

LATVIA

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Pharmaceutical pricing and reimbursement policies in the in- and out-patient sector

OUT- PATIENT

IN - PATIENT

PRICING

Pricing in the out-patient sector

Pricing policies for medicines

Non-reimbursable medicines: free pricing at manufacturer price level. For informative purposes the holder of the market authorisation has to declare the price to the State Agency of Medicines.

Reimbursable medicines: price is regulated at wholesale price level. Internal and external price referencing is applied, managed entry agreements are in place.

Wholesale remuneration

Regressive wholesale mark-up scheme is applied to all medicines (different mark-up schemes for reimbursable and non-reimbursable pharmaceuticals).

Pharmacy remuneration

Regressive pharmacy mark-up scheme is applied to all medicines (different mark-up schemes for reimbursable and non-reimbursable pharmaceuticals).

VAT

Standard VAT rate is 21%, VAT rate for medicines 12%.

Reforms

Managed entry agreements allowed by the legislation (in 2012).

Price linkage rules introduced for the followers in the Positive list (30% for the first one, 10% for the next two and 5% for the following ones) (in 2011).

Wholesale mark-ups decreased for reimbursable medicines with manufacturer price EUR 142,28 and higher (in 2011).

VAT on medicines increased from 5% to 10% (in 2009) and to 12% (in 2011).

Pricing in the in-patient sector

Pricing policies for medicines

Suppliers of hospital pharmaceuticals are mostly wholesalers and wholesale prices are used as hospital prices.

Centralised procurement is organised by the NHS for the purchase of the following pharmaceuticals and medical devices: (1) peritoneal dialysis, (2) vaccines, standard tuberculin and syringes (3) parenteral chemotherapy medicines (4) and the treatment of phenylketonuria and other genetically- determined diseases. Health care institutions themselves organise the procurement of pharmaceuticals and medical devices that are not purchased centrally.

Hospital pharmaceuticals are purchased according to the Public Procurement Law. Procurement is the sole pricing policy for pharmaceuticals and medical devices used in hospitals. Procurement is mainly organised by using open tendering procedures. Minor purchases are made after requesting quotes.

Wholesale remuneration

Regressive wholesale mark-up scheme set by the Cabinet of Ministers is applied to all medicines.

VAT

Standard VAT rate is 21%, VAT rate for medicines 12%.

REIMBURSEMENT

Reimbursement in the out-patient sector

Positive / negative list

Positive list with 1747 medicines, 265 medical devices (on 01.10.2019.).

Reference price system (RPS)

RPS was gradually implemented since 01.07.2005. Grouping is applied using ATC-4 and ATC-5 levels.

Co-payment

Fixed co-payment EUR 0.71/prescription for pharmaceuticals which are 100% reimbursed. Patient co-pays 25% or 50% of the price of the cheapest medicine in the case of 75% and 50% reimbursement and also pays the price difference when more expensive, not the reference (cheapest) product is prescribed.

Mechanisms for vulnerable groups

For children up to age 18 and low income persons the pharmaceuticals included in the Positive list are 100% reimbursed except when more expensive, not the reference (cheapest) product is prescribed, patient pays the price difference.

Prescription-only medicines, that are not included into Positive list, are reimbursed for children up to 24 months of age (reimbursement rate 50%) and for pregnant women and women within 70 days of postnatal period (reimbursement rate 25%).

Reforms

In 2009 the reimbursement rate was decreased to 75% for diagnoses with 90% reimbursement and to 50% for diagnoses with 75% reimbursement. After that for some groups of diagnoses the

Reimbursement in the in-patient sector

Reimbursement of medicines

Medicines are fully reimbursed for in-patient care. Expenses for medicines are included in the payment rates for health care services. The expenses of certain high-cost pharmaceuticals are paid separately.

Hospital formularies

Basic Hospital Pharmaceutical Formulary (HPF) is used in all hospitals financed from the State budget. 1137 medicines of different INNs, pharmaceutical forms and strengths (pack size in HPF is not specified) are included in basic HPF.

Additional HPF is detailed in each individual hospital and is relevant to the profile of the health care institution.

Co-payment in hospitals

Medicines are fully reimbursed for in-patient care.

<p>reimbursement rate was increased (for cardiovascular diseases from 50% to 75% in 2011; for Crohn's disease an ulcerative colitis from 50% to 75% in 2015, to 100% in 2018; for hepatitis B and C from 75% to 100% in 2016; for psoriasis from 75% to 100% in 2018; for sarcoidosis from 50% to 100% in 2018; for Hypersensitivity pneumonitis and pulmonary diseases from 50% to 100% in 2018; for disorders of mineral metabolism from 75% to 100% in 2018; for Huntington and Motor neuron disease from 50% to 100% in 2018; for Alzheimer disease, Dementia and mental disorders due to brain damage and dysfunction from 50% to 75% in 2019; for Schizotypal, Persistent delusional and Acute and transient psychotic disorders from 50% to 75% in 2019; for Mental retardation from 50% to 100% in 2019;).</p> <p>New diagnoses covered by the reimbursement system (artificial fertilization and infertility in 2012; immunodeficiencies, Primary pulmonary hypertension, other urticarial, Osteogenesis imperfecta, Lung transplant status in 2018; Personality and behavioural disorders due to brain disease, damage and dysfunction, Depressive episode and Mild mental retardation in 2019;).</p> <p>Reimbursement of prescription-only medicines, that are not included into Positive list, for children up to 24 months of age (reimbursement rate 50%) and for pregnant women and women within 42 days (since 2012) and 70 days (since 2019) of postnatal period (reimbursement rate 25%).</p> <p>100% reimbursement of pharmaceuticals included in the Positive list for children up to age 18 (since 2014).</p> <p>Parenteral chemotherapy medicines switch to centralized procurement from 2019.</p> <p>HTA evaluation went to State Agency of Medicines from 01.07.2019.</p>	
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