



CYPRUS
Ministry of Health
Health Insurance Organisation

MAJOR REFORMS FROM 2007 TILL 2/2009:

- Approved amendments on pricing - February 2008
 - Drugs of < €6.00 and < 25,000 sales / year: Adjustment of price according to number of reference countries etc.
 - Pack adjustment methodology – Determination and approval of pricing method for drugs, whose pack size in reference countries is different to that of Cyprus.
- National currency change – January 2008
 - Euro adoption as the official currency of Cyprus, reducing currency exchange risk

CURRENT AND PLANNED MEASURES:

- Based on current system - Expected March 2009
 - Pharmacists' mark –up profit of 37% on all pharmaceuticals
 - Issue of new price list
- Based on General Healthcare Scheme – possible changes on:
 - A radical reform of the pricing and reimbursement system is expected with the introduction of the General Healthcare Scheme. The reform will include among others the unification of the pharmacy market and the introduction of a positive list. The introduction of a co-payment for products in the positive list is under consideration.

Current Pricing System (as of 2/2009)

PRICE POLICIES FOR PHARMACEUTICALS

Statutory pricing for all pharmaceuticals with a marketing authorization license that are available in the private sector – External price referencing is used for imported pharmaceuticals. Locally produced pharmaceuticals are priced at 80% or lower of the price of the original.
– *Public procurement* through tenders for all pharmaceuticals available in government pharmacies.

WHOLESALE MARK-UPS

No wholesale mark-ups. The pricing method in use sets the wholesale price. The wholesalers are free to negotiate their profit with the manufacturers.

PHARMACY MARK-UPS

35% - 38% pharmacy mark-up profit margin on all pharmaceuticals.

VAT

No VAT on pharmaceuticals. Diagnostic agents carry a 15% VAT.

Current Reimbursement System (as of 2/2009)

POSITIVE/NEGATIVE LIST

Positive List (List of Approved Medicines) applicable in the public sector. No list for the private sector.

REFERENCE PRICE SYSTEM

Currently no reference price system is in place for reimbursement.

CO-PAYMENT

There is 0% or 50% co-payment in the public sector based on the eligibility status of the patient on the pharmaceuticals included in the List of Approved Medicines. Out-of-pocket spending in the private sector.

MECHANISMS FOR VULNERABLE GROUPS

Vulnerable groups are eligible for 100% reimbursement of the pharmaceuticals included in the List of Approved Medicines in the public sector.