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Robust 5-year-forecast of the Austrian reimbursable pharmaceutical retail market

Pharma Forecast Austria 2023

PPRI Conference

Breakout Session – Strand III – Fix the future?

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FCIO – Fachverband der Chemischen Industrie Österreichs; FOPI – Forum der forschenden pharmazeutischen Industrie;
Österreichischer Apothekerverband – Interessenvertretung der selbstständigen Apotheker; Pharmig – Verband der pharmazeutischen Industrie Österreichs

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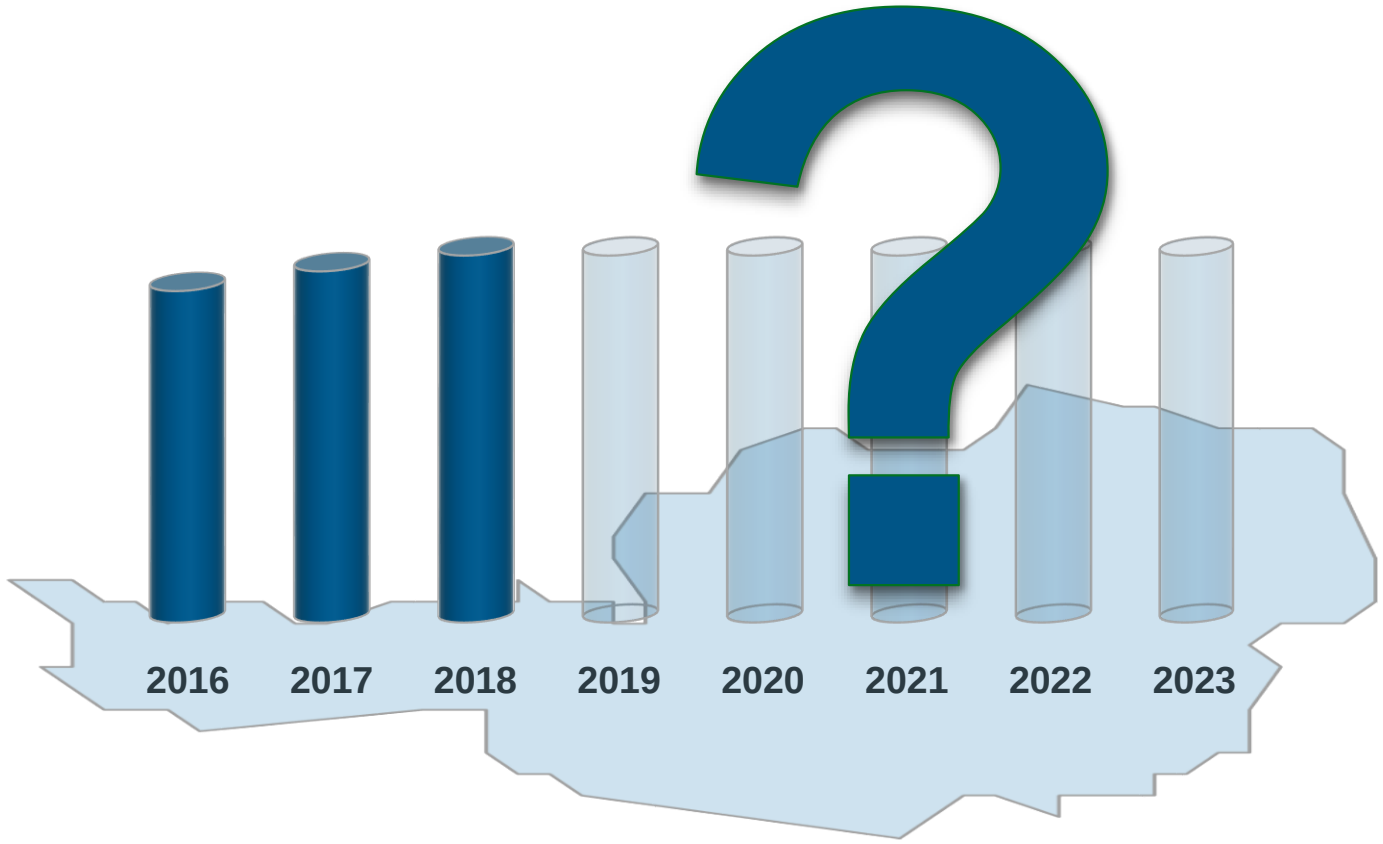
Aim: Development of a robust 5-year-forecast of the Austrian reimbursable pharmaceutical retail market…

Reimbursable Retail Market in Austria

Pharma Forecast Austria 2023



Definition of the reimbursable retail market:

✓ ***includes:***

- *Rx reimbursable*
- *OTC reimbursable*

x ***excludes:***

- *Allergens*
- *Hormonal contraceptives*
- *Homeopathic products*
- *OTC non reimbursable*
- *Vaccines*

OTC = Over the counter drug; Rx = Prescription drug

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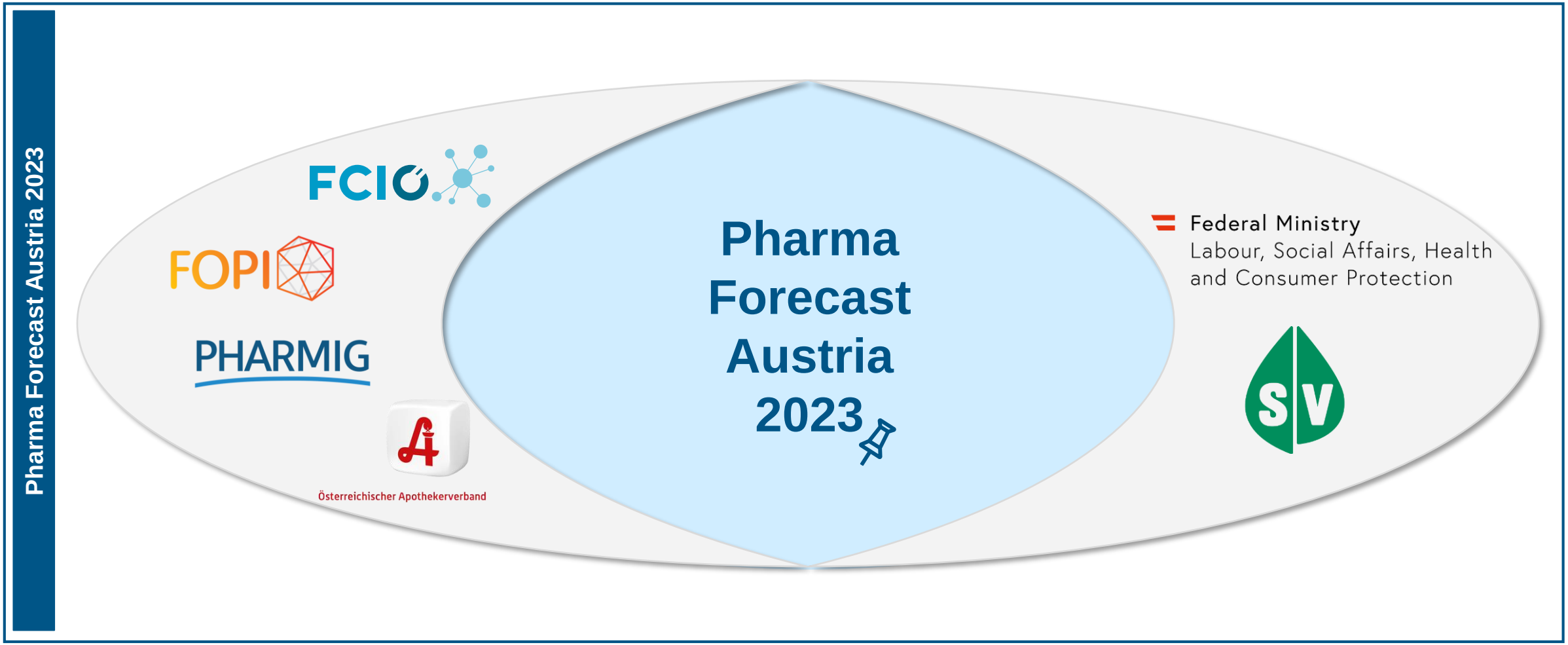
… to serve as data-based foundation for discussions on pharmaceutical spending between multiple stakeholders

Key Stakeholders



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The forecast is based on IQVIA databases that reflect sales of pharmaceutical products in the retail market

IQVIA as Trusted Partner

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DOMAIN EXPERTISE

Institutional knowledge and domain expertise across diseases, geographies and scientific methods

TRANSFORMATIVE TECHNOLOGY

Leading technologies to provide real-time access to operations-critical information

UNPARALLED DATA

One of the world's largest curated healthcare sources with innovative privacy protections

ADVANCED ANALYTICS

Faster, more precise decision-making generated by advanced analytics designed for healthcare

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Fundament for the quantitative forecast are time series forecasts of historical data at product-level…

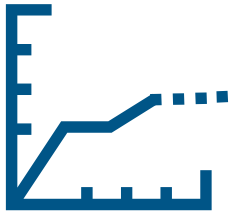
Forecast Model

Quantitative Forecast

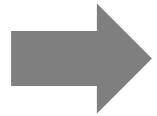
N = ~ 5.000

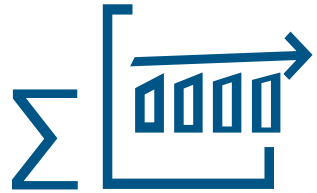
Units per Product

Price per Product



Sales per Product





Market Value

Statistical model based on various scenarios*:

- *Linear & exponential trend models*
- *Moving average*
- *Phase average & regression models*
- *Exponential smoothing*
- *Autocorrelation*

*Time series analysis with R based on Kosfeld

MNF = Manufacturer

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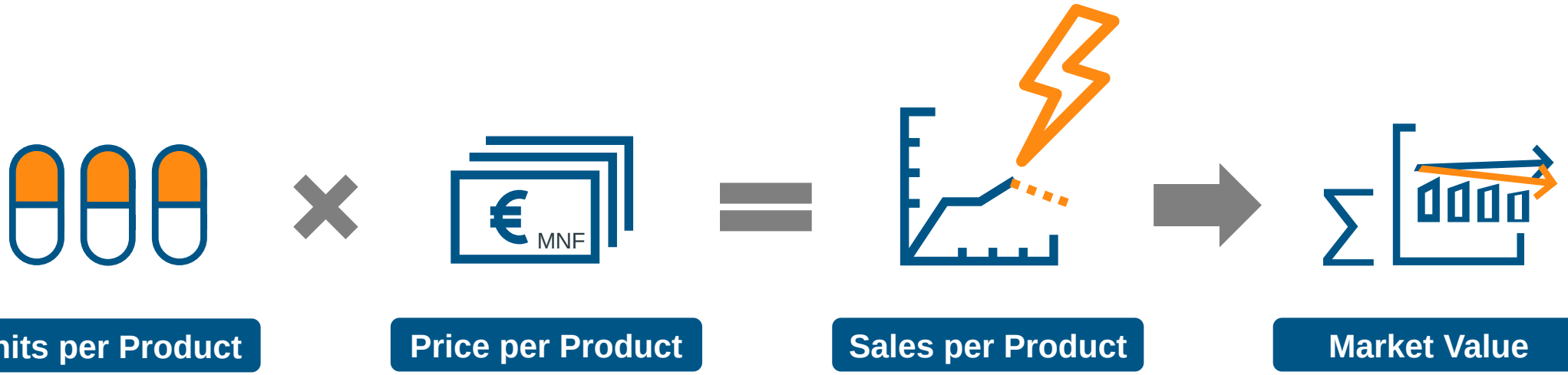
…taking into account qualitative factors of influence such as legal requirements regulating price…

Legal Requirements

Qualitative Forecast



Units per Product × **Price per Product** = **Sales per Product** → **Market Value**

Legal Requirements*:

- ✓ *Binding price ranges* → *maximum price for products with the same active agent*
- ✓ *Pricing rules for generics & biosimilars* → *price decrease defined by law, average uptake for generics & biosimilars based on historical data of reference products*
- x *European average price* → *pro futuro assumptions not feasible*

***ASVG §351c**

MNF = Manufacturer

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…and expert feedback by company representatives to validate product forecasts against internal company forecasts…

Expert Feedback

Qualitative Forecast

Units per Product × **Price per Product** = **Sales per Product** → **Market Value**

Expert Feedback:

- *By experts of 10 top pharmaceutical companies*
- *On single product forecasts with annual sales volume > 5 m€*
- *Via comparison with internal company forecasts*
- *In alignment meetings with market experts of pharmaceutical associations*

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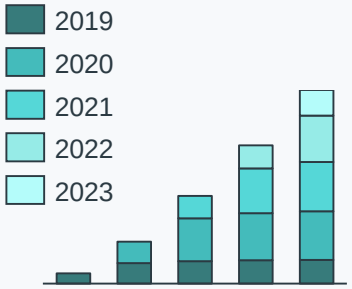
…and projection of the future innovation value based on historic launch development in consideration of R&D pipelines

Innovation Value

Innovation Value

Historic Launch Development



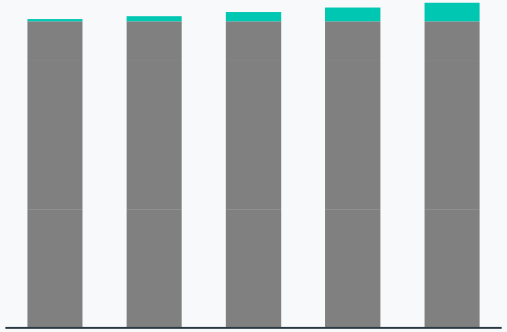
- *Historic product launch value & 5-year-growth determination*
- *Projection of future annual innovation value development*

Research & Development

R&D

- *Screening of top company R&D pipelines*
- *Assumption of launch date*
- *Projection of annual sales*
- *Validation by experts of 10 top pharmaceutical companies in the Austrian retail market*

Innovation Value



R&D = Research & Development

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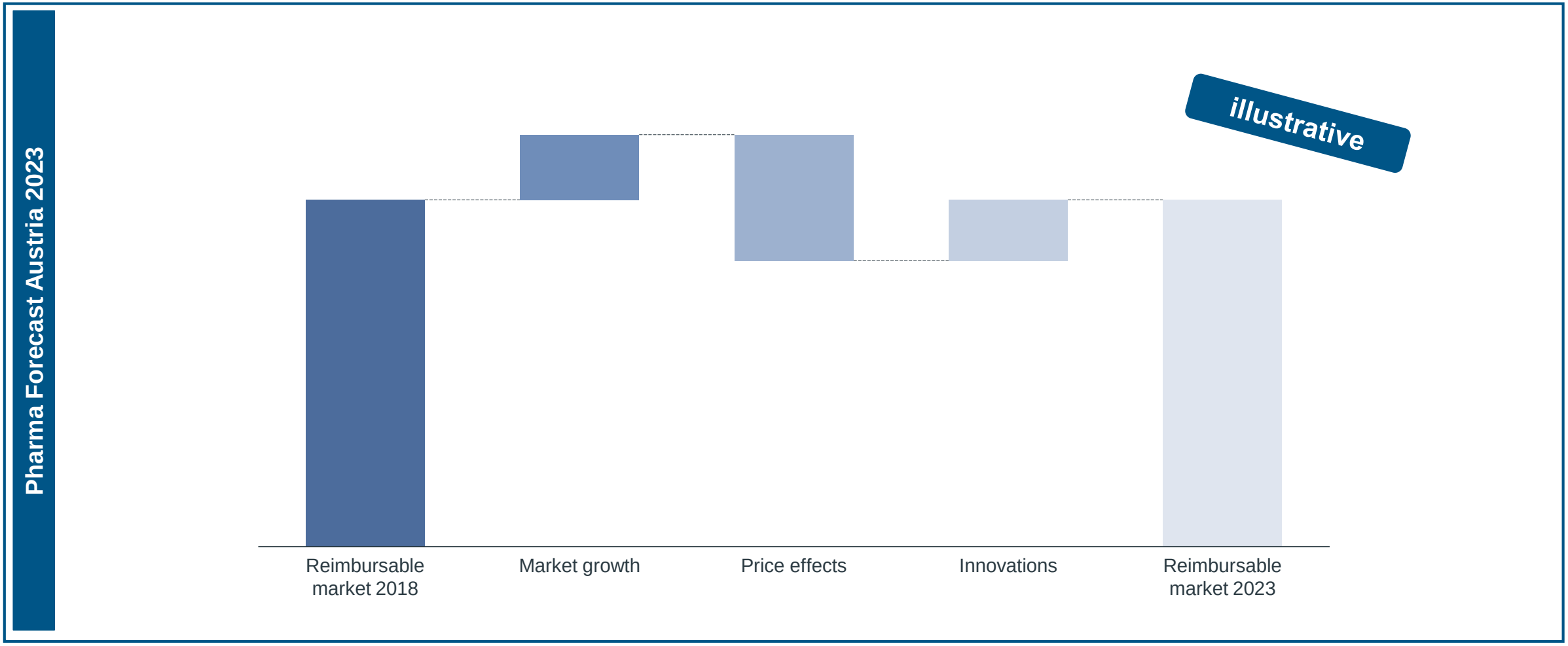
Result: **Robust 5-year-forecast of the Austrian reimbursable pharmaceutical retail market**

Pharma Forecast Austria 2023



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