European Price Comparison for Patented Drugs

4th PPRI Conference
Strand II: ‘Fake’ prices – Are price surveys still useful?
Melanie Schröder, Carsten Telschow and Jonas Lohmüller
Outline

• Introduction
• Methodology
• Findings
• Discussion
Introduction

- Patented drugs with a dominant market share (44%) in the 38 billion € SHI pharmaceutical market in Germany in 2016
- Germany and comparable countries (BE, DK, FI, FR, UK, NL, AT, SE)
- Question: What is the direction and scope of price differences for patented drugs? How does it change if we take negotiated prices in Germany into account?
Methodology (1): Data

- **Own database**: Systematic site search of prices of 250 top-selling patented drugs (90% market share of patented drugs in Germany)
  - Quality management in matching procedure → interdisciplinary WldO team: economists, computer scientists, pharmacists, pharmaceutical assistants
  - High price data coverage → 86%

- **Adjustment of prices**: price per standard unit (DDD), same currency (PPP), GDP, VAT excl.
Methodology (2): Price negotiations in Germany (AMNOG) since 2011

Source: GKV-SV (2019; modified)
Findings (1): Ex-factory prices (D) vs. ex-factory prices (EU)

250 patented drugs

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Subset 92 AMNOG drugs*

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*Data coverage of 66%
Findings (2): Negotiated (D) vs. ex-factory prices (EU)

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**250 patented drugs**

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*Data coverage 66%*
Discussion

- **Ex-factory vs. ex-factory?** (i.e. *Busse et al. 2016*; *Vogler et al. 2019)*
  - Fair comparison, but ignoring reality in Germany
  - Overestimating German prices
- **Negotiated prices vs. ex-factory prices?** (i.e. *Busse et al. 2017*; *Hammerschmidt 2016)*
  - Unfair comparison with accurate data in Germany
  - Overestimating foreign prices

→ Very elaborate work and results with strong limitations

* from a German perspective; see Schneider & Vogler 2019 for an overview of intern. price comparisons
Thank you!

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Conflict of Interest

The authors of this presentation declare that they have no competing interests.
References


