

# Sweden

Dental and Pharmaceutical Benefits Agency (TLV) +46-8 568 420 50

## Pharmaceutical pricing and reimbursement policies

Tax funded national health care system

Population (2018): 10,175,000

GDP €/capita (2018): 46,300

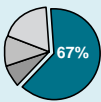
Health Care Sector Share of GDP (2017): 11%



### OUT-PATIENT

#### 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 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 6.3b (approx. € 580 m), yielding a return of SEK 2.8b (€ 240 m) (44%). The return is divided 60/40 between the regions and the state.



**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.

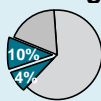


**Price reduction.** Pharmaceuticals that are not subject to competition and are older than 15 years are imposed with a price reduction of 7.5%. These products are reviewed two times per year.



**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.

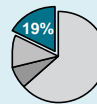


The standard VAT rate is 25% and is applied on both OTC pharmaceuticals and medical devices. There is no VAT on prescribed pharmaceuticals.

### IN-PATIENT

#### 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.



19% of pharmaceutical sales are made in the hospital sector.

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.

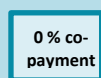
There is no VAT imposed on pharmaceuticals and medical devices purchased by the regions.

PRICING

COVERAGE / REIMBUR.



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 1 150 (€105) where a stepwise subsidy scheme begins. After reaching the high-cost ceiling of SEK 2 300 (€210) patients are fully subsidised.



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. Pharmaceuticals on the benefits scheme are fully subsidised to children <18 years and contraceptives are subsidised to women <21 years of age.

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.