

Actualities of Hungarian pharmaceutical financing market

News, current issu	ues		De	cision-making inc	dex, December 2018	
	ealthcare needs a paradigm s	hift 🏾 🍑				Legislation Ketto
News Compare the pe countries	rformance of Hungarian helat	chcare to other European 🛛 🚿		3,87	81/147 12/147 18/147	Legislation Activity of Parliament NIHIFM decisions
News We spend more	on medicines	»				ffering
Macro approach t	o financing healthcare	and medicinal products				product offering
Balance of the He	alth Insurance Fund, D	ecember 2018				FX-process/Reference pricing
Other reveauer		_i		Billion HUF	Following the formation of F	changes eventuated in the course of X-groups:
Other revenues Contribution of Pharmaceutical	637,46	777,30	769,56	Other expenditures		resentation of changes in group-and roduct level
Manufacturers and Wholesalers	88,22	_		Medicine subsidies Curative	• М	1odelling of forming of FX-groups:
Socil Security Contributions		337,40	357,80	curative preventive provisions	•	Cancel and create groups,
					•	Combine and dissociate groups,
					•	Cancellation of products,
		1 204,40	1 306,33		•	Translocation of products,
	1 624,42	1204,40				According to the demand of Client we make decision
				-83,6		preparatory and modelling
	_		Furneralitymen			analysis about fix groups related to the portfolio of our
	Revenues 2 350,1	Expenditures: Prorated appropriation 2 319,1	Expenditures 2 433,7	Balance		Partner.
		2 519,1	Source: Healthware ana	lysis based on NHIFA data		Further information
Dynamics of the s	sales/circulation of pre	scription-only-medicine				about the service: <u>link</u>
Million DOT	Pharmacy DOT turn	lover	Million HI Fr	Pharmacy rei	mbursement turnover	
Million DOT SOO	Pharmacy DOT turn	lover	Million HUFs 35 000 33 000 104% 10	Pharmacy rei	113%	108% 107%
500	Pharmacy DOT turn	nover	35 000 33 000 104% 10 31 000 29 000 27 000	102%	113% 2004 11.18	108% 107%
475	Pharmacy DOT turn	nover	35 000 33 000 104% 10 31 000 29 000	102%	113% 2004 11.18	108% 107%
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Unsubscribe



Market data

Novartis

Richter Gedeon

Boehringer Ingelheim

Novo Nordisk

Sanofi

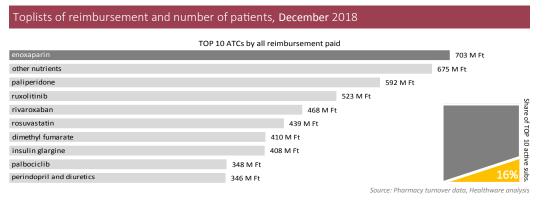
EGIS

Pfizer

Sandoz

JANSSEN-CILAG

TEVA



TOP 10 brands by all reimbursement paid

			•			
CLEXANE					703 N	/I Ft
JAKAVI				523 M Ft		
XARELTO			468 M Ft			
TECFIDERA		410 M Ft				
IBRANCE	348 M Ft					10
XEPLION	344 M Ft					Share
ELIQUIS	344 M Ft					of T
GILENYA	329 M Ft					of TOP 10
XULTOPHY	327 M Ft					bra
FOSTER	317 M Ft				1	. <mark>4%</mark> ds
				Source: Pharmacy turn	over data, Healthwar	e analysis

TOP 10 distributors by all reimbursement paid

1 652 M Ft

1 571 M Ft

1 416 M Ft

1 359 M Ft

1 308 M Ft

1 189 M Ft

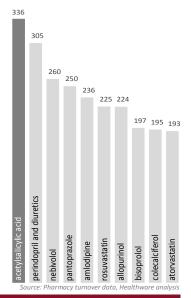
1 974 M Ft

Average number of medical sales reps



Source: NHIFA data, Healthware analysis

TOP 10 active substances by number of patients (thousand patients)



ent doubled between 2015 and 2018, while the

ver of products invo

ver, in 2018 their DOT volume decreased significantly. The

ed in price-volume agr

nt - by pay

4,66% 5,10%

41 913

70 60 50

Role of price-volume agreements in the Hungarian medicine financing system—case study

n previous case studies we discussed the increasing weight of contributions paid by the pharmaceutical ndustry to the Health Fund's income. Among these payments, the price-volume agreements gained more and more significance in the last couple of years. In our current case study, we examine the easons behind this process and its possible outcomes from the perspective of the health financing partern

936 M Ft

832 M Ft

In the last decade, the significance of contribution by the pharma industry increased remarkably in health financing, while the value and the proportion of different forms have gone through some considerable changes during these years. The most visible trend of these years was that the amount of price-volume agreements and their propor-

tion to total contribution of the industry have grown significantly since 2011. close to 30 billion HUF which is 7 billion HUF more than the amount in 2017 third of the total payback of the pharmaceutical industry.

This can be seen as a self-generating process, since the payback after the price-volume agreeme educes the base of the taxable amount considering the 20%-tax as well as the Spanish tax. Therefi he growing proportion is partly due to this regulation. To judge the importance of price-volume agreements, we apportioned the payment obligations ari: rom price-volume agreements firstly to the total reimbursement, secondly to the total contribution

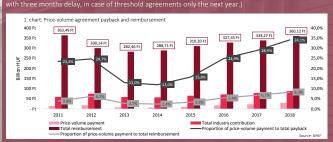


Chart 1 shows that the reimbursement spending and the industry payback are constantly increasin while the proportion of the price-volume agreement payments to the total industry payments as well to the total reimbursement spending is also growing. In 2018 the amount paid by the companies base on these agreements were more than 9% of the total circumbursement. The DOT volume of products concerned by a unit fee agr hreshold agreements increased considerably less. Moreo other types of price-volume agreements is negligible in he system

Source: Pharmacy turnover data, Healthware analys

2 977 M Ft

Since these agreements are private contracts, there no public information about the extent of contributions neither on the company-level nor on the produc level. Nevertheless, there is information - published to NHIF¹ - about the products, companies and indication points concerned in price-volume agreements, ador tionally about the time period set in the contract a well as the payment method they were agreed on.

Our analysis based on these public lists shows that th number of contracting manufacturers is growing yee by year. A more surprising trend is that the robu increase of price-volume agreement payments can the associated with unit fee agreements, although this the less sophisticated instrument from a financiengineering viewpoint, while the performance-base contracts concern very few products.

Despite the fact that these are pr



2. chart: DOT turno

300 000

250 000

200 000

150 000

100 000

Share of TOP 10 distributor:

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