

# Iceland

## Icelandic Medicine Pricing and Reimbursement Committee (IMPRC) Recent changes in pharmaceutical policy measures and developments in pharmaceutical expenditure

### Major changes in pharmaceutical policy in 2012-2013

#### Pricing

1<sup>st</sup>.April 2012 increase by 7,9 % on retail margin on the fixed handling fee.

The margin is: medicines with wholesale price unto 75 Euro have a 9% margin plus a 5 Euro handling fee. All other medicine has a handling fee of 13 Euro.

Review of wholesale prices in February and March will be implemented in the pricelist in April and May. POM prices are compared to prices in Denmark, Finland, Norway and Sweden. Hospital prices are compared to the lowest price in the same four countries.

Wholesalers' prices are reviewed and adjusted at least every two years. Wholesale prices in the price list can be connected to a foreign currency and will change monthly accordingly.

#### Reimbursement

Patient copayment was increased by 3,9 % from 1. January 2013.

Legislation passed through Parliament on a new co-payment system.

1. June 2012-reimbursement restricted in antipsychotic medicines ATC – N05A – all medicines below DDD price of 3:75 EUR is fully reimbursed all medicines above these prices are only reimbursed on an individual reimbursement form.

1st.of October - 2012 the previously "window system" that started in 2009 and was implemented in the ATC groups A02BC, C09-combination-products, C10A, M05B, N06AB-N06AX, R03A. This has now been change to a "threshold system". So that all medicines below a certain threshold based on units price or DDD price will receive general reimbursement. An individual reimbursement has to be applied for if the pharmaceutical does not get below the threshold. The threshold can be different for the different ATC groups

#### Other changes

Educational and information activities is planned prior to the implementation of a new co-payment system

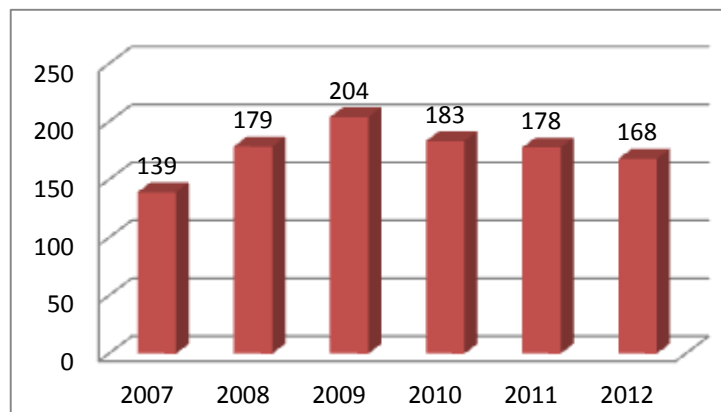
#### Outlook

Forthcoming negotiations with retailers on increase in retail margin on the fixed handling fee with implementation in May pricelist.

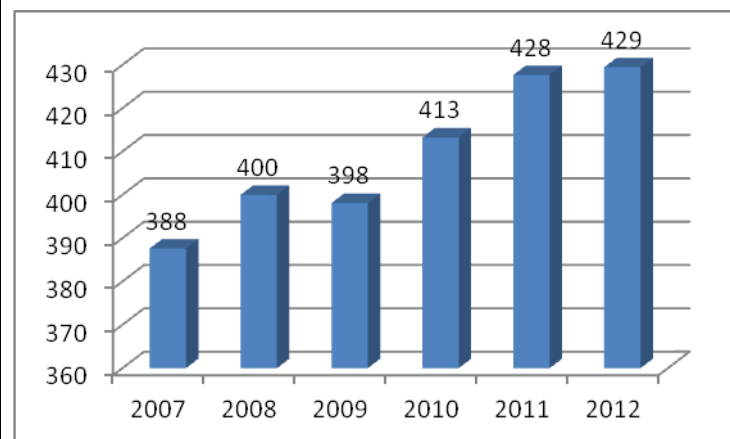
New co-payment system will be implemented on the 4<sup>th</sup>. of May 2013. Then the co-payment will be a proportion of the annual usage and not based on the category of the pharmaceutical used (ATC-code). This means that there will be a step-wise increase in co-payment by the Icelandic Health Insurance up-to a full reimbursement.

New process for decision for Specialty care high-cost medicines are medicinal products that are used today in the out-patient clinics and have been jointly agreed upon by the University Hospital and Health Insurance.

### Development of pharmaceutical expenditure in the last 5 years Out-patient sector Health Insurance expenditure- Cost in Euro per capita



### DDD per capita



### Impact of measures and evaluation

Cost of medicine has lowered but not consumption.