WIdO | Wissenschaftliches Institut der AOK

European Price Comparison for Patented Drugs

4th PPRI Conference

Strand II: ‘Fake’ prices – Are price surveys still useful?

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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?

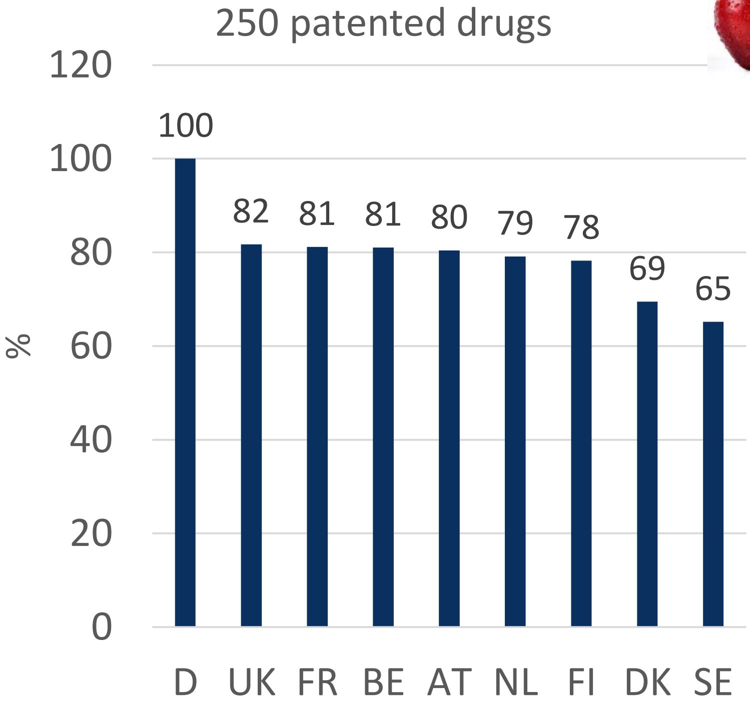
Methodology (1): Data

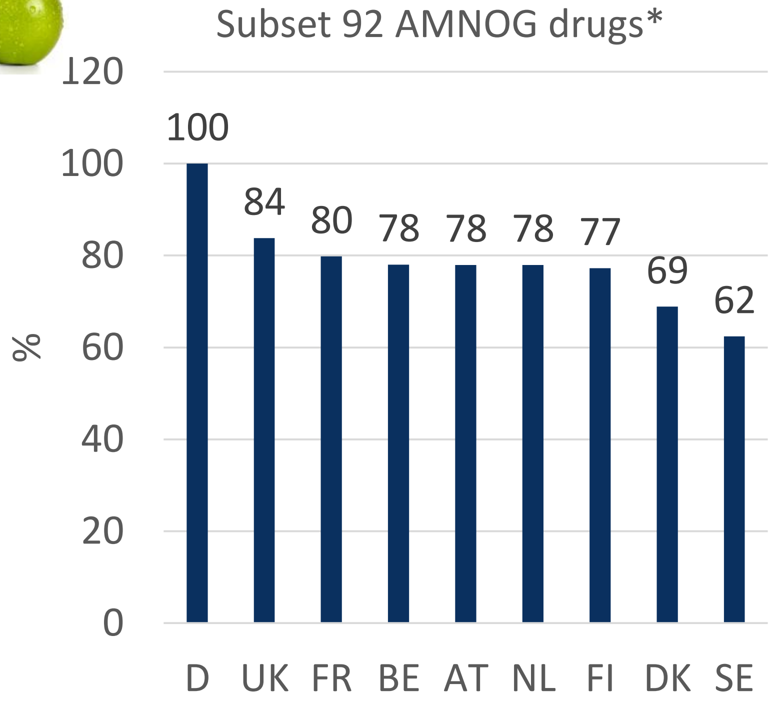
- Own database: Systematic site search of prices of 250 top-selling patented drugs (90% market share of patented drugs in Germany)
  - Quality management in matching procedure → interdisciplinary WIdO team: economists, computer scientists, pharmacists, pharmaceutical assistants
  - High price data coverage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

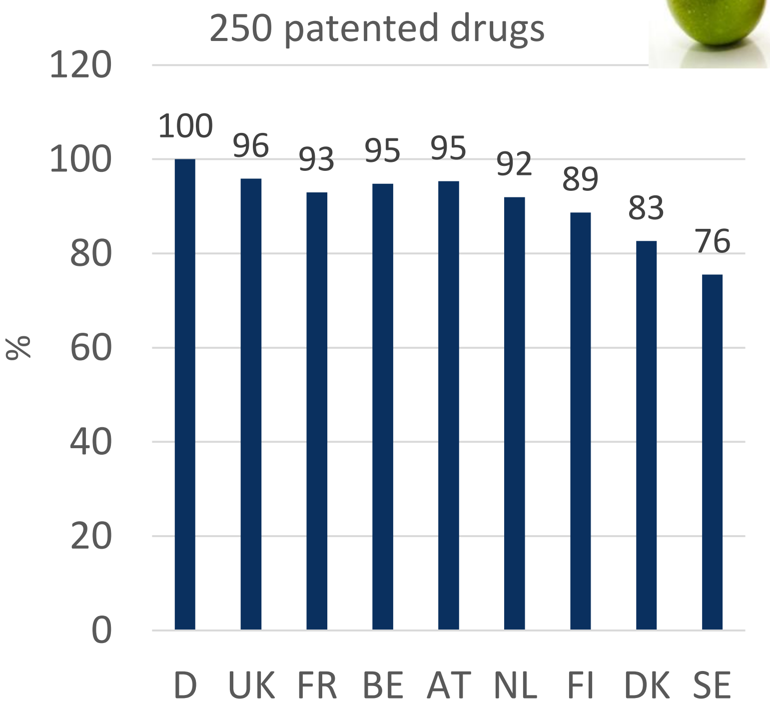
Findings (1): Ex-factory prices (D) vs. ex-factory prices (EU)

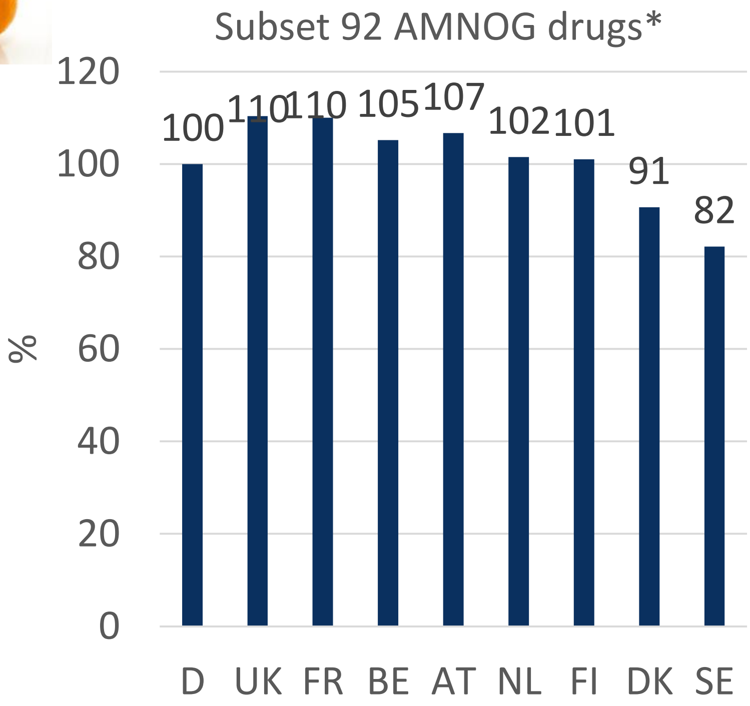




*Data coverage of 66%

Findings (2): Negotiated (D) vs. ex-factory prices (EU)

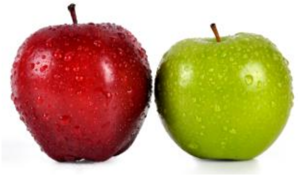




*Data coverage 66%

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 havo no competing interests.

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