


P & R in the light of the financial crisis: Ireland

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Vienna 29th September 2011



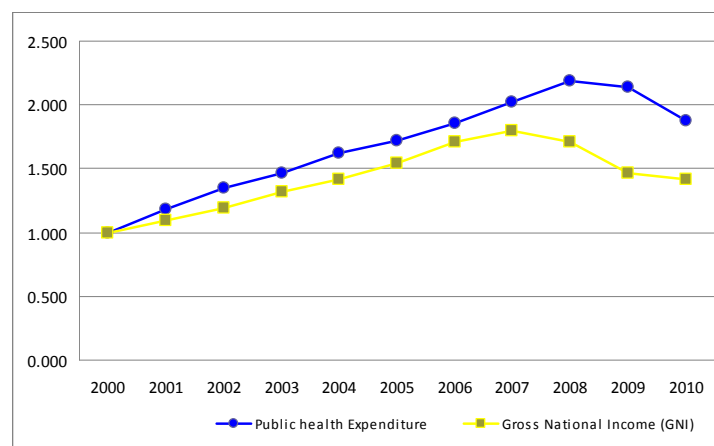
Statement of any Conflict of Interest

- No Conflicts of Interest to Declare.

Outline of Presentation

- Economic Background
- Policy considerations
- Actions in 2010 / 2011
- Summary

Trends in Public Health - Expenditure & National Income



Consequences

- Funding for the public health service
 - 2010: €14.139Bn
 - 2011: €13.456Bn
 - Net reduction: €683M (**4.8%**)

- Funding to community (demand led) schemes
 - 2010: €2,812M
 - 2011: €2,402M
 - Net reduction: €410M

- **49%** of reductions from Primary Care Schemes

Foreign Direct Investment

KEY FDI IMPACTS ON THE IRISH ECONOMY

- €110 BN Exports
- 240,000 Jobs in Total
- 55% of Corporation Tax
- €19 BN Expenditure
- €7 BN Payroll
- 73% of Business RD&I expenditure

WORLD LEADERS CHOOSE IRELAND

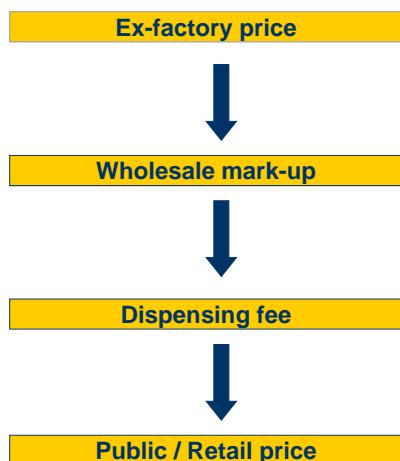
- 8 of the top 10 in ICT
- 8 of the top 10 in Pharmaceuticals
- 15 of the top 25 in Medical Devices
- More than 50% of the world's leading Financial Services firms



Pricing & Reimbursement Policy

- Provide public access to innovative and other medicines through reimbursement based on:
 - continuity and security of supply
 - affordability
 - sustainability
 - value for money
- Limited budget
- Reduce medicines prices to EU average
- Programme of changes commenced in September 2006

Pricing Changes



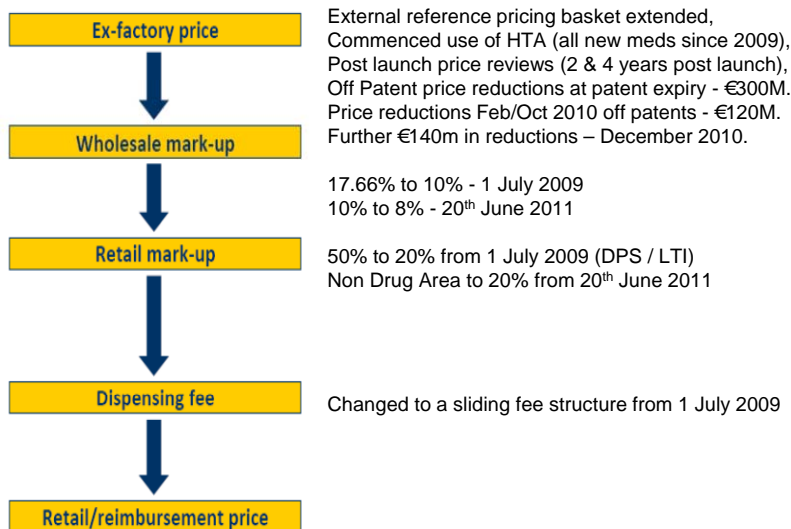
External reference pricing basket extended,
Commenced use of HTA (all new meds since 2009),
Post launch price reviews (2 & 4 years post launch),
Off Patent price reductions at patent expiry - €300M.
Price reductions Feb/Oct 2010 off patents - €120M.
Further €140m in reductions – December 2010.

17.66% to 10% - 1 July 2009 – FEMPI Legislation
10% to 8% - 20th June 2011

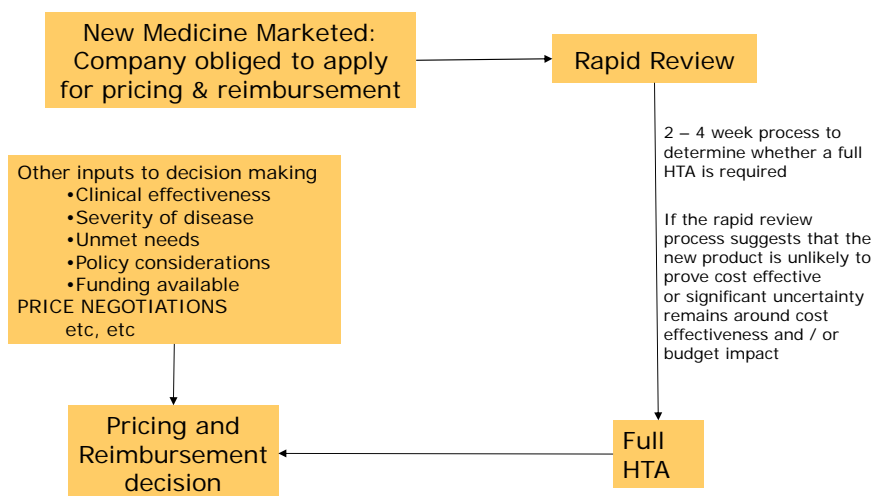
Changed to a sliding fee structure from 1 July 2009

PHARMACY RESPONSE – AUGUST 2009

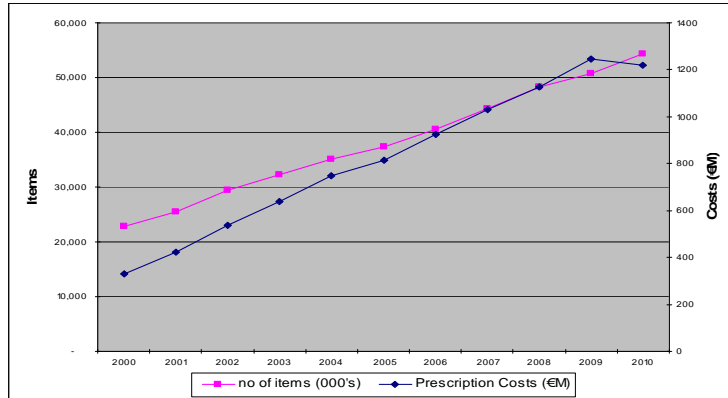
Pricing Changes



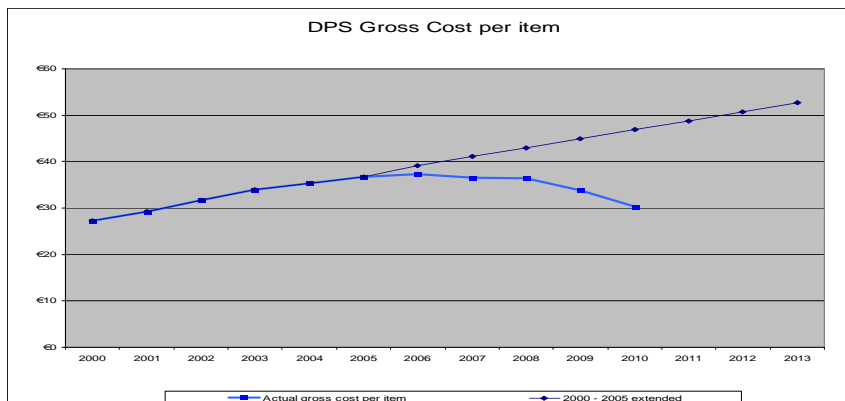
New Medicines: Increased Use of Health Technology Assessment



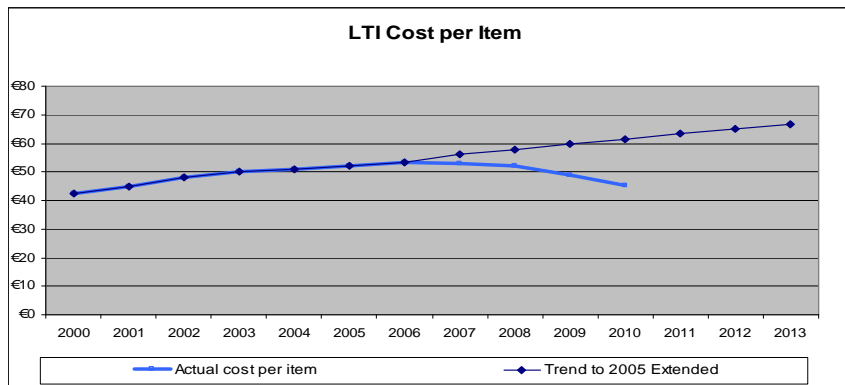
GMS: Number of items & Total Prescription Costs



Drugs Payment Scheme – Co-Payment



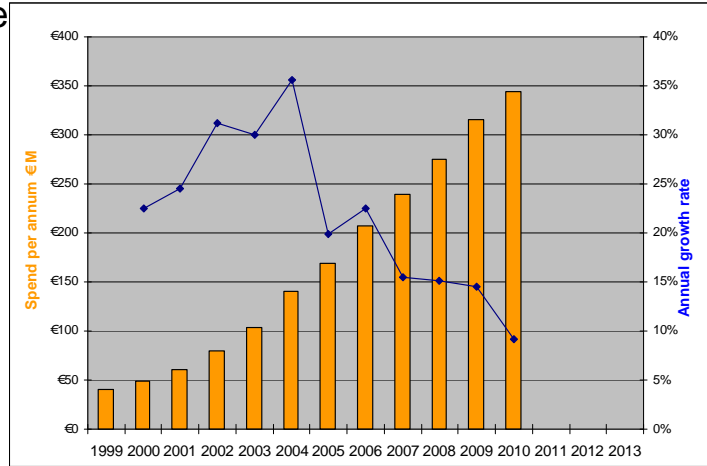
LONG TERM ILLNESS - CHRONIC DISEASE SCHEME



High Tech Scheme

- Hospital Consultant Initiated Medicines
- Growing at 15%
- Paid directly by HSE to Manufacturers
- Wholesale Markup March 2011 – 10%
- Wholesale Markup July 2011 – 8%
- Prescribing Team

High Tech: Spend per annum & annual growth rate



Doubling rate:

2010 annual rate of growth (9%) – 8 years

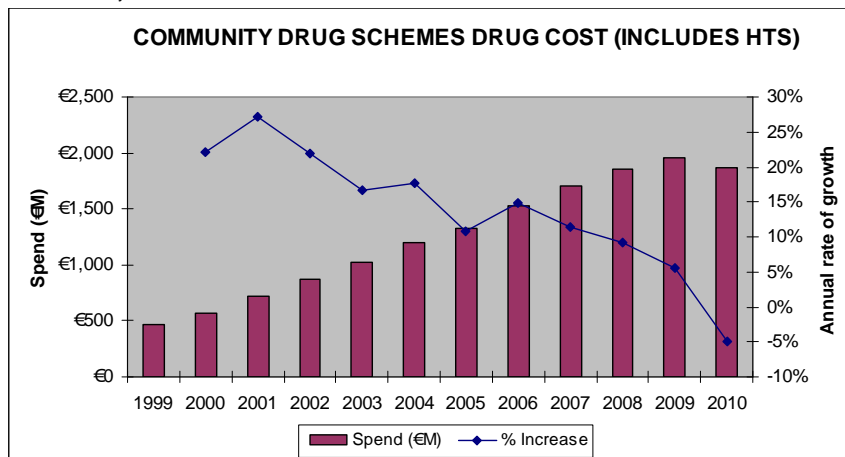
2007 – 2009 annual rates of growth (15%) – 5 years

2000 – 2006 annual rates of growth (approx 25%) – 3 years

GMS, DPS, LTI, HiTech (HTS) Prescription costs

Cumulative figures for the 4 major schemes

Note: 2010 first year to reduce



Policy Development

- Concentrated on Supply Side to date – 100m savings per year to stay still
- Demand Side – fewer policy proposals
 - IMF
 - Competition to be enabled between Healthcare Practitioners
 - Sub Copayment Prices
 - Prescriber Behaviour
 - Growth in Items (over 75) 61 up to 80 in the period 2005 to 2010.

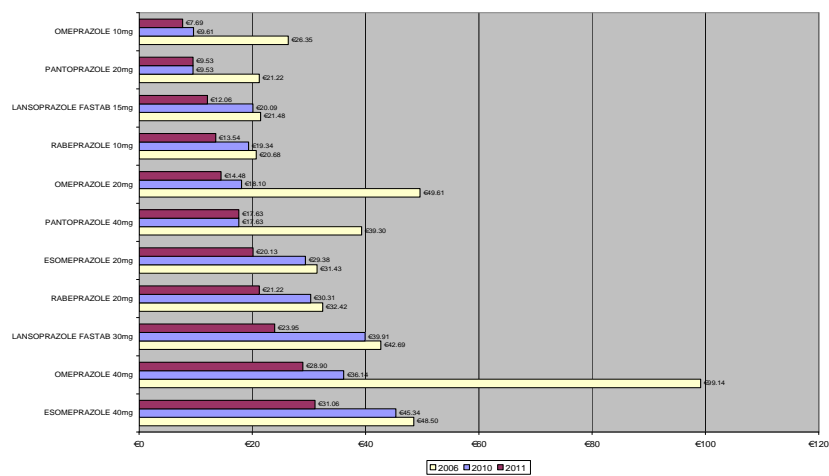
Reference Pricing

- Policy decision (2010) taken by government to introduce a reference price system for prescribed drugs (ATC5)
- Currently in Ireland each product supplied has its own individual price.
- Legislation awaited – ‘Programme for Government’

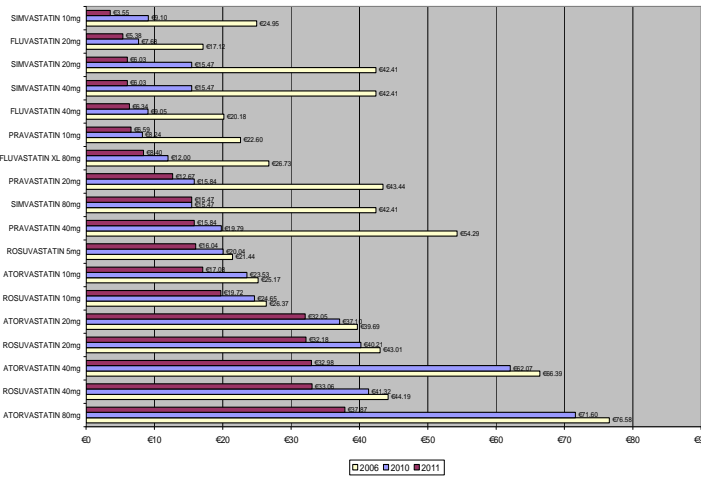
Price paid to Pharmacy

Prop. Drug	2006 (€)	2011 (€)	%Diff
Omeprazole 20mg	49.61	14.48	-70.81%
Amlodipine 5mg	16.67	6.08	-63.53%
Atorvastatin 20mg	39.69	32.05	-19.25%
Olanzapine 10mg	138.38	103.14	-25.47%

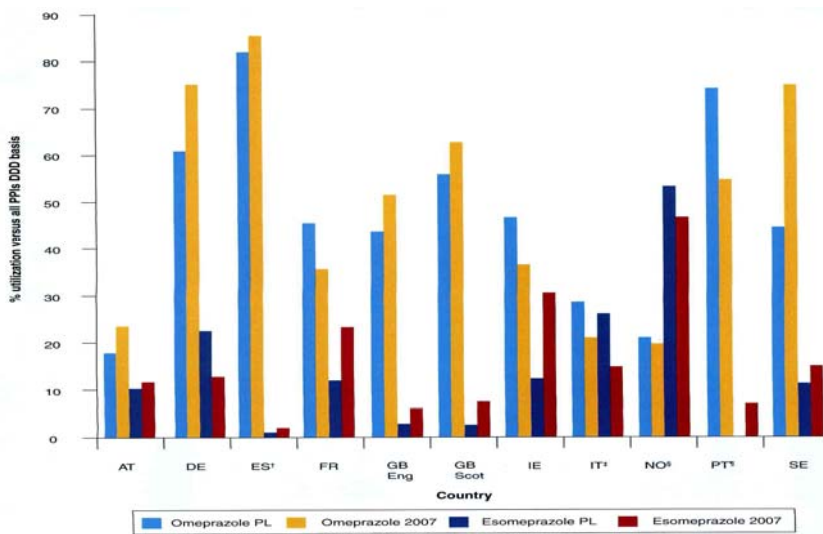
Proton Pump Inhibitor Reductions 2006 - 2011



Statin Reductions 2006 - 2011



Generic Story in Ireland



Expert Review Pharm Outcomes 10(6), 707-722 (2010)

Prescriber Behaviour- Building Blocks

- HSE Clinical Strategy & Programmes Directorate established (2009) to improve and standardise patient care throughout the organisation

- 20 National Clinical Programmes
 - Clinical Protocols and treatment pathways
 - Identify programme preferred medicines

- Work will be underpinned by the National Clinical Effectiveness Committee.

Looking to 2012 and Thereafter

- Legislation Platform
- Therapeutic Choices
- Academic Detailing
- 'Least Harm' Environment
- Patient Treatment / Access to Service - Lowest Level of Complexity



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