

CYPRUS

Recent and planned developments in pharmaceutical policies 2017/2018

Special topic: patient involvement in pricing and reimbursement of medicines

CHANGES IN PRICING

CHANGES IN REIMBURSEMENT

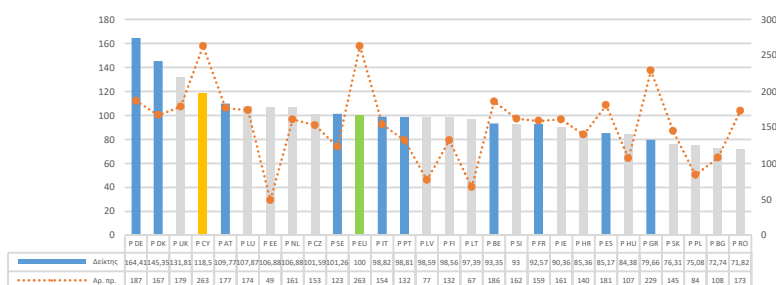
- Basket countries in EPR scheme have been re-calibrated according to price indices between CY and EU countries and modified in order to incorporate the benefits derived from the abolished measure of wealth adjustment, by which an 8,5% price cut was implemented on the wholesale (w/s) prices across the board (table1 and 2).
- Pharmacist margins have been revised downwards pertaining to products with w/s price between 10 to 50 euro. Regressive steps for w/s prices have been adjusted accordingly:
 - 0-10 euro, 37%
 - 10-50 euro, 35%
 - 50-250 euro 33%
- Pharmacist margin of 25%, for products with wholesale price higher than 250 euro, has been replaced by a fixed amount of 83 and 100 euro pertaining to products with w/s prices between 250-1500 and greater than 1500 respectively.

Changes will be in force on 1st of June 2018.

No reimbursement system has taken place, however the introduction of the National Health System in June 2019, which will unify the currently fragmented public and private sector, will incur significant changes in reimbursement. Products will be classified in ATC 5 and in certain cases ATC 4 level and the cheapest product will be reimbursed, while the patient will be able to choose a more expensive alternative given that he/she pays the price difference. The introduction of the National Health System will also bring about reforms in pharmacists' reimbursement, by changing it from a profit margin (as described under Changes in Pricing) to a fee per pack reimbursement.

Table 2

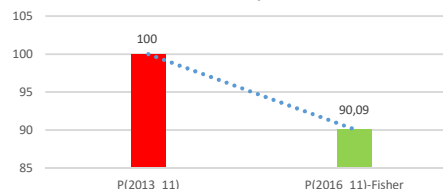
Wholesale Price Indices between Cyprus and EU countries for 263 marketed medicinal products in 2016 (Simple bilateral index)



$$P_F = \sqrt{\frac{\sum p_t \cdot q_0}{\sum p_0 \cdot q_0} \cdot 100 \cdot \frac{\sum p_t \cdot q_t}{\sum p_0 \cdot q_t} \cdot 100} = \sqrt{P_L \cdot P_P}$$

Table 1

Fisher wholesale price index demonstrating price evolution in private sector between years 2013-2016



OTHERS CHANGES

Legislative drafting initiated in the scope of:

- indicative generic substitution in both private and public sector and at the level of pharmacist
- establishing hospital pharmacies in private sector thus improving medicines management at the interface of private in-patient sector
- establishing an e-prescribing and record keeping systems in private sector, enabling prescription monitoring, prescription budgets etc.

SPECIAL TOPIC: Patient Involvement in Pricing and Reimbursement of Medicines

Prices in the private sector are set by the MoH, based on the recommendations of a Pricing Committee. The ultimate goal of the pricing committee is to validate the results of the pricing formula and recommend products in question to the minister of health based on scientific and pricing information. In Cyprus the Pricing Committee consists of a number of public and private stakeholders. Notably, the importers, patient groups, the Consumer Association, the Pancyprian Pharmaceutical Association, local manufacturers and research-based manufacturers are all represented in the Committee and are allowed to vote on actions that influence the domestic prices. Therefore, citizens are well represented and can interactively contribute on decisions taken. Furthermore, no declaration of a conflict of interest is requested to be submitted.