

The logo for TLV (Tandvårds- och läkemedelsförmånsverket) consists of the letters 'TLV' in a bold, white, sans-serif font. The letters are positioned above two horizontal white lines that separate the logo from the text below.

TANDVÅRDS- OCH

LÄKEMEDELSFÖRMÅNSVERKET

Pharmaceutical Pricing and Reimbursement Policies in Sweden

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4th PPRI Conference, October 24th, 2019

Introduction to the pharmaceutical market

TLV WHO Collaborating Centre for Pharmaceutical Pricing and Reimbursement Policies
Sweden Dental and Pharmaceutical Benefits Agency (TLV) +46-8 568 420 50
 PPRI Pharmaceutical Pricing and Reimbursement Policies
 Tax funded national health care system
 Population (2019): 10,375,000
 GDP (2019): 46,300
 Health Care Sector Share of GDP (2017): 11%

	OUT-PATIENT	IN-PATIENT
PRICING	Pricing of pharmaceuticals on the benefit scheme TLV is responsible for pricing and reimbursement of out-patient pharmaceuticals. The Board of Pharmaceutical Benefits decides on which new pharmaceuticals to include on the benefit scheme. 67% of pharmaceutical sales were within the benefits scheme in 2018. Pharmaceutical companies apply to TLV in order to list a product on the benefit scheme. TLV uses a Value Based Pricing method to determine whether a pharmaceutical, at a given price and effect, is cost-effective. TLV sets the pharmacy purchasing and retail price but not the ex-factory price and the wholesalers' margin.	Pricing in the hospital sector The 21 regions of Sweden provide healthcare and pay for pharmaceuticals in the hospital sector. The regions procure pharmaceuticals directly from the pharmaceutical companies.
	Pricing policies for reimbursed pharmaceuticals High cost pharmaceuticals. TLV, regions and pharmaceutical companies collaborate to establish national recommendations and coherent introductions of new high-cost pharmaceuticals. In 2018, 46 risk sharing agreements were established with a total expenditure of SEK 9.3b (approx. € 560 m), yielding a return of SEK 2.5b (€ 240 m) (44%). The return is divided 60/40 between the regions and the state.	19% of pharmaceutical sales are made in the hospital sector.
	Pharmaceuticals subject to competition. A tender auction system is applied on a monthly basis for off-patent and interchangeable pharmaceuticals to identify the product with the lowest price and its availability. The available product with the lowest price in each group is the preferred product the following month. About two thirds of all dispensed packages on the benefits scheme are subject to generic substitution and they constitute one fifth of the total expenditure.	The regions have a Drug and Therapeutic Committee, which act as an advisory board on the use, efficiency and cost of pharmaceuticals. TLV provides HTA reports to support their decision-making process.
	Price reduction. Pharmaceuticals that are not subject to competition and are older than 15 years are imposed with a price reduction of 7.5%. These products are reviewed two times per year.	There is no VAT imposed on pharmaceuticals and medical devices purchased by the regions.
	Pharmaceutical reviews. TLV performs reviews of pharmaceuticals, which are on the benefit scheme, in therapeutic areas where pharmaceuticals may no longer be cost-effective.	
	Pricing of pharmaceuticals not included on the benefit scheme 14% of pharmaceutical sales are outside the benefit scheme (over the counter (OTC) (10%) and non-reimbursed prescription pharmaceuticals (4%)). The price setting is unrestricted; companies decide ex-factory price, the wholesaler decides the price to pharmacies and pharmacies set the retail price.	
	VAT The standard VAT rate is 25% and is applied on both OTC pharmaceuticals and medical devices. There is no VAT on prescribed pharmaceuticals.	
COVERAGE / REIMBURSEMENT	Patients and the state/regions share the costs of pharmaceuticals included on the benefit scheme. Over a 12-month period, patients pay the full amount of the pharmaceutical cost up to SEK 1 100 (€100) where a stepwise subsidy scheme begins. After reaching the high-cost ceiling of SEK 2 300 (€210) patients are fully subsidised.	An adult patient pays a fee when visiting a hospital or primary care centre. The maximum fee per patient is SEK 1 100 (€100) per year. Should the amount exceed the maximum amount the health care is fully subsidised. Patients pay a fixed fee for the medical appointment and no co-payment is required for pharmaceuticals used during a hospital stay.
	6% co-payment Insulin, pharmaceuticals prescribed for preventing contamination of certain communicable diseases (e.g. HIV), and pharmaceuticals for persons lacking perception of their own state of illness are always fully subsidised. Pharmaceutical on the benefits scheme are fully subsidised to children <18 years and contraceptives are subsidised to women <21 years of age.	

- 10.2 million inhabitants
- 22 inhabitants per km²
- Average life expectancy 84,3 years for women and 80,8 for men
- GDP/capita € 46.300
- Tax funded national healthcare system
- Sweden's healthcare spending 11 per cent of GDP in 2017

Source: The Swedish Association of Local Authorities and Regions, the Swedish Health Agency, EUROSTAT and TLV

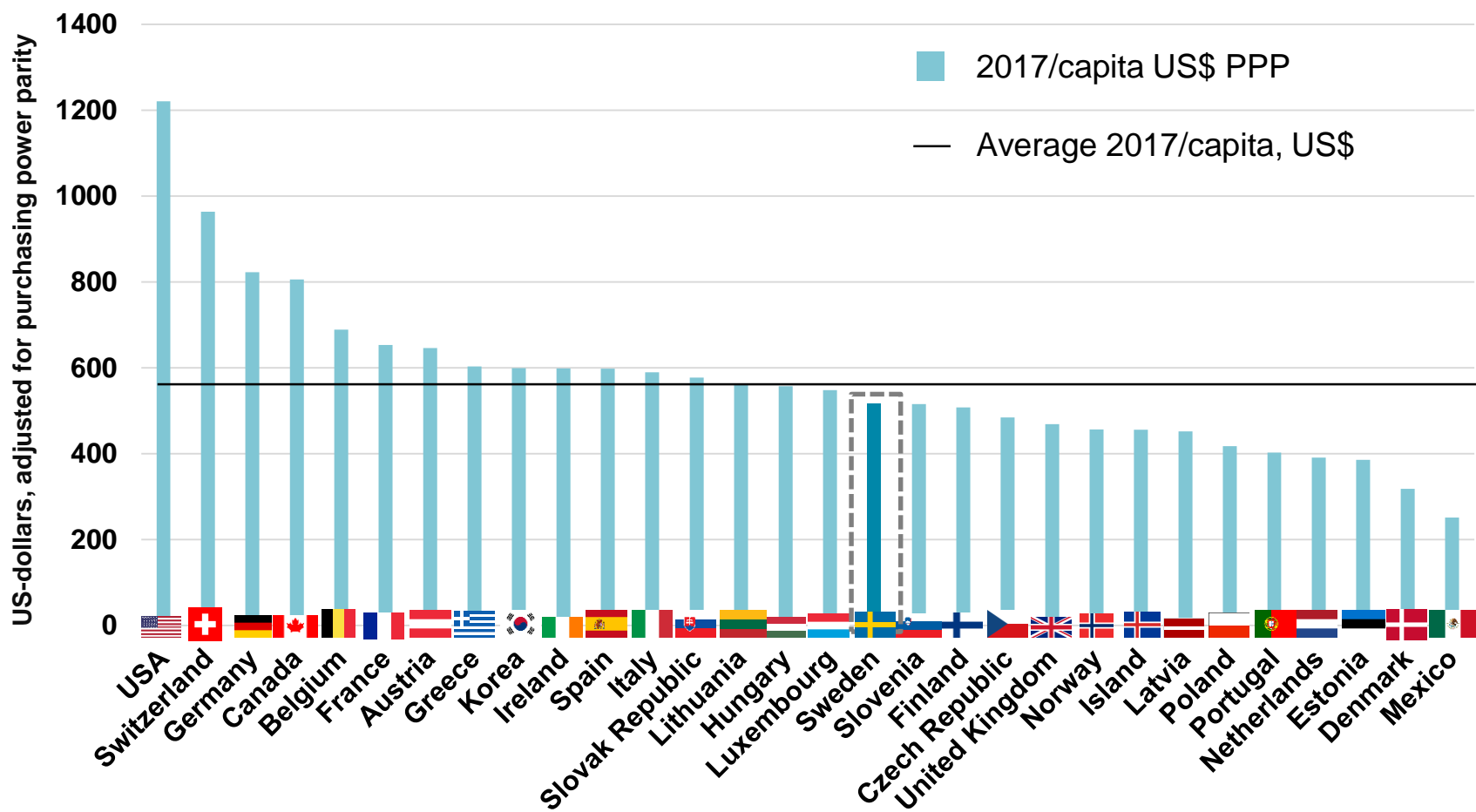
TLV October 2019, www.tlv.se Contact: Peter Sköld, peter.skold@tlv.se

A Highly Decentralised System

- TLV decides on pricing and reimbursement of pharmaceuticals (EUR 2.9 billion per annum) and regulates the generic substitution system
- 21 Regions provide health care. They have a high degree of autonomy
- Pharmaceuticals used in in-patient care are paid for in full by the Regions
- The Government finances the Regions' expenses for prescription pharmaceuticals that are covered by the reimbursement system (TLV decides on reimbursement)

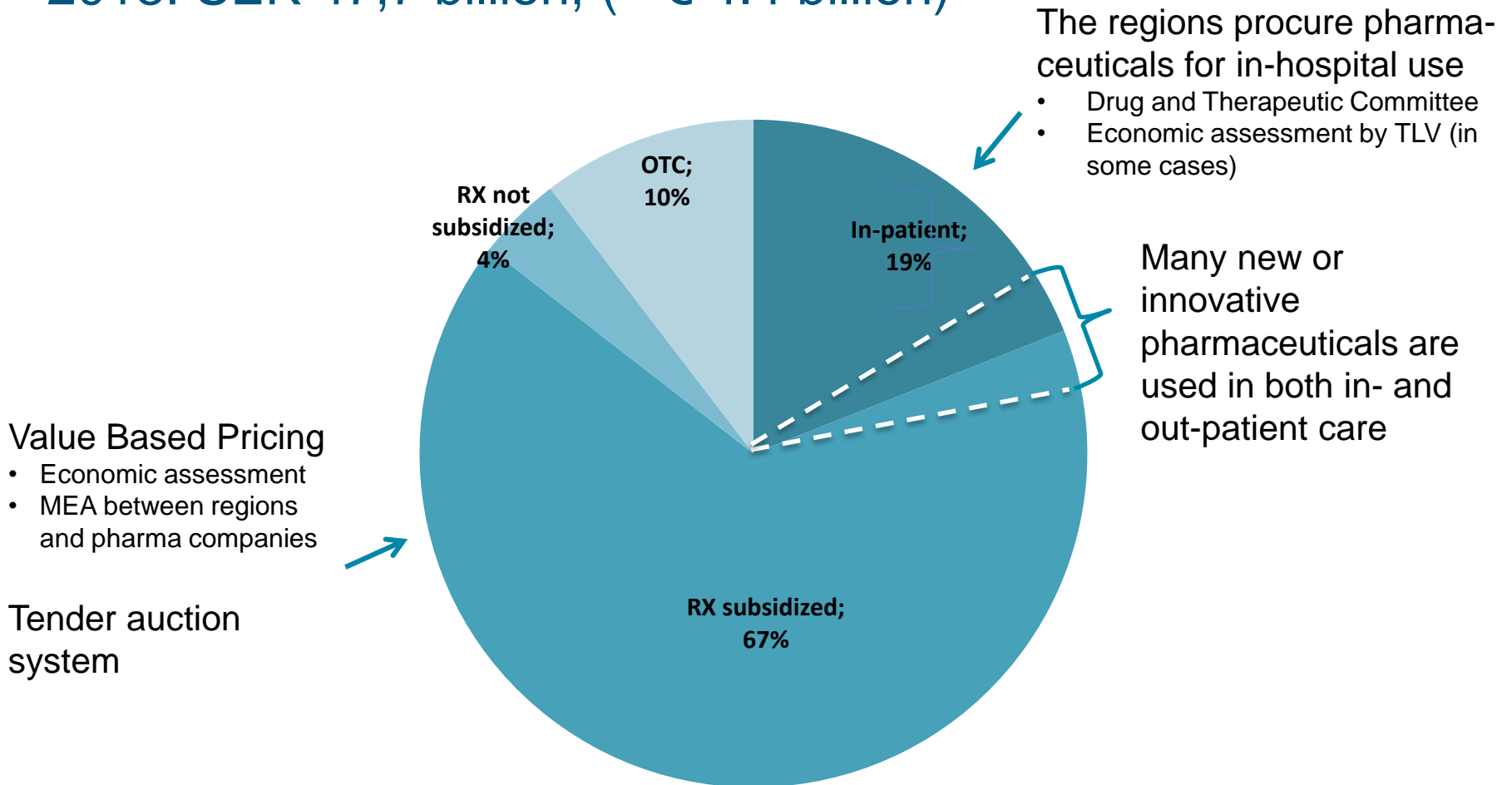


Pharmaceutical Expenditure in the OECD

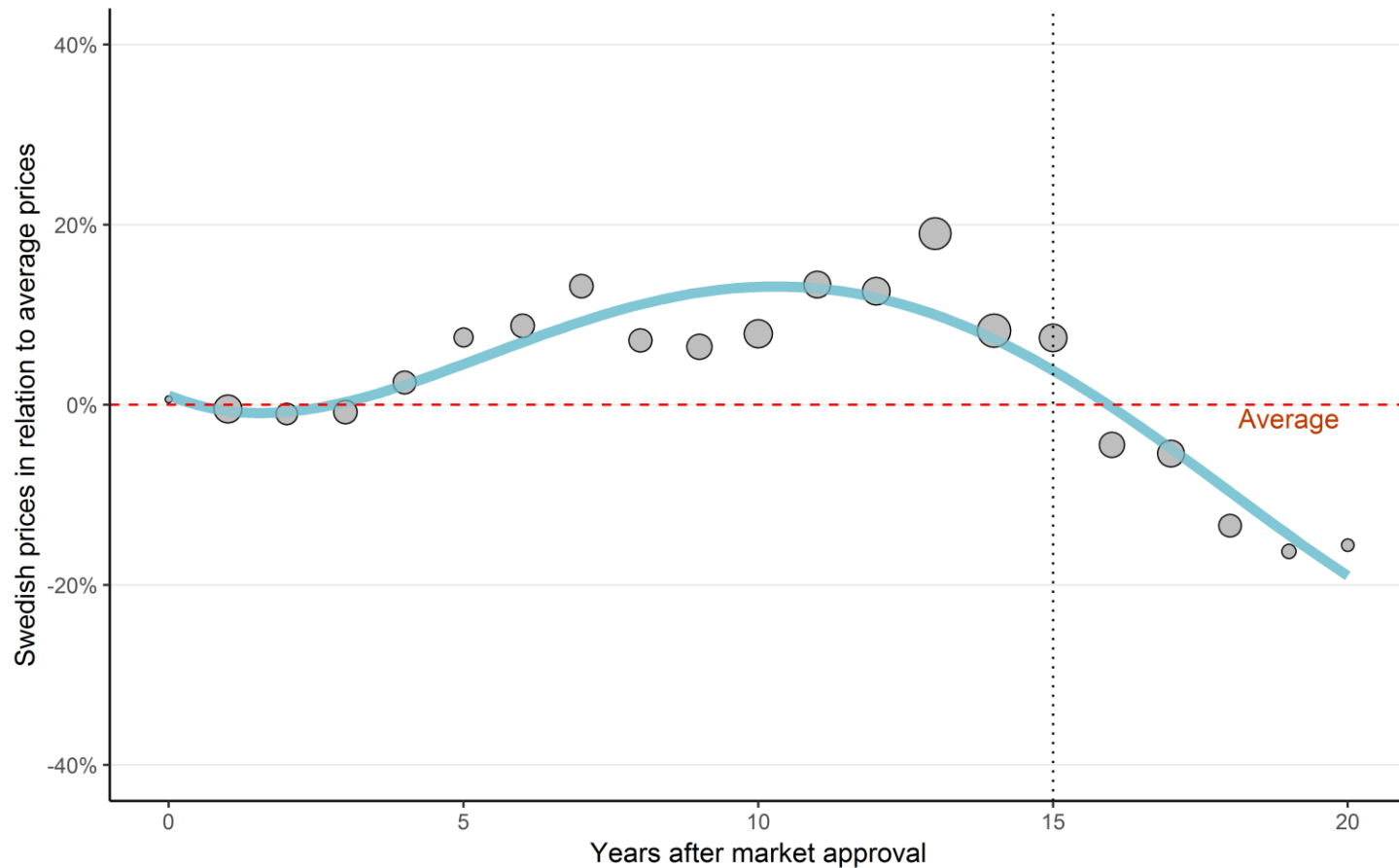


The Swedish Pharmaceutical Market

2018: SEK 47,7 billion, (~ € 4.4 billion)



Life Cycle Perspective of Pharmaceuticals in Sweden



Developed Value Based Pricing

- New situation, new price



The High-Cost Protection Scheme

Patient co-payment

During a 12-month period, a patient pays the full amount of pharmaceuticals up to SEK 1 150 (€105).

After paying SEK 2 300 (€210), the patient is fully subsidized.

Exceptions:

- Insulin,
- pharmaceuticals prescribed for preventing contamination of certain communicable diseases (i.e. HIV),
- pharmaceuticals to children <18,
- contraceptives to women <21, and
- pharmaceuticals for persons lacking perception of their own state of illness,

are always subsidized at 100%.

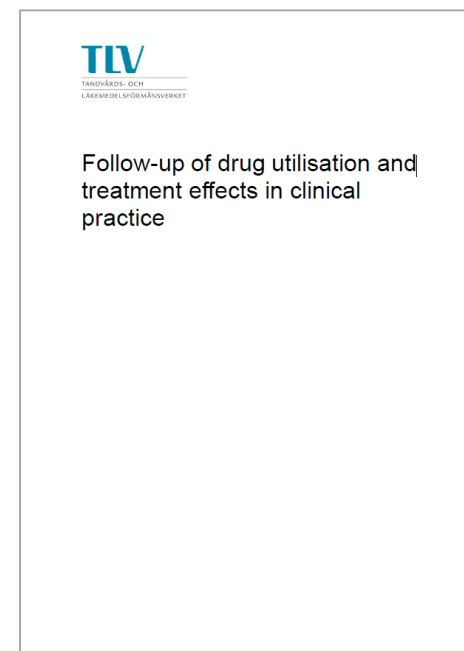
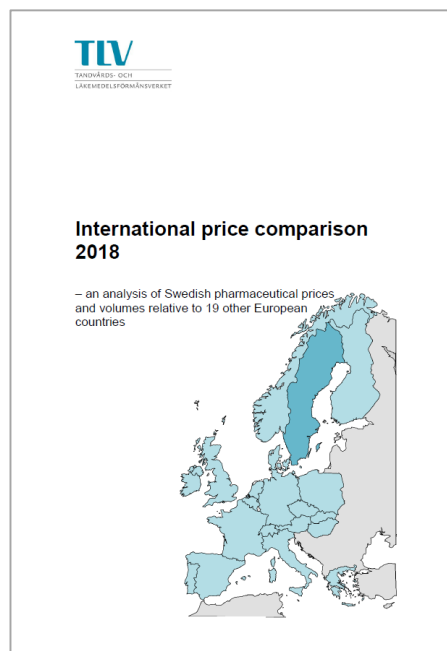
Total cost
SEK

Maximum amount in
SEK, paid by patient

	<i>Subsidy/ discount</i>	<i>Co-payment</i>		
>5.645	100%	0%	2.300	~€210
4.078	90%	10%	2.143	
2.195	75%	25%	1.673	
1.150	50%	50%	1.150	~€105
<1.150	0%	100%	<1.150	



More information is available



www.tlv.se/in-english/reports.html