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Research Article

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Discounts and rebates granted to public payers for medicines in European countries

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Abstract The objective of this study was to provide an overview about the existence and types of discounts and rebates granted to public payers by the pharmaceutical industry in European countries.
Methods: Data were collected via a questionnaire in 2011. Officials from public authorities for pharmaceutical pricing and reimbursement represented in the WHO Pharmaceutical Pricing and Reimbursement Information network provided the information and received the questionnaire.
Results: Information is available from 31 European countries. Discounts and rebates granted to public payers by the pharmaceutical industry were reported for 25 European countries. Such discounts and rebates were reported in 10 countries and in the industry were only in four countries. In countries reported not having any regulations or agreements regarding the discounts and rebates granted by industry, the most common discounts and rebates are price reductions and related to volume discounts for large volume purchases. Many of these arrangements are confidential. Differences regarding types, the organizational and legal framework, validity and frequency of updates and the amount of the discounts and rebates granted exist among the surveyed countries.
Conclusions: In Europe, discounts and rebates on medicines granted by the pharmaceutical industry to public payers are common tools to certain public pharmaceutical expenditure. They appear to be used as a complementary measure when price regulation does not achieve the desired results and in the few European countries with no or limited price regulation. The confidential character of such arrangements impedes transparency and may lead to a distortion of medicines prices. An analysis of the impact of these measures is recommended.
Keywords: medicines, Europe, discount, rebate, cost containment, policy measure, payer, reimbursement, tendering

Introduction
Government medicines policies aim to provide to their population safe, affordable and effective medicines. The Netherlands introduced the so-called patient price policy which is a tendering system in the outpatient sector. In Germany, rebates on medicines prices are negotiated between sickness funds and manufacturers [1, 2], and in the UK, the NHS negotiates with manufacturers [3]. The most commonly applied policy measure in response to the global financial crisis on price cuts, increase in co-payments, so-called co-payment, is price cuts, increase in co-payments, value added tax (VAT) rates on medicines and the distribution of additional funds. Such measures are usually implemented by executive order or regulation rather than by law. During the last years, however, additional policies have been implemented in some countries. The Netherlands introduced the so-called patient price policy which is a tendering system in the outpatient sector. In Germany, rebates on medicines prices are negotiated between sickness funds and manufacturers [1, 2], and in the UK, the NHS negotiates with manufacturers [3]. The most commonly applied policy measure in response to the global financial crisis on price cuts, increase in co-payments, so-called co-payment, is price cuts, increase in co-payments, value added tax (VAT) rates on medicines and the distribution of additional funds. Such measures are usually implemented by executive order or regulation rather than by law. During the last years, however, additional policies have been implemented in some countries.

Chapter 19 Pharmaceutical Pricing in Europe

Sabine Vogler and Jaana E. Martikainen

Abstract How are medicine prices decided upon in European countries? Which challenges do policy makers face? Which role do reimbursement aspects play in the pricing process? Are there commonalities and similarities between European countries? This chapter provides information on pharmaceutical pricing policies in 30 European countries, including all 28 European Union Member States. Key pricing policies at ex-factory price level as well as in the supply chain will be presented. Medicine price data will be provided as an illustrative snapshot.

19.1 Introduction

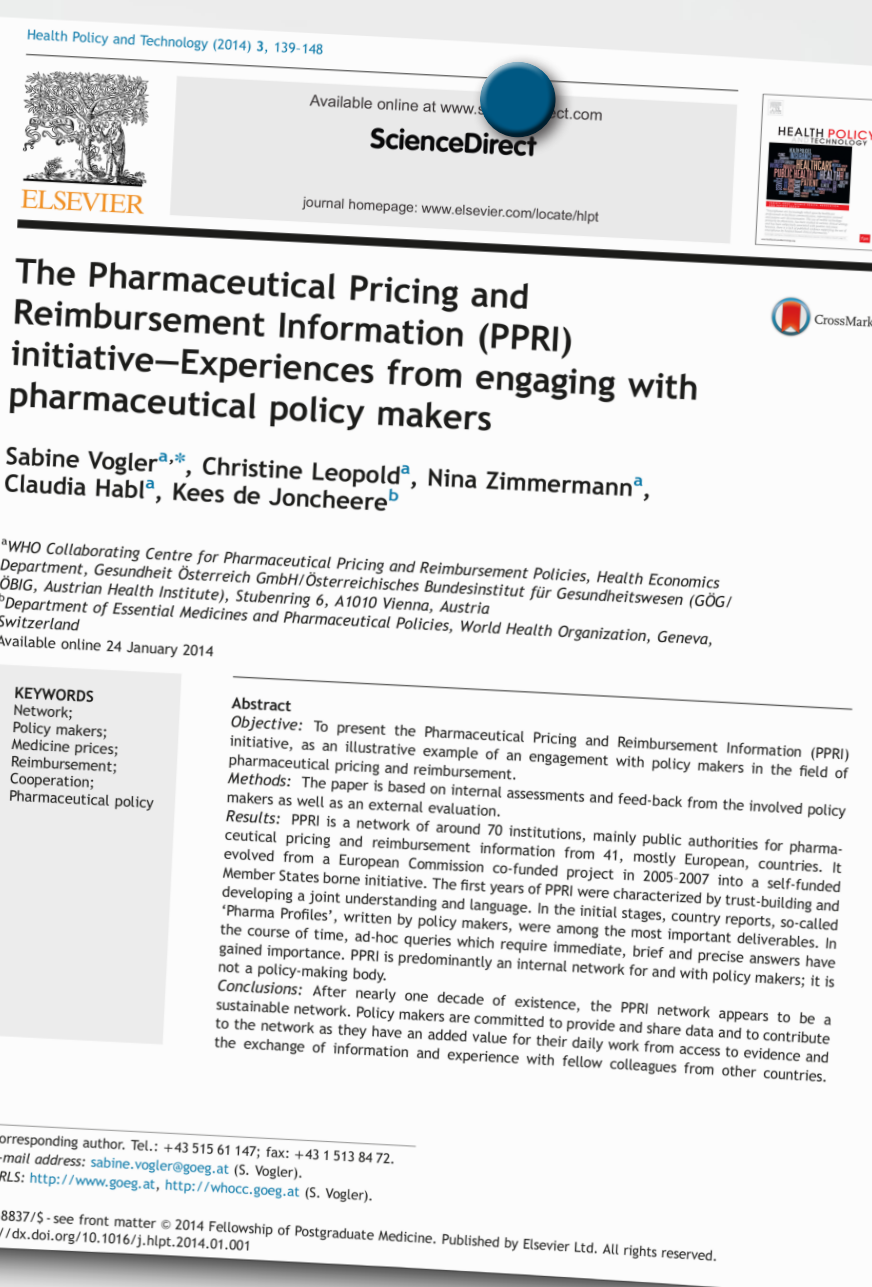
The right to health, including access to essential medicines, is a human right (Hogerzeil 2004, 2006; Hogerzeil et al. 2006). To ensure access to essential medicines, affordable prices are a major element, together with a rational selection and use of medicines, sustainable financing and reliable health and supply systems (World Health Organization 2004). This is of relevance for all the countries the world over, no matter whether they are low- and middle-income countries or high-income countries. European countries use the same principles in their pricing policies and funding strategies when they aim to ensure providing their populations with safe, effective and high quality medicines. Many European countries have universal coverage of health care and they have advanced pricing policies. At the same time, they are continuously adjusting their policies in order to achieve the policy aims, particularly in times of economic hardship. This has been true especially during the recent years when

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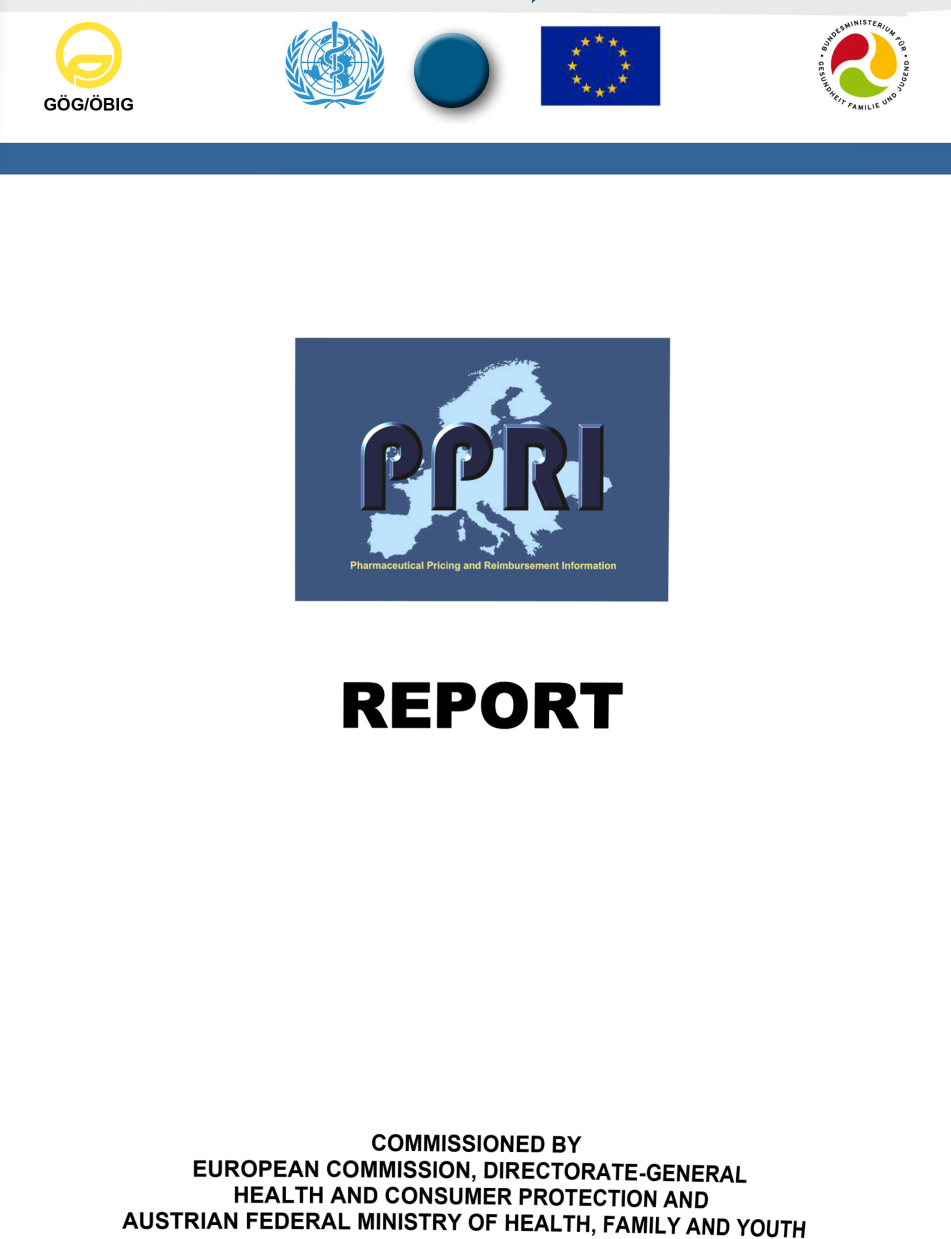
What is PPRI?

PPRI is the acronym for Pharmaceutical Pricing and Reimbursement Information. It is a networking and information-sharing initiative on burning issues of pharmaceutical policies from a public health perspective. It involves PPRI Members of nearly 90 institutions (mainly competent authorities and third party payers) from 46 countries (the whole European Union, Armenia, Albania, Belarus, Canada, Iceland, Israel, Kazakhstan, Kyrgyzstan, Macedonia, Moldova, Norway, Russia, Serbia, South Africa, South Korea, Switzerland, Ukraine and Turkey)

In this article you will find more about PPRI



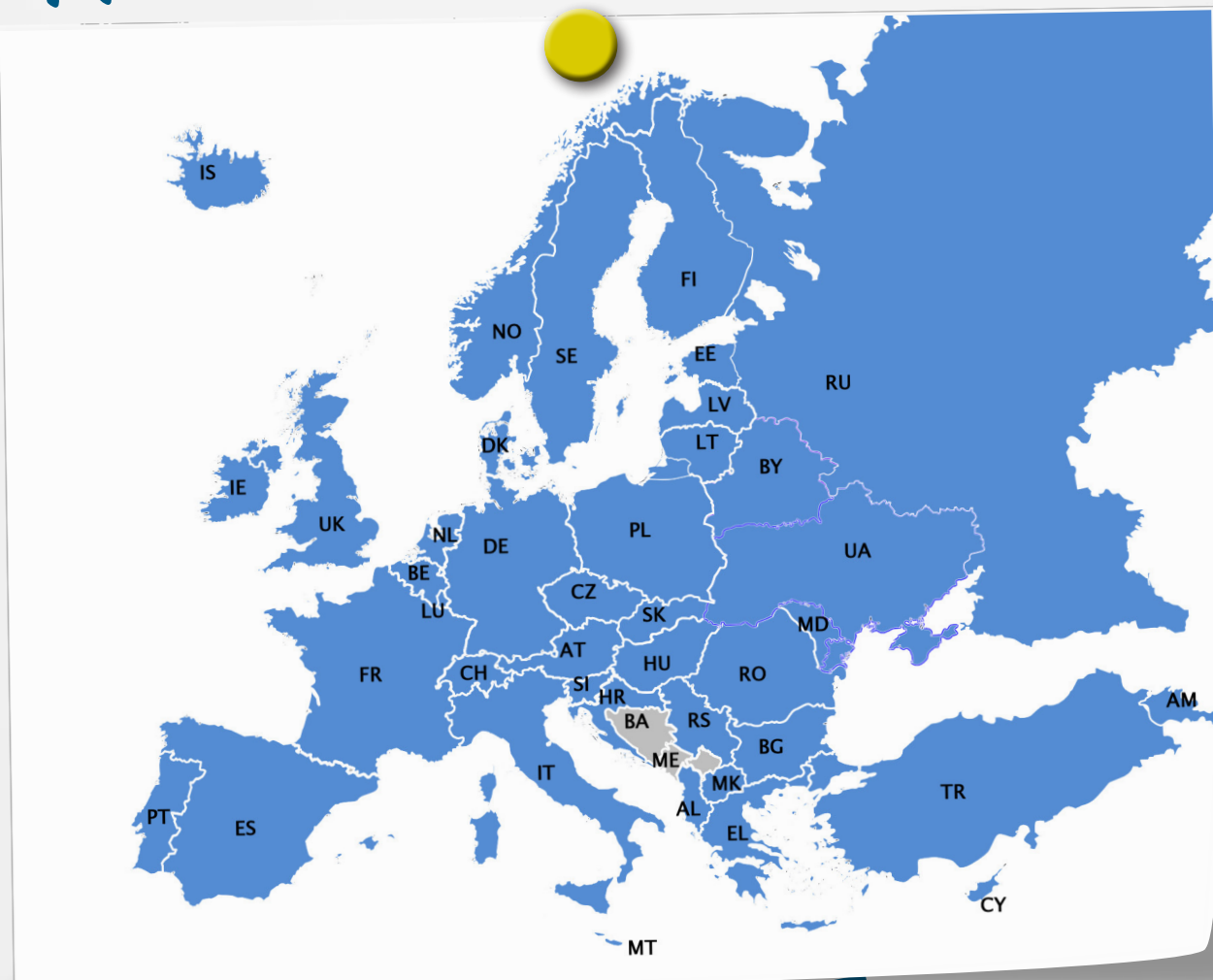
Publications (Selection)



PHIS Hospital Pharma Report

COMMISSIONED BY THE EUROPEAN COMMISSION, EXECUTIVE AGENCY FOR HEALTH AND CONSUMERS (EAHC) AND THE AUSTRIAN FEDERAL MINISTRY OF HEALTH (BMG)

PPRI Members in Europe

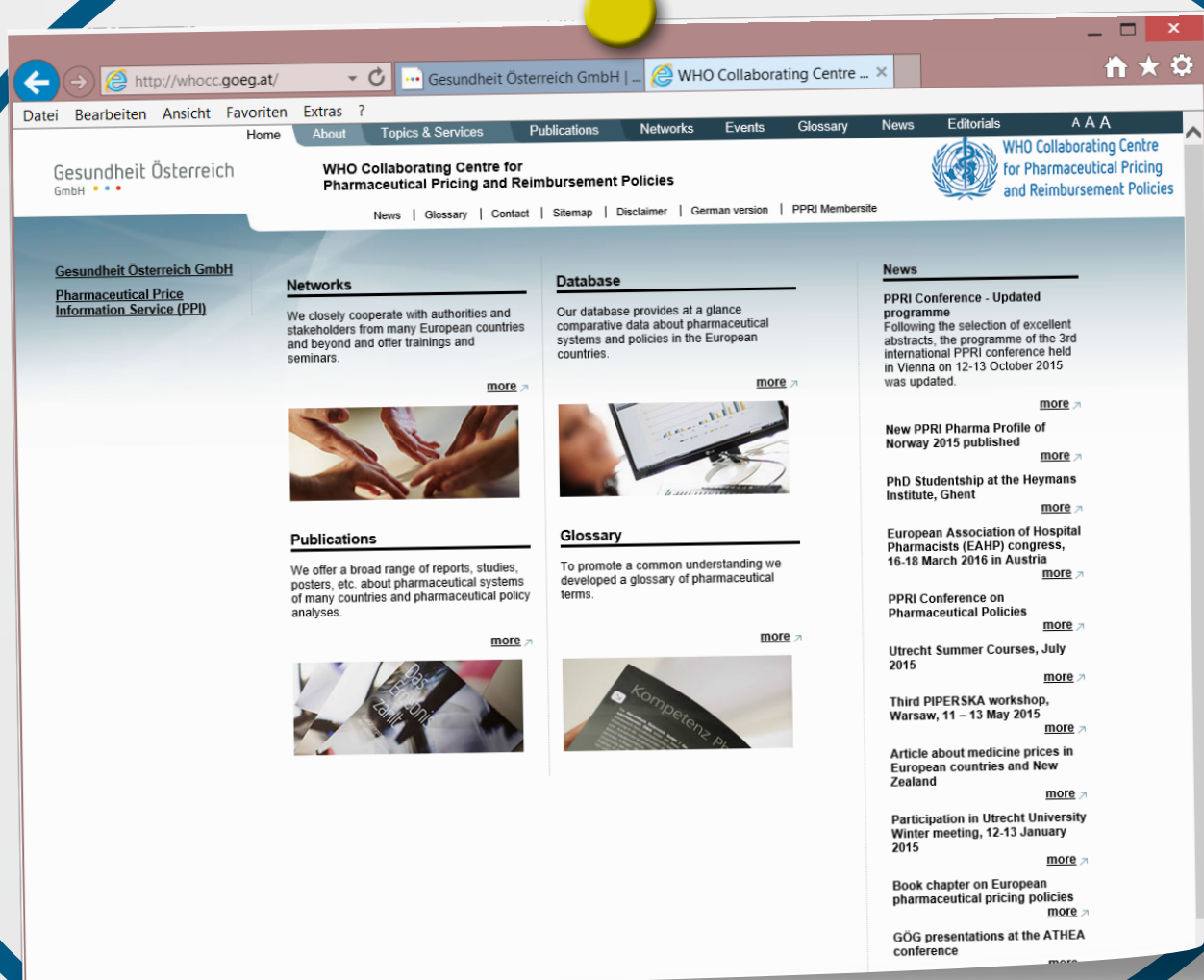


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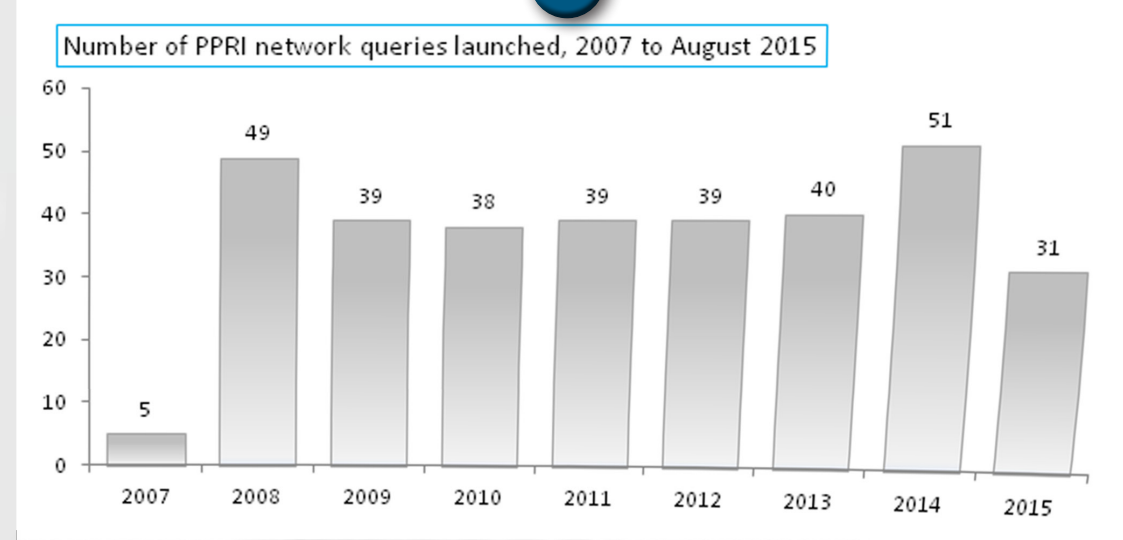
- PPRI Country Profiles
- Country Posters
- PHIS Hospital Pharma Report 2010
- PPRI Report 2008
- Articles in scientific journals
- Book chapters
- Semi-annual PPRI network meetings
- Presentations at conferences
- Glossary of pharmaceutical terms
- Overview of policy measures
- etc.

PPRI Network Meetings



Key activities

- To facilitate an exchange of information among policy makers of different countries (PPRI Network queries)
- To address information needs related to pharmaceutical policies of policy makers and stakeholder
- To develop indicators to compare pharmaceutical systems
- To survey comprehensive information and data about the pharmaceutical system of a country in a homogenous and comparable format
- To facilitate access to specific country information
- To perform cross-country comparisons
- etc.



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