

### Social Security Institution (SGK)

Canan DEMİR (cdemir4@sgk.gov.tr)  
Hatice Demet CELİK (hdcelik@sgk.gov.tr)

### Turkish Medicines and Medical Devices Agency (TITCK)

Kagan ATIKELER (kagan.atikeler@titck.gov.tr)



**Population:** 82 Million (2018)

**GDP per Capita:** 9,311.4 \$ (2018)

**Health Care Sector:** Social Health Insurance System

**Health Expenditure in % of the GDP:** 4.2% (2017)

**Pharmaceutical Expenditure:** 6,4 billion \$ (2018)

## AUTHORIZATION

**Turkish Medicines and Medical Devices Agency (TITCK)**

**Tasks:** Decisions on authorization and ex-factory/retail prices.

**Social Security Institution (SGK)**

**Tasks:** Decisions on eligibility for reimbursement, reimbursement prices, reimbursement conditions and financing.

in coordination with

The Ministry of Treasury and Finance, Presidency of Strategy and Budget, academia, and representatives of professional associations

## OUT-PATIENT

### Pricing in the out-patient sector

Reference Price (in Euro)

× Fixed Exchange Rate

= Ex-Factory Price (in TL)

+Wholesaler Mark-up

+Pharmacy Mark-Up

+VAT

=Retail Price

-Statutorily Discounts

=Reimbursement Price

External RPS. The lowest price of 5 countries (France, Greece, Italy, Portugal and Spain). In addition, ex-factory prices of import/export countries are also taken into account.

The reference price is converted into Turkish Lira ("TL") at a fixed rate which is set in January of each year as 60% of the previous year's annual average of the Euro.

Statutorily regressive mark-ups for all pharmaceuticals changing from 9% to 2%.

Statutorily regressive mark-ups for all pharmaceuticals changing from 25% to 12%.

Standard rate is 18%, but VAT is 8% for all pharmaceuticals.

In order to calculate reimbursement prices, mandatory discount rates varying from 0% to 41% are applied depending on the state and ex-factory prices of the pharmaceuticals. The discount rate for generics is max 28%.

Internal RPS: There are equivalent groups based on the active substance and reimbursement is capped at 10% above the base price in each group. SGK only pays up to 10% over the base price and the remaining is financed out-of-pocket.

Using managed-entry agreements, discount rates and reimbursement prices may be kept confidential.

## IN-PATIENT

### Pricing in the in-patient/hospital sector

#### Pricing policies for medicines

Pricing procedures are same as in out-patient sector. In public hospitals, pharmaceuticals are usually procured and distributed by centrally. In addition, hospitals can make individual purchases according to needs. University hospitals and private hospitals make individual purchases.

#### Four ways of purchasing:

Open tendering, tendering among predetermined competitors, bargaining, negotiations and direct purchase.

#### Wholesale remuneration

Same as out-patient sector.

#### Pharmacy remuneration

No pharmacy remuneration.

**VAT:** VAT is 8% for all pharmaceuticals.

## PRICING

### Reforms

**Exchange rate:** Fixed to 60% of previous year's average exchange rate since Feb 2019.

**Reassessment of price increases:** Price Evaluation Commission reassess all the price increases annually.

## REIMBURSEMENT

The universal health insurance system operates on the basis of a list of pharmaceutical products for which costs are covered by the SGK. SGK collects contributions from citizens. Also the State pays a subsidy amounting to the one fourth of actually collected contributions of Universal Health Insurance.

### Coverage / reimbursement in the out-patient sector

#### Reimbursement Procedures

Reimbursement Commission

Alternative Reimbursement Commission

Named Patient Supply Programme

Weekly Assessment

#### Positive List

Positive list dated 26 Sept 2019 includes 8450 pharmaceuticals. Addition to positive list, Named Patient Supply Programme List dated 19 Sept 2019 includes 383 pharmaceuticals.

#### Internal RPS of cluster of substitutable medicines

Internal Reference Pricing System is used at ATC-5 (active substance) level since 2005. The products of the same active substance in the same pharmaceutical form and dosage have to be in the same equivalent group.

#### Co-Payments

**Percentage co-payment:** 10% of the medication cost for pensioners and their dependents  
20% of the medication cost for other insured persons and their dependents.  
**Prescription fee:** 3 TL up to 3 packages prescribed and plus 1 TL for each of the additional packages.

#### Mechanisms for vulnerable groups

Medications for chronic diseases (e.g. cancer, hypertension, diabetes) are exempt from co-payment. Lower co-payment for pensioners and their dependents (10%).

### Reforms

**Alternative Reimbursement Process:** Controlled inclusion of innovative, personalized and expensive pharmaceuticals in the reimbursement list by managed-entry agreements since 2016.

**MEDULA (Medical Communicator) System:** The transactions between SGK and health care providers run via MEDULA system since 2007. This system makes easier the provision process and plays very important role for controlling health care expenses.

**E-Prescription Application:** Prescriptions have been preparing online since 2012 to prevent misuse and abuse in the medication system.

### Coverage / reimbursement in the in-patient sector

#### Reimbursement

In-patient medicines are financed by hospitals under the annual global budget agreements between MoH/universities and SGK. Private hospitals provide in-patient medicines individually and SSI finances them over the cost of prescription..

#### Hospital formularies

The positive list of SGK includes in-patient medicines. Hospitals form their own formularies in accordance with positive list.

#### Co-payment in hospitals

In-patient medications are exempt from co-payment.

#### Mechanisms for vulnerable groups

No specific mechanisms.