

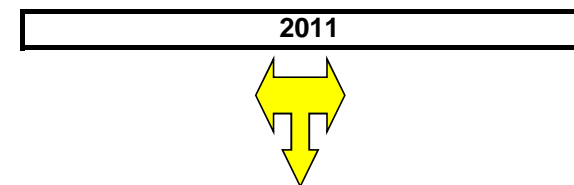


Ireland

HSE Primary Care Reimbursement Service, Deirdre Elliott

PRICING

- **Price policies for pharmaceuticals**
Non-statutory pricing for pharmaceuticals supplied to health service (including those reimbursable) at ex-factory price level may not exceed the average of ex-factory prices of 9 specified EU Member States.
Specified EU Member States - Austria, Belgium, Denmark, Finland, France, Germany, Netherlands, Spain and United Kingdom.
- **New Chemical Entities**
NCE are referred for a Health Technology Assessment.
- **Product Approval**
Approved Products are added to the List of Reimbursable Items in the GMS and Community Drug Schemes also for the High Tech Drug Scheme.



Irish Pharmaceutical Healthcare Association Ltd. (IPHA)

Price decreases commencing **1st January 2011** were implemented following agreement between the Department of Health, the Health Service Executive and the Irish Pharmaceutical Healthcare Association Ltd. in respect of savings to be made on Pharmaceutical Expenditure in 2011.

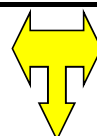
- Savings of €140 million will be generated in the ex-factory cost of medicines either by way of individual product price reductions, or through the payment of a rebate or combination of both.
- IPHA members to work with the Department of Health and the HSE to achieve further savings of €45m through the High Tech Scheme and Hospital Procurement.
- No other enforced price changes or new pricing mechanisms prior to 1st March 2012.
- Meaningful engagement between the Department of Health and IPHA on reference pricing and generic substitution.
- Structured engagement between IPHA and the National Director of Quality and Clinical Care focusing on the delivery of clinical excellence for patients.
- A joint review by the HSE and IPHA of the rebate mechanism.

Association of Pharmaceutical Manufacturers of Ireland

Price decreases **effective 1st August 2011** were implemented following agreement between the Department of Health, the Health Service Executive and the Association of Pharmaceutical Manufacturers of Ireland (APMI) in respect of savings to be made on Pharmaceutical Expenditure in 2011.

- The HSE will notify APMI member companies of the price reduction required under the terms of the current agreement.
- A proposal of a 30% cap on price reductions.
- Where a required reduction exceeds 30% APMI companies will be expected to reduce to a price which matches the proprietary product price.
- If it is claimed that a required reduction (beyond 30%) makes a product non-viable, the company can make a Business Case in exceptional circumstances.

2012



Irish Pharmaceutical Healthcare Association Ltd. (IPHA)
ref ANNEX 1 - to the September 2006 IPHA Agreement Effective 01st
February 2010

ESRI Report 2012 Delivery of Pharmaceuticals in Ireland. Getting a Bigger Bang for the Buck
(The Economic & Social Research Institute)

The following details are extracted from Chapter 8 Table 8.1 of the above ERSI Report. They are just some of
the Recommendations made in the Report which can be accessed through the website
http://esri.ie/publications/latest_publications/

- The duration of the Agreement is extended until the 1st March 2012.
- The introduction of Reference Pricing is still under consideration.
- Discussions around a successor to the current IPHA Agreement are under way.

VAT 01st January 2012

- VAT for Non Oral Preparations increased from 21% to 23%

- **Recommendation 2.1** We recommend that the HSE should be responsible for the collection, preparation and publication of a comprehensive time-series of all components of pharmaceutical expenditure (public, private, community and hospital) on an annual basis.
- **Recommendation 3.1** We recommend that the two objectives of the pharmaceutical delivery system from the perspective of the HSE should be obtaining value for money and ensuring security of supply.
- **Recommendation 4.2** We recommend that the maximum ex-factory price of in-patent pharmaceuticals should be the **lowest** price of the basket of nine Member States in the 2006 IPHA/HSE agreement.
- **Recommendation 5.1** We recommend that the HSE actively monitor the importance and service levels offered by DTP (Direct-to-Pharmacy) brand name manufacturers. If the service levels fall below levels considered acceptable to the HSE, then it should negotiate minimum quality standards with brand name manufacturers using the DTP model.
- **Recommendation 6.1** We recommend that pharmacists are compensated for dispensing a prescription on the basis of a professional dispensing fee only. This should apply to both prescriptions dispensed under the GMS and Community Drug Schemes as well as for the cash paying patient.
- **Recommendation 7.1** We recommend that, taking into account forthcoming legislation on reference pricing and generic substitution, including interchangeability and no substitution prescriptions, mandatory prescription by INN (International Non-Proprietary Name) should be introduced for all medical practitioners to encourage safe and cost-effective prescribing.

Key

GMS General Medical Services Scheme - This scheme provides for people who are unable without undue hardship to arrange general practitioner medical and surgical services to receive a medical card for free general medical services. Medicinal items are prescribed from a specified Reimbursement List.

DPS Drug Payment Scheme - This is a co-payment scheme for people who do not have a Medical Card - an individual or family has now to pay no more than €132 in a calendar month for approved drugs, medicines and appliances.

LTI Long Term Illness Scheme - Drugs and Medicines are provided free of charge to patients who suffer from any of the 16 listed illnesses - Mental Handicap (under 16 years of age), Hydrocephalus, Cerebral Palsy, Muscular Dystrophy, Haemophilia, Diabetes Mellitus, Diabetes Insipidus, Epilepsy, Multiple Sclerosis, Parkinsonism, Cystic Fibrosis, Phenylketonuria, Acute Leukaemia, Mental Illness, Spina Bifida and Thalidomide.

High Tech For the supply and dispensing of High Tech medicines through Community Pharmacies.

HSE Health Service Executive

Links

<http://www.irishstatutebook.ie/2011/en/si/0300.html>

http://www.hse.ie/eng/staff/PCRS/PCRS_Publications/

http://esri.ie/publications/latest_publications/

<http://www.irishstatutebook.ie/2009/en/act/pub/0005/index.html>

<http://www.irishstatutebook.ie/2009/en/si/0246.html>