

## South Korea

### Recent and planned changes in pharmaceutical pricing and reimbursement and overview of the medical devices system

P H A R M A C E U T I C A L S	<b>Changes in pricing</b>	<b>Changes in reimbursement</b>
	<p>There are no changes.</p> <p>But risk sharing scheme has been introduced since Jan. 2014 : for example,</p> <ul style="list-style-type: none"> <li>• Evoltra® (CED + Money back guarantee) : 3+1 year term contract</li> <li>• <i>Erbitux</i>® (Refund contract)</li> <li>• <i>Revlimid</i>® (Refund contract)</li> </ul>	<p>Market based Actual Transaction Price Reimbursement will be abolished in June 2014</p> <ul style="list-style-type: none"> <li>• Incentives have been given as 70% of price gap between ATC and listed price to the hospitals, clinics, pharmacies which buy drug as below the listed price</li> </ul> <p>Since July 2014, Actual Transaction Price Reimbursement will be implemented.</p> <ul style="list-style-type: none"> <li>• Incentives will be given as a part of pharmaceutical expenditure saving index</li> </ul>
<b>Other changes related to medicines</b>		
<p>Delisting a drug which is proved that Pharmaceutical companies supply with some illegal money to the hospitals, clinics, pharmacies since July. 2014</p>		
M E D I C A L D E V I C E S	<b>Pricing and reimbursement system of medical devices</b>	
<ul style="list-style-type: none"> <li>• Competent authority : Korea Food and Drug Administration (KFDA) responsible for marketing authorization of medical devices (manufacturing, importation, distribution). Ministry of Health and Welfare (MOHW) regulate installation, inspection for special medical devices (CT, MRI, Mammo) and implement periodic inspection and safety report for radioactive medical devices.</li> <li>• Price regulation : Pricing of medical devices are statutorily not regulated. Reimbursement price is included as fee schedule for physicians according to the RBRVS.</li> <li>• Reimbursement : Medical institutions (hospitals, clinics) should make report to Health Insurance Review and Assessment Service (HIRA) when they buy and install medical device .to get reimbursed.</li> <li>• Price sources/prices known : Independent reimbursement price source of medical devices does not exist. Reimbursement price for medical devices is included as fee schedule for physicians according to the RBRVS.</li> </ul>		