

**Pricing and Reimbursement of Medicines in the  
German Statutory Health Insurance  
and Recent Changes**

**PPRI-Conference 2011  
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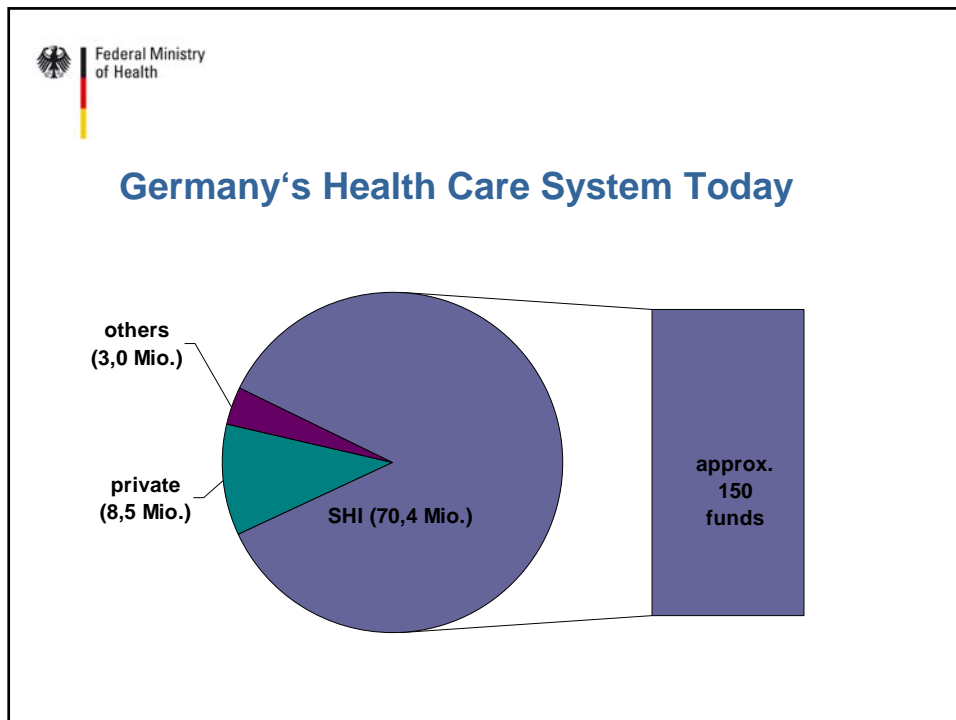
**Silke Baumann  
Federal Ministry of Health  
(Germany)**



Otto von Bismarck  
(1815-1898)

1883: 1st act on statutory health  
insurance (SHI)

- pay-as-you-go principle
- proportional contributions from insurees and their employers
- self-governmental structures to operate the sickness funds and decide about benefit coverage within the legally defined scope



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### Legal Entitlement

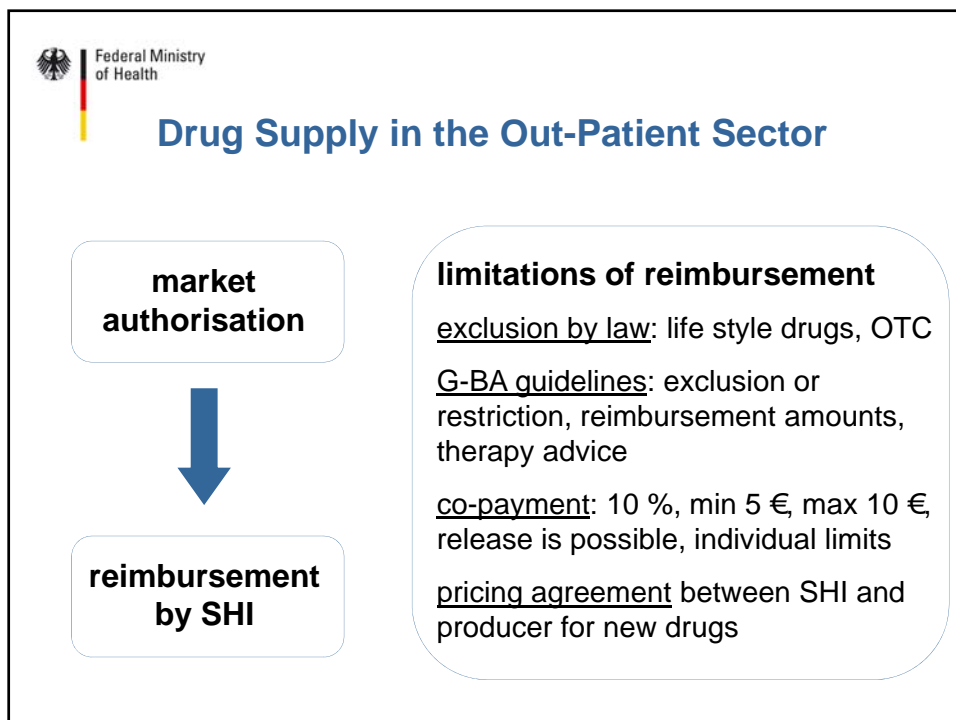
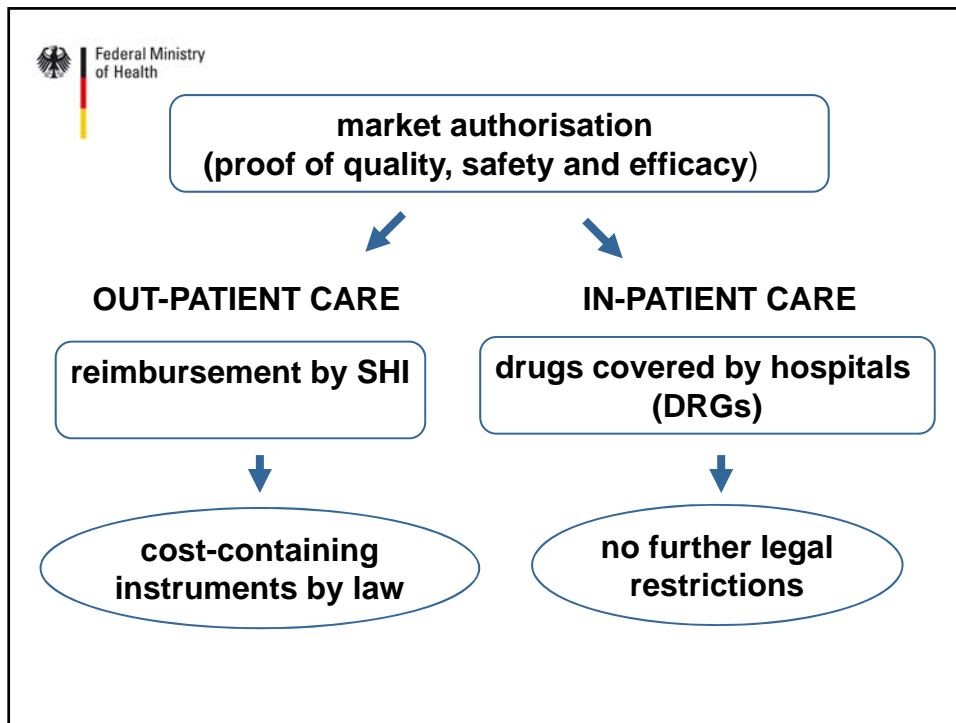
general entitlement to benefits necessary from a medically point of view

entitlement to pharmacy-only drugs

benefits have to be adequate, appropriate and efficient

↓ ↓ ↓

full reimbursement of drugs as long as there is no restriction





## Pricing (ex-factory price)

- no price setting by public authorities
- indirect price regulation/incentives to lower the price
  - ◆ fixed reimbursement amounts (internal reference 'prices')
  - ◆ release from co-payment
  - ◆ incentives for doctors to prescribe cheaper drugs
  - ◆ substitution in pharmacy
  - ◆ individual rebates / tendering by sickness funds with obligation to pharmacies to substitute
- very efficient in generic market



## Pricing (mark-ups)


prescription only medicines:

- Wholesaler: 0,70 Euro/pack. (fix) + 3,15 % of ex-factory price (new in 2012)
- Pharmacy: 8,10 Euro / 6,05 Euro + 3 % of wholesaler's price

OTC

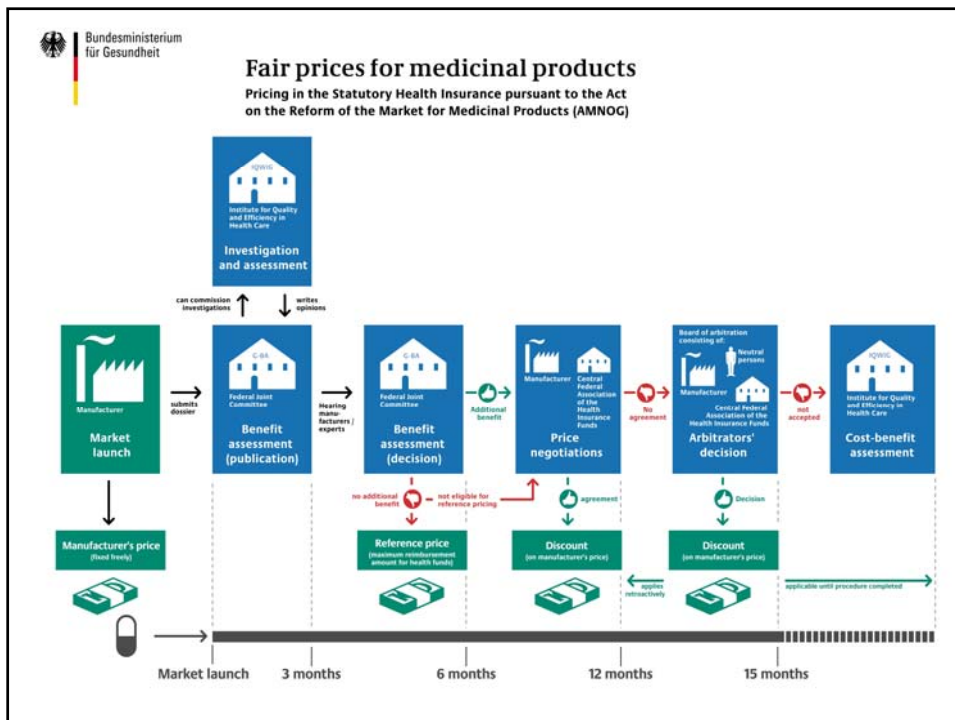
- no regulation

VAT: 19 %

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## Recent Changes

- Medicines containing new active substances
  - ◆ Benefit assessment (additional benefit)
  - ◆ Agreement on pricing and reimbursement by SHI and pharmaceutical company
- Vaccines
  - ◆ External price referencing
  - ◆ 4 countries (GNP closest to Germany's)
- new rules for generic substitution
- price stop for all medicines and additional rebate of 10% for all medicines without reimbursement amounts





**Thank you for your attention!**

Silke Baumann  
Federal Ministry of Health  
Germany

[silke.baumann@bmg.bund.de](mailto:silke.baumann@bmg.bund.de)