

# Actualities of Hungarian pharmaceutical financing market

Newsletter

HEALTHWARE  
CONSULTING LTD.

## News, current issues

- **Legislations** come into force from October 2013: Act CLIV of 1997 (2013.10.25.); ESzCsM Decree No.44/2004. (2013.10.25.); Gov. Decree No.284/1997. (2013.10.25.); Gov. Decree No.43/1999. (2013.10.25.)
- **NEWS:** "Export sustains the Hungarian pharma industry" [link](#)
- **NEWS:** "Szócska: hospitals achieved saving on public procurements of medicines" [link](#)
- **NEWS:** "Negotiations with the government - to relief on regulations of blind auction" [link](#)
- **NEWS:** "Szócska: more money for healthcare in the budget of 2014" [link](#)
- **NEWS:** "1000 days' results in drug supply" [link](#)
- **INTERVIEW:** "Jakab Zoltán: It is a must to increase public spent on healthcare" [link](#)

## Macro approach to financing healthcare and medicinal products

### Balance of the Health Insurance Fund

Billion HUF

Health Security Fund	2012. I-XII.	2013 original appropriation	2013		
			I-IX.	% of appropriation	% of last year
<b>Total of Budgetary Expenditures</b>	<b>1 791,3</b>	<b>1 804,3</b>	<b>1 336,7</b>	<b>98,8%</b>	<b>102,7%</b>
Curative preventive provisions	842,1	880,6	635,8	96,3%	107,5%
Medicine subsidies	315,1	280,0	218,5	104,1%	92,0%
<b>Total Of Budgetary Revenues</b>	<b>1 744,3</b>	<b>1 804,3</b>	<b>1 391,2</b>	<b>102,8%</b>	<b>106,7%</b>
Social Security Contributions	854,2	727,0	572,5	105,0%	90,0%
Contribution of Pharmaceutical Manufacturers and Wholesalers	75,0	49,0	46,5	126,5%	75,2%
<b>Balance</b>	<b>-47,0</b>	<b>0,0</b>	<b>54,5</b>		<b>3285,6%</b>

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 nine months of 2013 the Health Security Fund produced a significant surplus thanks to the higher revenues (+2,8%) and the lower expenses (-1,2%) compared to the original budget appropriation.

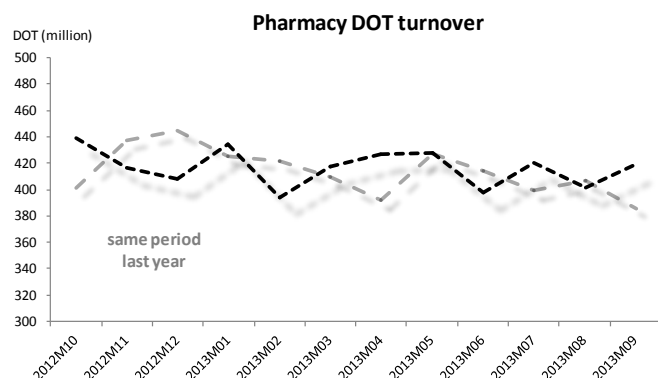
### Changes to subsidised medicinal product categories

	Changes in the public drug list						
	2013 June	2013 July	2013 Aug.	2013 Sep.	2013 Oct.	2013 Nov.	2013
Number of new products	15	11	15	23	18	37	306
Number of new AI	0	1	0	0	1	1	14
Number of delisted products	28	42	7	6	34	28	405
<b>Prices</b>							
Decrease	6	71	8	2	686	6	1 586
Increase	0	0	0	0	0	0	2

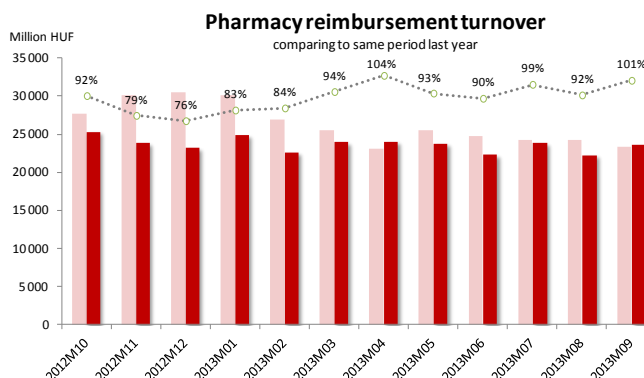
	Changes in the public drug list						
	2013 June	2013 July	2013 Aug.	2013 Sep.	2013 Oct.	2013 Nov.	2013
<b>Reimbursement</b>							
Decrease	1	116	3	2	1 277	3	2 862
Increase	25	7	0	0	104	1	368
<b>Co-payment</b>							
Decrease	9	121	12	4	768	13	1 963
Increase	25	42	0	0	732	0	1 637

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 nine months of 2013 was 1,7% 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 7,2% below for this period compared to last year.

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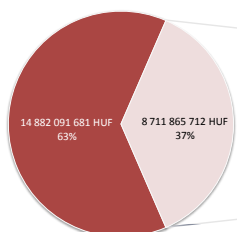
## Market data

### Marketing authorisation information

2012	EMA	OGYI	2013 - Q3	EMA	OGYI	September 2013	EMA	OGYI
New brands	64	427	New brands	32	41	New brands	16	18
New SKUs	798	4 230	New SKUs	226	345	New SKUs	147	126

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

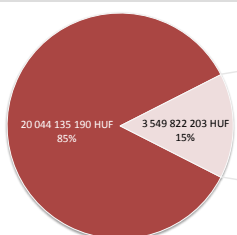
### TOP10 MAH by all reimbursement paid in September 2013



TOP 10 - MAH	Reimbursement
Novartis Europharm Limited	1 343 278 970 HUF
Richter Gedeon Vegyeszeti Gyar NyRt.	1 121 757 711 HUF
EGIS Gyogyszergyar Nyrt.	1 086 938 207 HUF
Eli Lilly Nederland B. V.	898 184 231 HUF
Novo Nordisk A/S	804 370 693 HUF
GlaxoSmithKline Kft.	764 038 593 HUF
SANOFI-AVENTIS Zrt.	706 923 894 HUF
Teva Magyarország Zrt.	683 690 528 HUF
Boehringer Ingelheim International GmbH	659 496 784 HUF
AstraZeneca Kft.	643 186 101 HUF

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

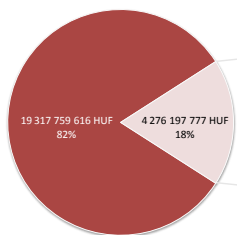
### TOP10 BRAND by all reimbursement paid in September 2013



TOP 10 - BRAND	Distributor	Reimbursement
GLIVEC	Novartis Hungaria Kft.	615 384 916 HUF
SPIRIVA	Boehringer Ingelheim Pharma Gesellschaft m. b.	469 864 068 HUF
SYMBICORT	AstraZeneca Kft.	390 537 623 HUF
CLEXANE	SANOFI-AVENTIS Zrt.	329 141 909 HUF
SERETIDE	GlaxoSmithKline Kft.	324 100 579 HUF
HUMULIN	Lilly Hungaria Kft.	308 733 115 HUF
LANTUS	SANOFI-AVENTIS Zrt.	296 449 910 HUF
RISPERDAL	Janssen-Cilag Kft.	293 593 480 HUF
SUTENT	Pfizer Kft.	280 228 606 HUF
XEPLION	Janssen-Cilag Kft.	241 787 997 HUF

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

### TOP10 ATC by all reimbursement paid in September 2013



TOP 10 - ATC	International non-proprietary name (INN)	Reimbursement
L01XE01	imatinib	615 384 916 HUF
R03AK07	formoterol and other drugs for obs. airway disea	557 302 256 HUF
R03BB04	tiotropium bromide	469 864 068 HUF
C10AA07	rosuvastatin	448 805 500 HUF
V06D	other nutrients	408 552 527 HUF
R03AK06	salmeterol and other drugs for obs. airway disea	380 376 835 HUF
A10AB01	insulin (human)	377 795 865 HUF
C10AA05	atorvastatin	367 513 501 HUF
B01AB05	enoxaparin	329 141 909 HUF
N05AX13	paliperidone	321 460 401 HUF

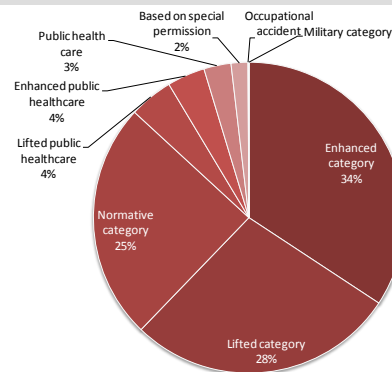
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

### Average number of medical sales reps; 09/2013

All	1 694
Medicinal products	1 439
Medical aids	230
Both	25

Source: Healthware analysis based on OGYI's

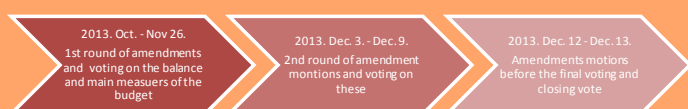
### Drug reimbursement by legal title; 09/2013



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

## Hungary's 2014 central budget bill — Case study

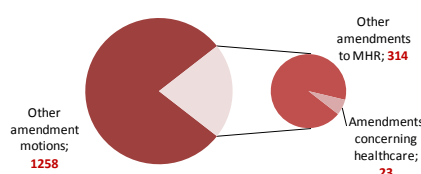
In our case study we evaluate the actualities of the debating procedure of [budget bill for 2014](#) submitted by the government on 30th September 2013. In case of budget act the legislative procedure can be divided into three distinct phases as the figure shows.



Not only the macroeconomic measures of the budget, but also the possible changes of the Health Insurance Fund are important for the members of pharmaceutical industry. According to the submitted bill, the government plans to increase the budget of medicines to 222bn HUF (2013: 221bn), the expenses of pharmaceuticals with special acquisition to 15,7bn HUF (2013: 10bn) and the other provisions of medicine budget to 56bn HUF (2013: 49bn).

Before the amendments and the closing vote cannot be drawn final conclusions about the measures of the budget for 2014. For this reason it is important to pay attention and evaluate all the three phases of the legislative procedure. After the first round of amendments, none of the 1595 motions concerns the medicine budget.

#### Amendment motions to the budget bill 2014



There are only 6 which refer to the Health Insurance Fund – all of them would increase its budget – as it shown in the detailed table below.

Amendments concerning the Health Insurance Fund	amount of motions (million HUF)
Child-nursing sick-pay	+ 1 882
Special nursing at home	+ 255
Combined professional care	+ 20 268
Subsidy on spa and other medical treatment	+ 800
Szolnok thermal center	+ 6 000
Pharmacy benefits	+ 400

It is notable that out of the 331 amendments, concerning the Ministry of Human Resources (MHR), only 17 are about healthcare measures and all of them would increase its budget. It is also important to note that all but one of the above mentioned 23 motions (6 about Health Insurance Fund and 17 about healthcare) are submitted by opposition MP's and these neither were supported by the parliamentary committees nor by the government.

After the first round of the debate, the following conclusion can be drawn: the 23 above mentioned amendments (mostly motioned by opposition parties) would increase the health care budget while keeping the Health Insurance Fund stable. As these amendments were neither supported by the government nor the committees, it is particularly important for stakeholders of healthcare to pay attention to the next two phases of the legislative procedure to be informed and prepared in time for the possible changes.