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#### High-cost medicines
- No specific funding and reimbursement schemes for high-cost / innovative medicines
- For the out-patient sector: medicines on the positive list (EKO) are fully reimbursed
- For the in-patient sector: medication in the in-patient sector is always funded covered. Medicines in the in-patient sector are funded via the DRG system, except for about 50 defined medical services – usually oncology medicines – where the use is explicitly funded to the hospital.
- In two provinces (Styria, Carinthia) a separate financing approach for oncology medicines exists based on agreements between the main public hospital owner organizations and with the regional sickness funds stating that the expenditure of oncology medicines will be covered by the sickness fund even if applied in the in-patient sector.
- Same pricing procedure for all medicines for which the MAH want to receive reimbursement, i.e. external price referencing (average EU price max.)
- As a rule, high-cost medicines (if no therapeutic alternative available) are usually not granted discounts and are purchased by the hospital (owner) at the ex-factory price (result from PHIS hospital pharma case study on Austria)
- Key challenges high prices of of innovative medicines and approaches for solutions

#### Generic policies
- INN prescribing not allowed
- Generic substitution not allowed
- Generic price link in place (in fact, it does not only concern generics, but "followers" in general): The first follower is required to be priced at least 48% below the originator. The second follower needs to reduce its price by at least 13% from the price from the first follower and the originator by at least 30% within three months after the inclusion of the first follower into reimbursement. The third follower needs to reduce its price by at least 10% from the price from the second follower. At this time all of the products have to reach the price level of the third follower within three months after the inclusion of the third follower.
- No tendering-like practices in the out-patient sector
- No reference price system
- Some information activities about generics to patients
- According to Guidelines on Economic Prescribing of pharmaceuticals and medicinal products, physicians are required to prescribe the most economic medicine in case of the therapeutic alternatives
- In several provinces, this has been fixed in an agreement between the regional sickness fund and the physicians' association (so-called "Salzburg model")

### Changes in the pharmaceutical system – end 2011/2012
- Agreement between Main Association of Social Security Institutions and pharmaceutical industry as of 2008 was renegotiated and prolonged from July 2011 to December 2015. Financial contribution by the pharmaceutical industry
- Annual adjustment to the inflation rate of the prescription fee – at the beginning of each year – from 2012 on: prescription fee of € 5.15
- EU Commission closed the infringement procedures against Austria and other Member States regarding distribution (November 2011)

### Evaluations and studies on pharmaceutical policies.cont.

#### Interface management:
Zimmermann K, Vogler S. Rational use of medicines in Austria. A survey with 5 sickness funds
- Background: Study (in German) by GÖG commissioned by the MoH and done during 2010/2011 in cooperation with the Pharmaceutical Advisory Council of the Austrian Sickness Funds. Not published yet. Not a study on interface management, but it has some aspects in it.
- Aim: Survey of initiatives to promote rational use of medicines
- Key results: Sickness funds are responsible for medicines in the out-patient sector and focus their initiatives in this sector. However, the role of medicines in hospitals is clearly seen. The participation of the social health insurance representatives in the Drugs and Therapeutics Committees (OTCs) is seen as a good starting point.
- Conclusions and implications: There is a growing understanding and need for an improved interface management.

#### Evaluations and studies on pharmaceutical policies

### Impact analysis of policies:

#### Godman B, Bucsics A et al. Insight into recent reforms and initiatives in Austria: implications for key stakeholders
- Background: Published in: Expert Review of Pharmacoeconomics and Outcomes Research, Volume 8, Number 4, August 2008, pp. 357-371(15)
- Aim: Analysis of the pharmaceutical policies, in particular following the 2004 reform and later, with regard to pharmaceutical expenditure (PE)
- Key results: Reforms and initiatives have helped moderate the growth in PE in Austria
- Conclusions and implications: Further policies should include measures to enhance generic prescribing and dispensing

#### Habl C, Vogler S et al. Reference price systems in Europe.
Analysis and Implications for Austria
- Background: Study commissioned by the Austrian Main Association of Social Security Institutions. Published in 2008. Accessible at whocc.goeg.at (full German version and English executive summary)
- Aim: Analysis of European reference price systems (RPS) with a view to possibly incorporating it into the Austrian reimbursement system
- Key results: Considerable savings could be made due to a RPS, whereas there has been no evidence for showing negative effects on public health. On the assumption that a RPS had been in place in Austria in 2006, savings of around € 55 million had been possible
- Conclusions and implications: Changes in the legal framework would be needed to implement a RPS and generic substitution in Austria; all stakeholders should be brought on board.

#### Gouya G, Reichardt B. Partial reimbursement of prescription charges for generic drugs reduces costs of both health insurances and patients
- Background: Published in: Wiener Klin. Wochenschr. 120, 89-95 (2008)
- Aim: Analysis of a pilot project with the insured of a small Austrian sickness fund on the impact of reduction in the prescription fee for generics
- Key results: Share of generics prescribed in five selected classes increased from 23% to 46% within 12 month observational period.
- Conclusions and implications: Financial incentives for patients had an impact, but the extension of this scheme is not possible to all social health insurance groups under the existing legal framework.