1/2003. (2013.05.25.); Act XI of 1991 (2013.05.01.); NEFMI Decree No. 12/2011. (2013.05.25.); EüM Decree No. 31/2010. (2013.05.01.); ESzCsM Decree No. 32/2004. (2013.05.01.); Gov. Decree No. 323/2010. (2013.05.25.); Gov. Decree No. 59/2011. (2013.05.25.); NM Decree No. 9/1993. (2013.05.01.)
- **NEWS:** "Healthcare is not a priority" [link](#)
- **NEWS:** "Medicine research faces radical changes" [link](#)
- **NEWS:** "The incidental lack of medicine will be eschewed" [link](#)
- **STUDY:** "Healthcare is controlled by cost reduction purposes" Short summary: [link](#) Study: [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-IV.	% of appropriation	% of last year
Total of Budgetary Expenditures	1 791,3	1 804,3	579,5	96,4%	101,6%
Curative preventive provisions	842,1	880,6	269,1	91,7%	107,1%
Medicine subsidies	315,1	280,0	96,8	103,7%	89,5%
Total Of Budgetary Revenues	1 744,3	1 804,3	621,2	103,3%	107,7%
Social Security Contributions	854,2	727,0	254,1	104,8%	93,2%
Contribution of Pharmaceutical Manufacturers and Wholesalers	75,0	49,0	23,8	145,8%	71,5%
Balance	-47,0	0,0	41,7		635,8%

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 four months of 2013 the Health Security Fund produced a significant surplus thanks to the higher revenues (+3,3%) and the lower expenses (-3,6%) compared to the original budget appropriation.

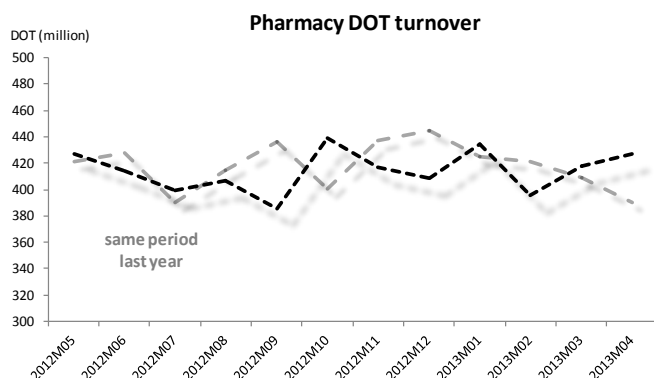
Changes to subsidised medicinal product categories

	Changes in the public drug list						
	2013 Jan.	2013 Feb.	2013 Mar.	2013 Apr.	2013 May	2013 June	2013
Number of new products	43	34	26	30	54	15	202
Number of new AI	2	0	5	3	1	0	11
Number of delisted products	88	19	20	74	59	28	288
Prices							
Decrease	61	13	14	712	7	6	813
Increase	0	0	1	1	0	0	2

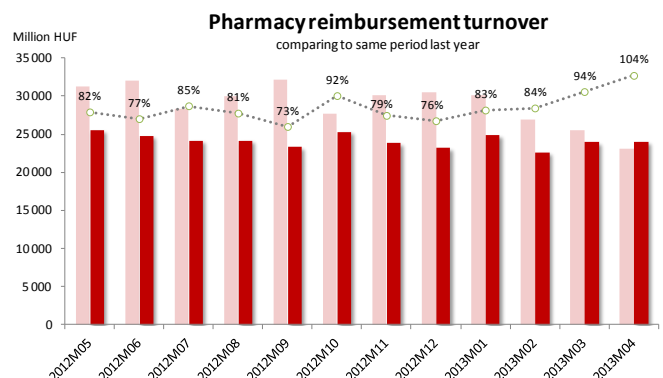
	Changes in the public drug list						
	2013 Jan.	2013 Feb.	2013 Mar.	2013 Apr.	2013 May	2013 June	2013
Reimbursement							
Decrease	71	7	16	1 346	20	1	1 461
Increase	4	0	3	224	0	25	256
Co-payment							
Decrease	107	18	27	858	26	9	1 045
Increase	22	0	1	813	2	25	863

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 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 four months of 2013 was 1,6% higher than the same period last year, while the average reimbursement per DOT decreased thanks to the blind bid process in February thus the reimbursement turnover is 9,6% below for this period compared to last year.

Actualities of Hungarian
pharmaceutical market

Newsletter



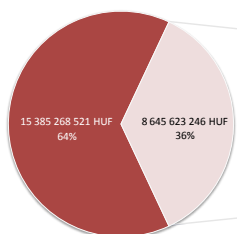
Market data

Marketing authorisation information

2012	EMA	OGYI	2013 - Q1	EMA	OGYI	April 2013	EMA	OGYI
New brands	64	427	New brands	16	72	New brands	5	17
New SKUs	798	4 230	New SKUs	204	577	New SKUs	125	102

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

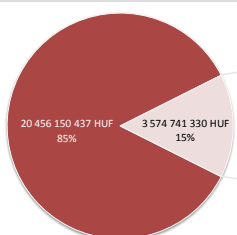
TOP10 MAH by all reimbursement paid in April 2013



TOP 10 - MAH	Reimbursement
Novartis Europharm Limited	1 432 441 718 HUF
Richter Gedeon Vegyeszeti Gyár NyRt.	1 085 483 126 HUF
EGIS Gyógyszergyár Nyrt.	1 080 064 062 HUF
Eli Lilly Nederland B. V.	890 053 082 HUF
GlaxoSmithKline Kft.	787 301 634 HUF
Novo Nordisk A/S	744 903 303 HUF
SANOFI-AVENTIS Zrt.	697 915 291 HUF
Boehringer Ingelheim International GmbH	669 543 846 HUF
AstraZeneca Kft.	655 754 394 HUF
Novartis Hungária Kft.	602 162 789 HUF

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

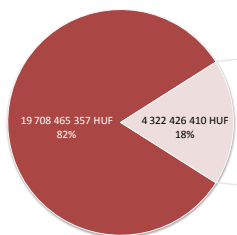
TOP10 BRAND by all reimbursement paid in April 2013



TOP 10 - BRAND	Distributor	Reimbursement
GLIVEC	Novartis Hungária Kft.	603 050 518 HUF
SPIRIVA	Boehringer Ingelheim Pharma Gesellschaft m. b.	488 953 552 HUF
SYMBICORT	AstraZeneca Kft.	394 335 778 HUF
RISPERDAL	Janssen-Cilag Kft.	359 311 254 HUF
SERETIDE	GlaxoSmithKline Kft.	326 344 532 HUF
HUMULIN	Lilly Hungaria Kft.	313 951 405 HUF
CLEXANE	SANOFI-AVENTIS Zrt.	310 152 140 HUF
SUTENT	Pfizer Kft.	294 608 712 HUF
LANTUS	SANOFI-AVENTIS Zrt.	265 860 373 HUF
FRAXIPARINE	GlaxoSmithKline Kft.	218 173 067 HUF

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

TOP10 ATC by all reimbursement paid in April 2013



TOP 10 - ATC	International non-proprietary name (INN)	Reimbursement
L01XE01	imatinib	603 050 518 HUF
R03AK07	formoterol and other drugs for obs. airway disea	557 601 686 HUF
R03BB04	tiotropium bromide	488 953 552 HUF
C10AA07	rosuvastatin	436 533 540 HUF
V06D	other nutrients	400 736 649 HUF
C10AA05	atorvastatin	380 242 952 HUF
N05AX08	risperidone	380 028 006 HUF
A10AB01	insulin (human)	379 767 184 HUF
R03AK06	salmeterol and other drugs for obs. airway disea	376 985 692 HUF
L03AB07	interferon beta-1a	318 526 632 HUF

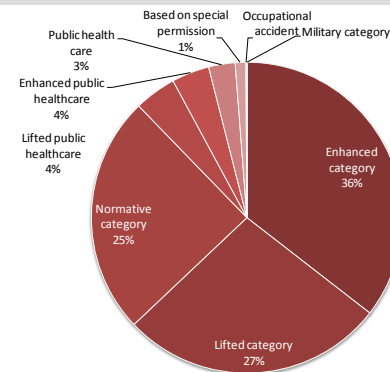
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

Average number of medical sales reps; 04/2013

All	1 806
Medicinal products	1 540
Medical aids	234
Both	32

Source: Healthware analysis based on OGYI's

Drug reimbursement by legal title; 04/2013



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

Concentration analysis of PPI market (2006-2012) — Case study

In course of the following case study we examined the market concentration (based on gross retail price turnover) of the PPI market (ATC5: A02BC) between 2006 and 2012. The market was considered as a market with lots of market players already in 2006, number of distributors increased from 15 to 20 until 2012. The generic players, entered the market after the patent of the original product expired, eased the concentration, but other factors may have influence on the extent and limit of the concentration decrease.

Blind bid processes of recent years, the observed price competition, price erosion on the market may have an impact on trends in concentration. The pattern, that the concentration curve of the market tends to move to the diagonal – the equal concentration - state as time marches, number of distributors and blind bid processes increases, was set up as a null-hypothesis of the analysis.

On the chart left the Lorentz-curve of the market can be observed, which displays, that how much percent of the distributors (Axis X) transact how much percent of the gross retail price turnover (Axis Y). It can be observed, that the largest concentration was in 2006 (orange line). The concentration decreased until 2009, increased in 2010, decreased in 2011, and increased again in 2012, exceeded the 2008 level. The highest number of market players can be observed in 2011-2012, and 3 blind bid processes were launched during this period.

The null-hypothesis, that easement of market concentration is direct consequence of the increased number of distributors, cannot be considered confirmed. In 2012 more than 2/3 of sales turnover belonged to 4 distributors (the rest 1/3 part to 16 distributors). Market share of the newly entering market players did not increase significantly in spite of strong price competition. Based on the increased concentration in 2012 it can be concluded, that a more complex analysis is needed to discover the key factors that lead the market trends.

Further research directions are feasible in order to implement a more complex examination of market concentration patterns:

- TOP list of distributors
- Price elasticity, price sensitivity of co-payments
- Patterns and results of price cuts during blind bid processes

