

## ISRAEL

### Recent and planned developments in pharmaceutical policies 2019

#### Special topic: patient-based reimbursement decisions

##### CHANGES IN PRICING

January 1st 2019 -A number of changes were made in the price control order:

- **Innovative drugs** – the maximum price is the average of the lowest three quoted prices among the following countries: England, Germany, Holland, France, Belgium, Spain and Hungary. the Method of calculation is different than they were in the old mode.
- **Generic drugs or innovative drugs with generic alternatives** – prices are fixed at the price-level of the determining day (01.07.2018). If a marketing authorization holder wishes to set a higher price for a particular product he needs to get an authorization for this from the Ministry of Health (MOH).
- **Pharmacist margin** - The pharmacist margin had reduced to **10% for pharmaceuticals that cost more than 1,750 NIS per package** on the 1<sup>st</sup> of January 2019. This is after that in 2017 a regressive pharmacist margin of 15% was added for those pharmaceuticals.
- **Exchange rate** - If the average exchange rate of the Euro will rise above or under 3% between publication of the annual price list, at January 1st, and the end of the following May, the price list will be updated by the amount of said change on July 1st. The change is limited to no more than 5%.
- In order to **encourage registration** of medicines that followed several conditions, we decided to quote the most expensive price among the 7 reference countries for two years instead of the regular method used.
- Drugs maximum prices which are less than 17 NIS will not decline.

##### CHANGES IN REIMBURSEMENT

A review of the public health basket of medicines and co-payment:

- In 2019 the list of drugs in the public health basket increased by around 88 new medications / indications (and 22 of other non-pharmaceutical medical technologies) at an evaluated cost of 460 million NIS.
- 30% of the new drugs added to the public health basket in 2019, entered via RSS based on quantity hedging or on performance based agreements.
- No changes of reimbursement rates. There is full coverage by the HMOs for drugs that are included in the public health basket (No reimbursement rate, only co-payments).
- No changes of co-payment. Generally patients pay co-payment starting from a minimum of 17 NIS and going up to 10%-15% of the public maximum price list including VAT. In addition, there are quarterly ceilings and discounts for certain target populations.
- The purchase prices of medicines included in the public health basket and in the additional health services given by the HMOs are determined separately by the HMOs and the marketing authorization holders.

#### SPECIAL TOPIC: patient-based reimbursement decisions

- There isn't reimbursement decisions based on patient. Our reimbursement system is based only on the active ingredient (molecule) and on the medical indication. Health Technology Assessments (HTA) performed by the annual national committee in charge of adding new health technologies to the public health basket.
- Each HMO provides its patients with basic medical services (the basic basket of services) as well as plans that include additional health services (AHS). The National Health Insurance Law states that the health funds may offer their members additional health care plans, known as "supplementary insurance".
- **The Health basket** provided by the HMOs is a list of medical services that the HMOs are legally obliged to provide to their insured, including: hospitalization, examinations, treatments, medicines and medical equipment. The list can be found in the Second Schedule to the National Health Insurance Law and in the National Health Insurance Order (Medications in the Health Services Basket).
- Reimbursement of medicines that are not included in the reimbursement list or in the HMOs own list: the health funds are not obligated to fund treatment not included in the healthcare basket(positive list). Applicants requiring treatment not included in the basket, have the option of appealing to their health plan's exceptions committee. The exceptions committee is part of the health fund and is composed of a number of health fund employees, some of which are doctors. The purpose of the committee is to consider requests for assistance beyond that which is required by law, and it has the authority to consider and decide regarding the provision of services that are not included in the healthcare basket for health fund policyholders.
- Hospitals are not under the national health basket, they must provide the best health treatment and the necessary drugs included, or not, in the positive list.