



News, current issues

- **Legislations** come into force from July 2013: Act XCIII of 2006 (2013.07.01., 2013.07.06.); Act XCV of 2005 (2013.07.06.); Act CLIV of 1997 (2013.07.01., 2013.07.06.); Act LXXXIII of 1997 (2013.07.01., 2013.07.06., 2013.07.15.); Act II of 2000 (2013.07.06.); Act XI of 1991 (2013.07.06.); Act XXV of 1998 (2013.07.06.); Act XCVII of 2006 (2013.07.19.); ESzCsM Decree No.32/2004. (2013.07.02.); EüM Decree No.14/2007. (2013.07.19.); Gov.Decree No.43/1999. (2013.07.15.); Gov.Decree No.337/2008. (2013.07.06.); Gov.Decree No.180/2010. (2013.07.06.); Gov.Decree No.319/2010. (2013.07.06.); Gov.Decree No.323/2010. (2013.07.06., 2013.07.27.); Gov.Decree No.59/2011. (2013.07.06.); Gov.Decree No.313/2011. (2013.07.06.); Gov.Decree No.46/2012. (2013.07.01.)
- **NEWS:** "Hungarians health improved, but still poor" [link](#)
- **NEWS:** "Centralized procurements result in savings" [link](#)
- **NEWS:** "Parallel exports lead to drug shortage problems in Slovakia" [link](#)
- **STUDY:** "Hungarian trust more in pharmacists than in shopkeepers" [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-VI.	% of appropriation	% of last year
Total of Budgetary Expenditures	1 791,3	1 804,3	879,8	97,5%	102,8%
Curative preventive provisions	842,1	880,6	411,0	93,3%	108,8%
Medicine subsidies	315,1	280,0	146,3	104,5%	91,0%
Total Of Budgetary Revenues	1 744,3	1 804,3	931,8	103,3%	107,5%
Social Security Contributions	854,2	727,0	382,4	105,2%	91,2%
Contribution of Pharmaceutical Manufacturers and Wholesalers	75,0	49,0	33,0	134,8%	71,2%
Balance	-47,0	0,0	51,9		501,0%

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 six months of 2013 the Health Security Fund produced a significant surplus thanks to the higher revenues (+3,3%) and the lower expenses (-2,5%) compared to the original budget appropriation.

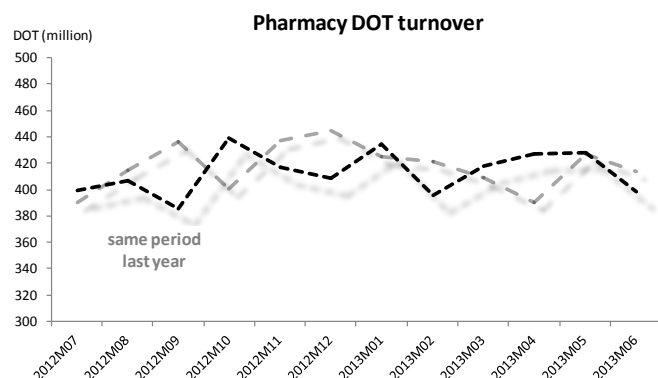
Changes to subsidised medicinal product categories

	Changes in the public drug list						
	2013 Mar.	2013 Apr.	2013 May	2013 June	2013 July	2013 Aug.	2013
Number of new products	26	30	54	15	11	15	228
Number of new AI	5	3	1	0	1	0	12
Number of delisted products	20	74	59	28	42	7	337
Prices							
Decrease	14	712	7	6	71	8	892
Increase	1	1	0	0	0	0	2

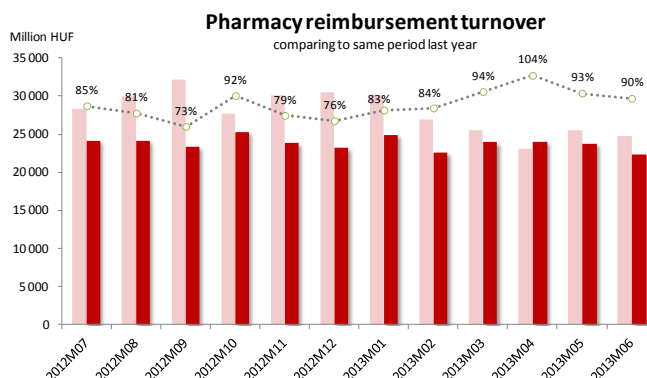
	Changes in the public drug list						
	2013 Mar.	2013 Apr.	2013 May	2013 June	2013 July	2013 Aug.	2013
Reimbursement							
Decrease	16	1 346	20	1	116	3	1 580
Increase	3	224	0	25	7	0	263
Co-payment							
Decrease	27	858	26	9	121	12	1 178
Increase	1	813	2	25	42	0	905

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 six months of 2013 was 0,5% 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 9,2% below for this period compared to last year.

Market data

Marketing authorisation information

2012	EMA	OGYI	2013 - Q2	EMA	OGYI	June 2013	EMA	OGYI
New brands	64	427	New brands	17	51	New brands	7	19
New SKUs	798	4 230	New SKUs	251	433	New SKUs	77	157

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

TOP10 MAH by all reimbursement paid in June 2013



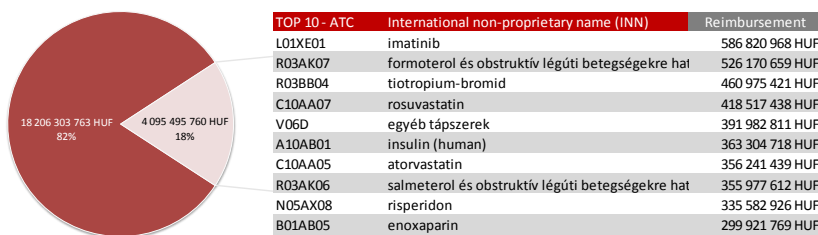
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

TOP10 BRAND by all reimbursement paid in June 2013



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

TOP10 ATC by all reimbursement paid in June 2013



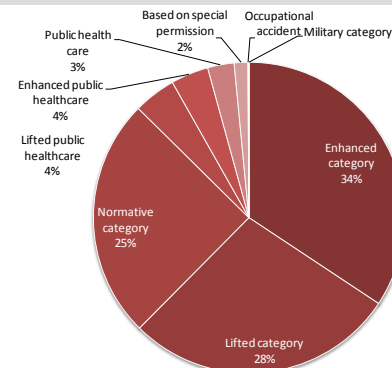
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

Average number of medical sales reps; 06/2013

All	1 842
Medicinal products	1 565
Medical aids	242
Both	35

Source: Healthware analysis based on OGYI's

Drug reimbursement by legal title; 06/2013



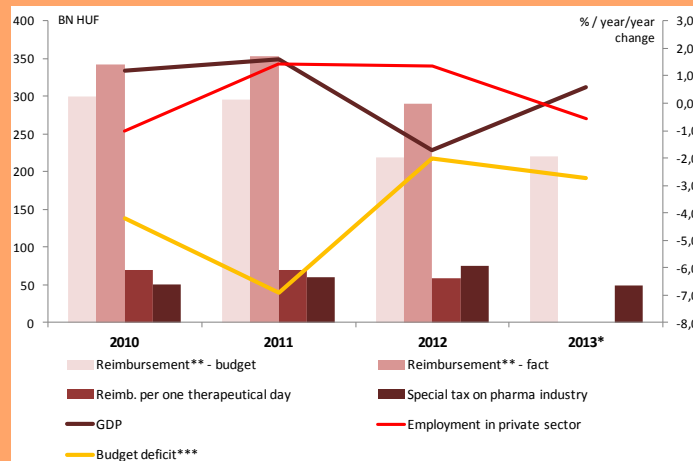
Source: Healthware analysis based on the sales turnover that pharmacies produced from POM

Monitoring macroeconomic and pharma industry processes — Case study

The pharmaceutical industry is different from other economic sectors in the sense it depends less on the economic prosperity, so a weak economic environment makes slighter impact on the result of the big pharma companies. In pharma industry other factors play important role in the performance of the corporation, such as the strength of the generic competition, R&D productivity and pricing, reimbursement issues. However the progress of the economic still has a great importance, because it influences the governmental budget policy and through that the state health insurance funds budget on drug reimbursement and the legal rules of the reimbursement. This link was noticeable in Hungary particularly, where the poor economic environment led to a contractionary fiscal policy, and one of the main field of that was the reduction of the public drug expenditure. In the last two years the budget was managed to reach the 3% deficit figure, but beside this the drug budget was reduced by more than 25% and the special taxes on the pharma companies were increased significantly. Consequently the monitoring of the economic and budgetary processes has a great importance to the pharmaceutical industry.

The diagram shows a few economic indicators and the numbers of public drug spending. It was managed to reach the 3% budget deficit beside the poor GDP and employment figures in 2012.

Meanwhile the public (prescribed pharmacy) spending was decreased by 18% and the special tax on the industry was raised by 47%. The reimbursement per one therapeutical day fell from 70 Ft to 59 Ft, what was compensated in smaller part by the rise of the co-payment and in larger part by the loss in industry revenues through price reductions.



*Plans, estimations
**Prescription bound drugs, without compassionate care
***Without effect of private pension funds

The decrease in reimbursement was realized through stimulating the generic price competition and introducing tender purchase in high value therapies.