

RETHINKING PUBLIC SPENDING ON PHARMACEUTICALS AND MEDICAL DEVICES: THE ONGOING REFORMS

ANA CORREIA | 09/04/2025 | PPRI NETWORK MEETING



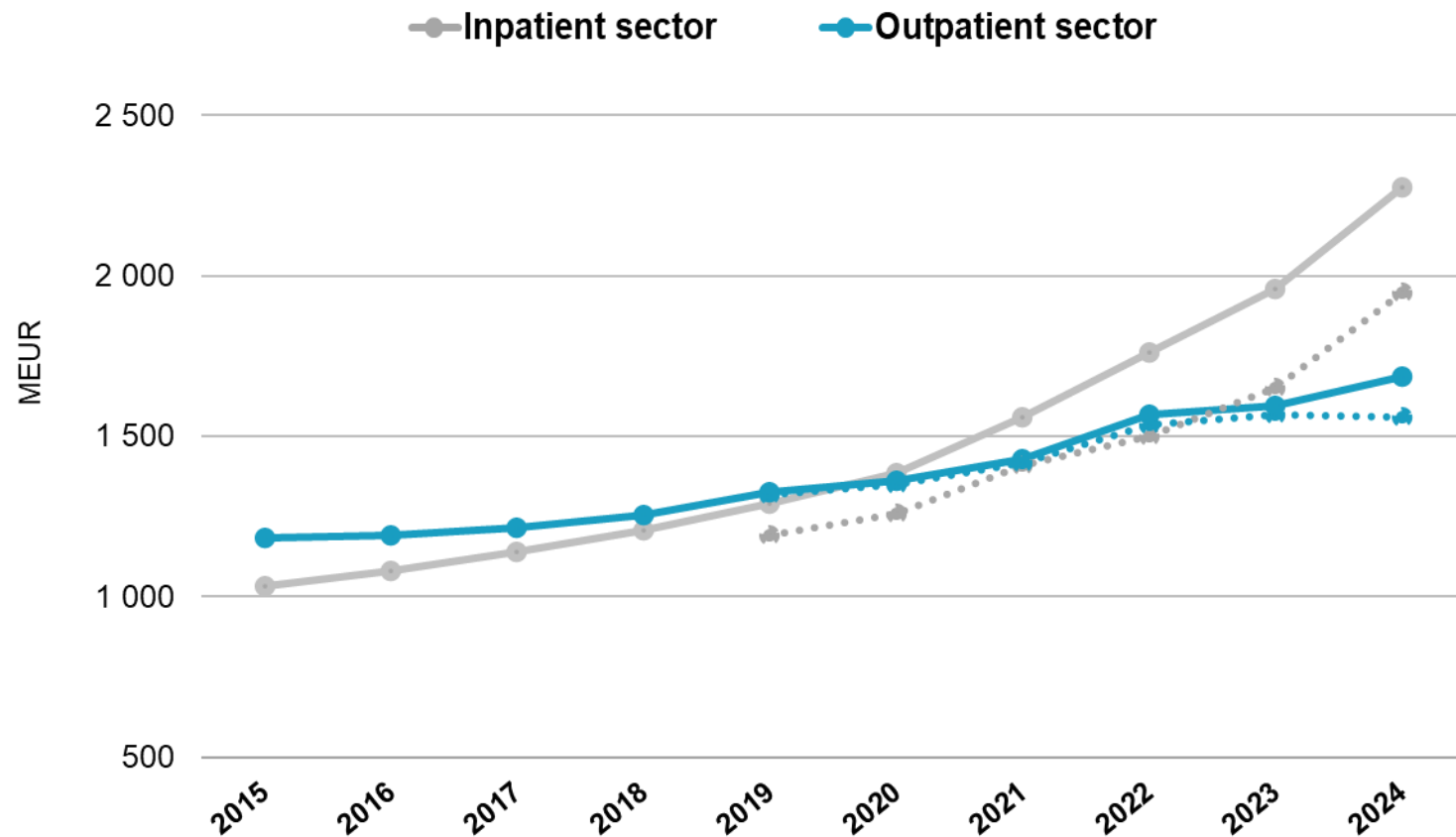
AGENDA

- Pharmaceutical expenditure in Portugal
 - Brief overview
 - Recent political measures implemented
 - The process of Spending Review
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Pharmaceutical Expenditure in Portugal

PHARMACEUTICAL EXPENDITURE IN PORTUGAL

NHS expenditure evolution with medicines



Total Expenditure

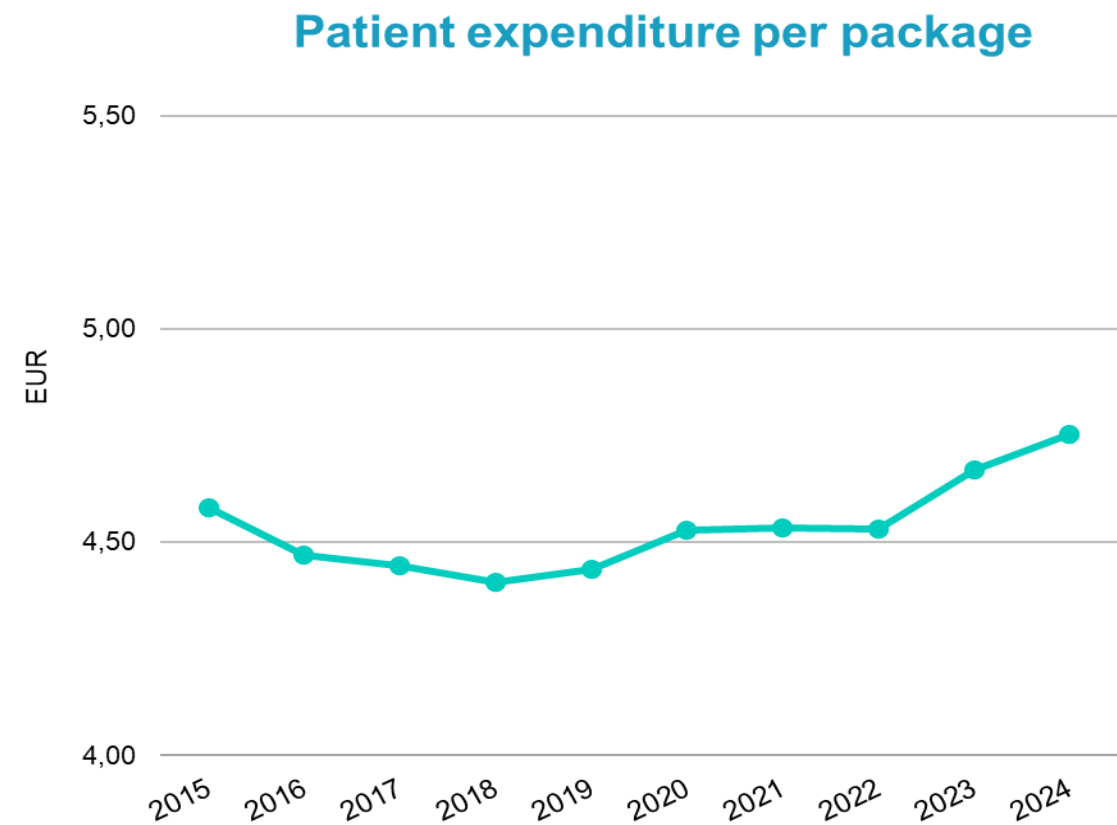
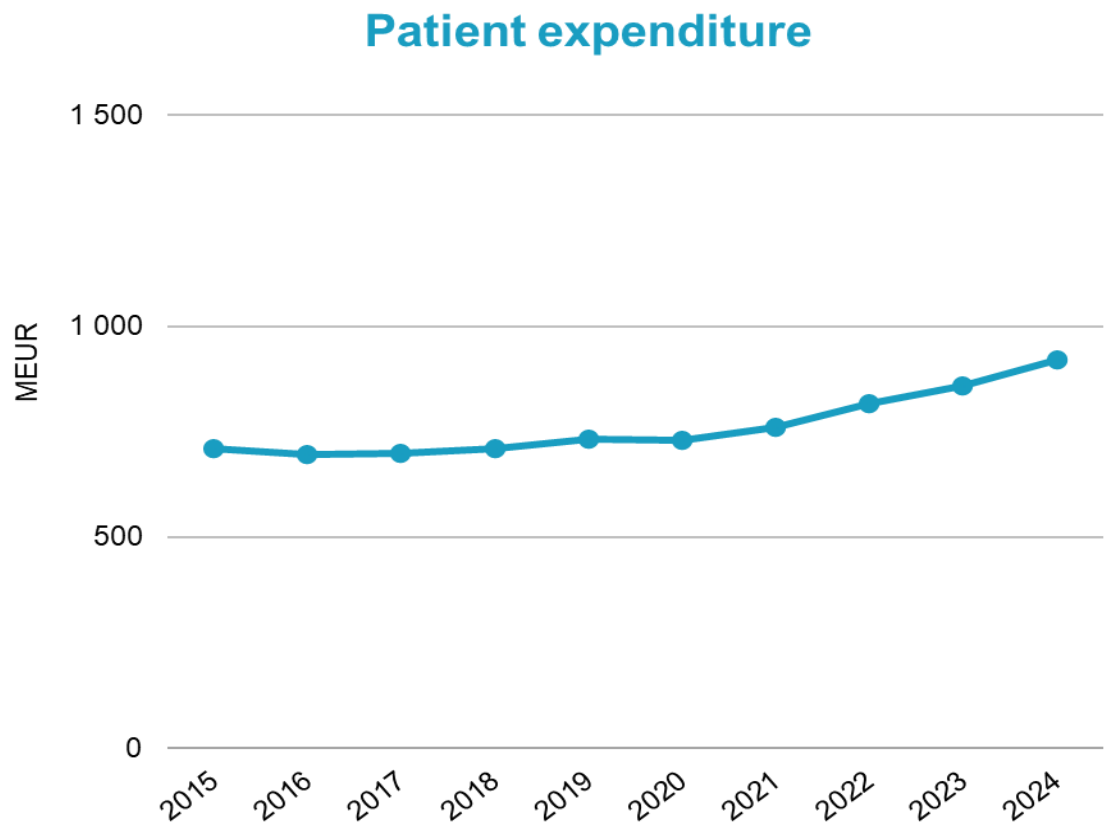
Gross: 3.960 M€ ($\Delta + 11,5\%$)

Net: 3.508 M€ ($\Delta + 9,0\%$)

PHARMACEUTICAL EXPENDITURE IN PORTUGAL

Patient expenditure in 2024: 921 M€ ($\Delta + 7,1\%$)

Average co-payment rate: 35% of retail price expenditure



**Recent political measures
implemented**

ON PRICES

- **Increases in medicine prices**
 - **2023:** Prices below 15,00 € → Increase of 5,0% or 2,0%
 - **2024:** Prices below 10,00 € → Increase of 3,5%
 - **2025:** Prices below 16,00 € → Increase of 2,6%
- **Annual price review with changes to reference countries in 2025**
 - Spain + France + Italy + **Belgium**
 - Maximum reduction applied

ON REIMBURSEMENT - ELDERLY INDIVIDUALS WITH LOW INCOME

▪ Target:

- Elderly individuals with low income
- Only reimbursed medicines
- Implemented in June 2024

Goal

Improve Accessibility

▪ What changed?

1. The scope has been extended to include more beneficiaries under this status
2. Reimbursement methodology:

Before

50% of the non
reimbursed parcel



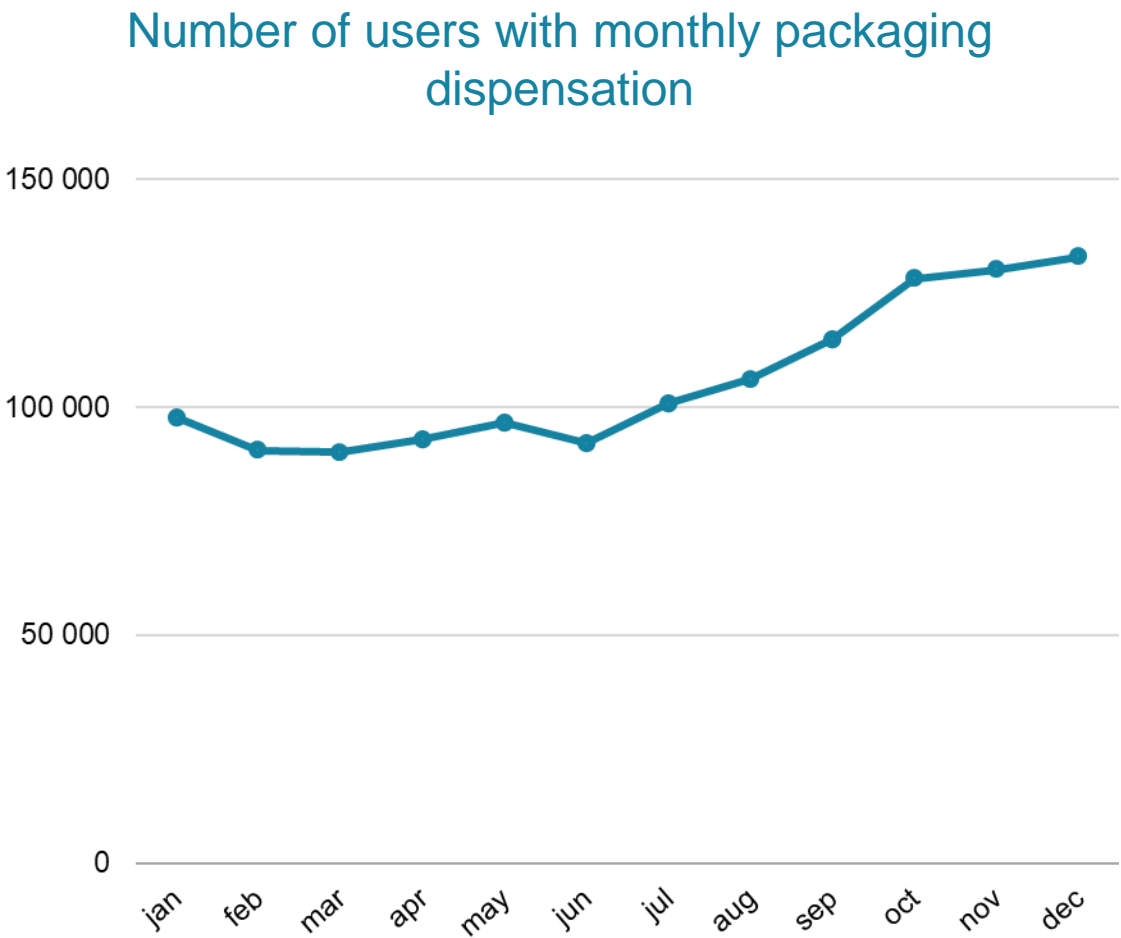
After

100% of the non
reimbursed parcel

ELDERLY INDIVIDUALS WITH LOW INCOME

▪ Some results:

Jan-May 24 (average/month)	Jun-Dec 24 (average/month)
93 624	115 044
beneficiaries	beneficiaries
Variation	
+ 21 419	
Δ + 22,9%	



ELDERLY INDIVIDUALS WITH LOW INCOME

- Some results:

Jan-May 24
(average/month)

5,46

packages

Jun-Dec 24
(average/month)

6,23

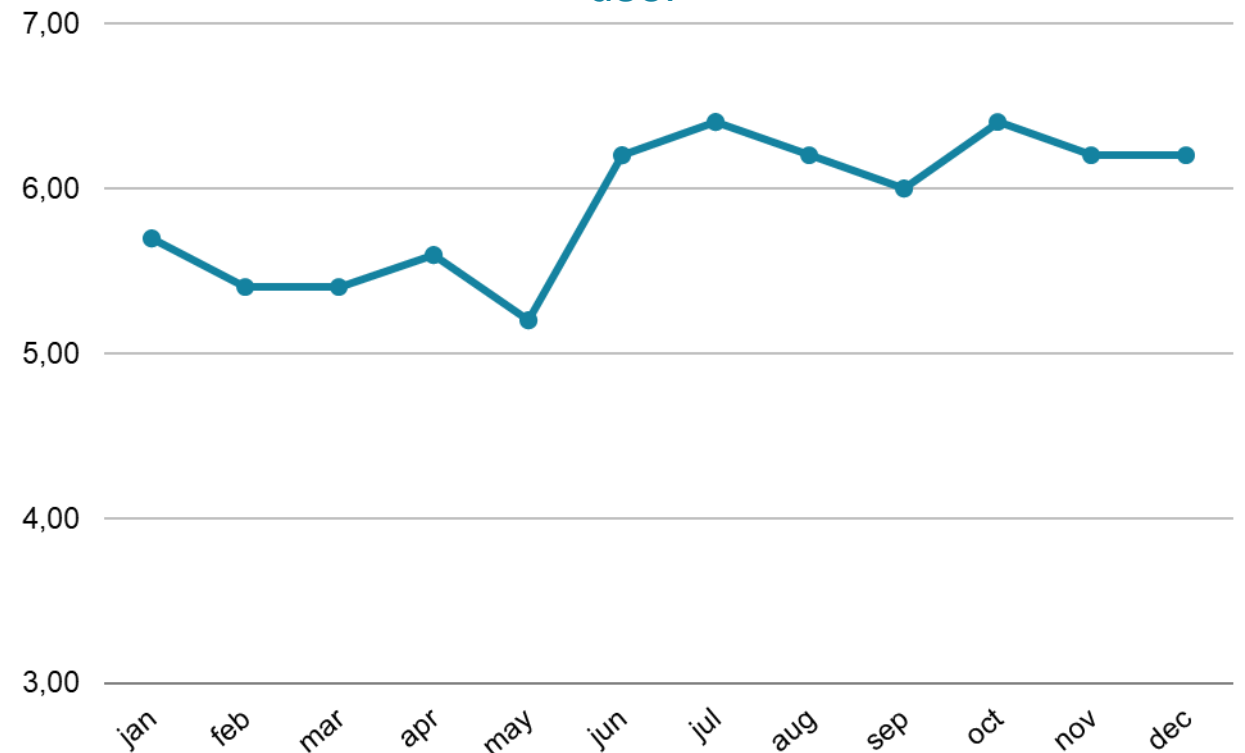
packages

Variation

+ 0,77

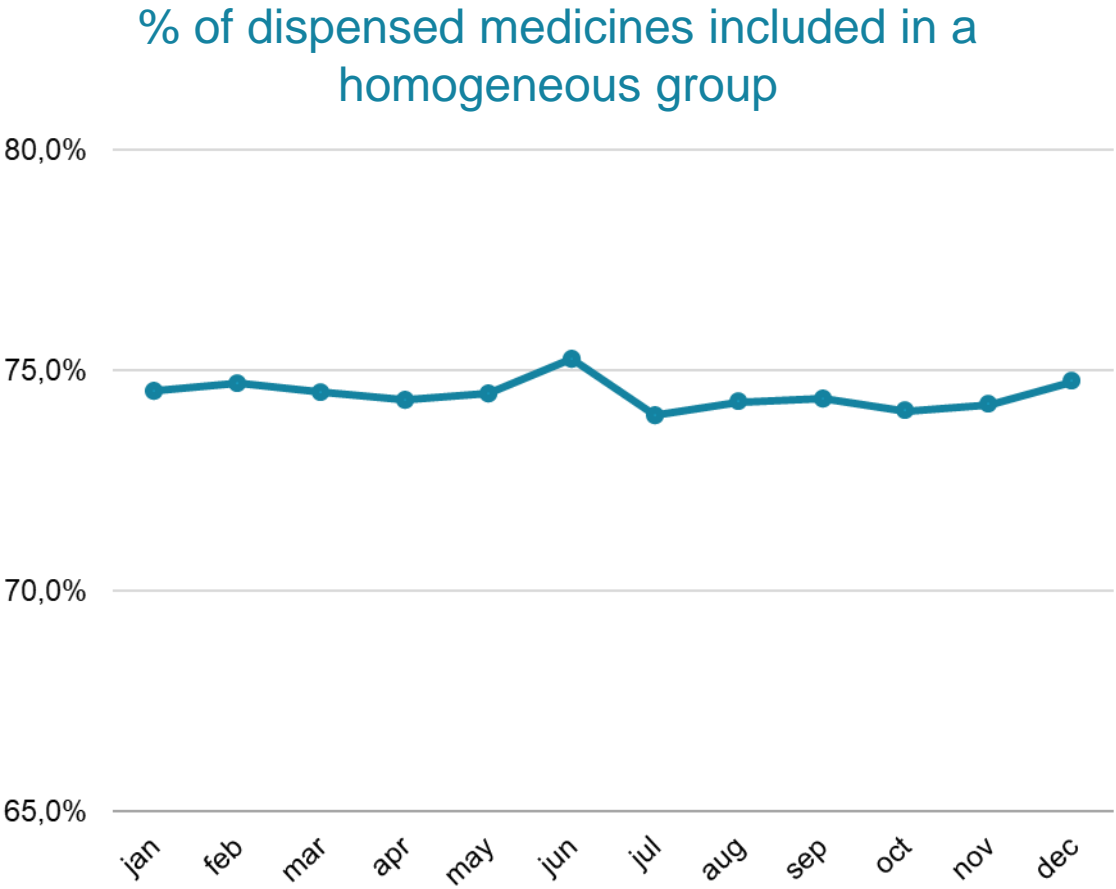
Δ + 14,1%

Average monthly packaging consumption per user



ELDERLY INDIVIDUALS WITH LOW INCOME

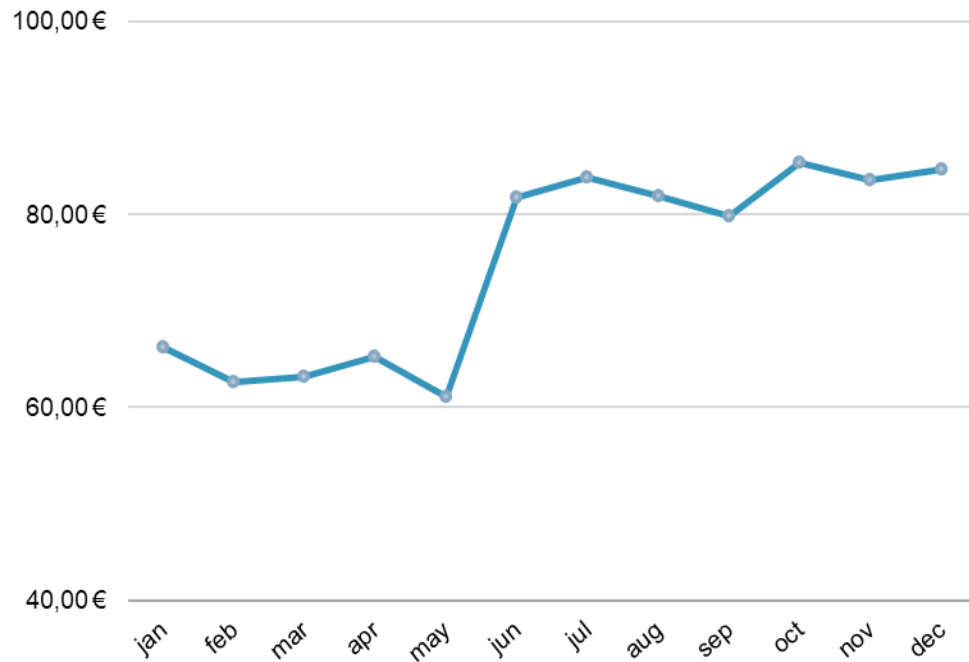
- Some results:



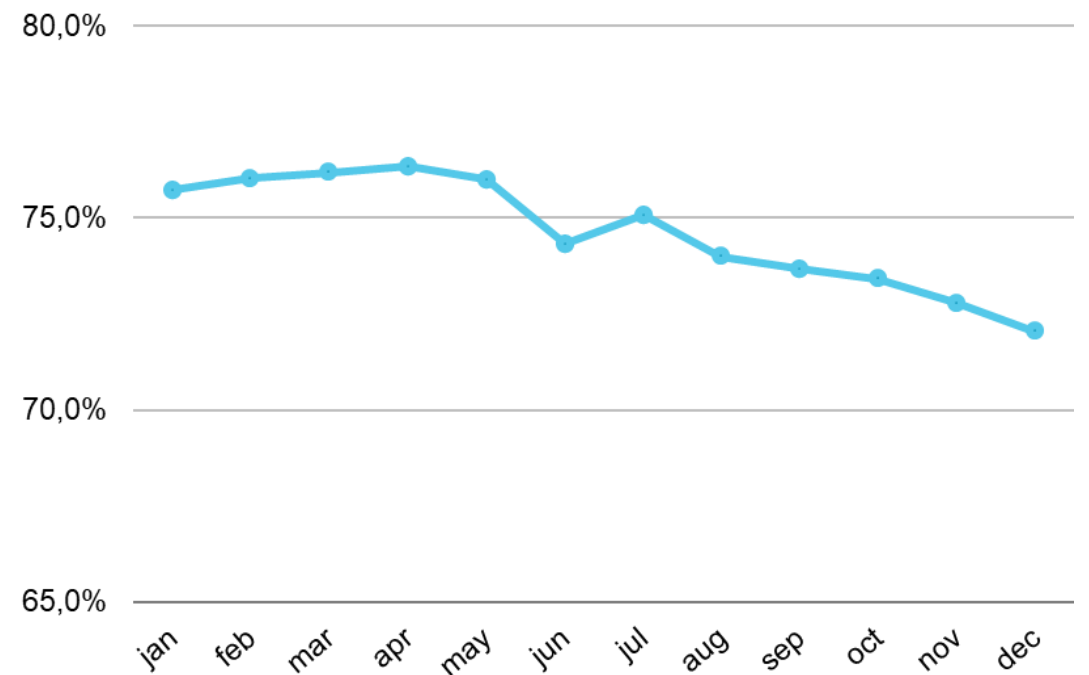
ELDERLY INDIVIDUALS WITH LOW INCOME

- Some results:

Average monthly expenditure of the NHS per beneficiary



% of generic medicines (within the homogeneous group)



The process of Spending Review

CONTEXT

What is it?

Spending Reviews is a tool that allows:

- **Systematic analysis** of government spending
- **Supports** expenditure prioritization & reallocation

Core instrument used to identify efficiency gains (savings) and improve effectiveness within programs and policies (more outputs)

How does it work?

- **Framework:** Definition of key features of the process
- **Parameters:** Setting targets, topics & timeline
- **Options:** Develop & assess policy choices
- **Decisions:** Select final options at political level
- **Implementation**
- **Monitoring & Review:** Post evaluation

Spending Review

2024 / 2026

- Framework
- Parameters
- Options
- Decisions
- **Implementation**
- Monitoring & Review

INTERVENTION AREAS

Medicines in a competitive market with
generics and biosimilars

Better cost-effective
ratio

Stabilization in the
generic market share

Asymmetries in the use
of biosimilar medicines
in hospitals

**Potential for increased savings without
compromising the quality of care provided**

POLICY OPTIONS

Creation of internal support teams in hospitals that promote the use of generics and biosimilars from a benchmarking perspective

Creation of a reference pricing system for biological medications

Incentive system for healthcare entities based on their contribution to reducing the average unit cost of active substances with biosimilar available

Elimination of the possibility of prescribing by brand name under the “Continuity of treatment for more than 28 days” justification

10% price reduction for non-generic medicines within a homogeneous group → Generics hold at least a 20% market share

POLICY OPTIONS

Creation of internal support teams for hospitals that promote the use of generics and biosimilars from a benchmarking perspective

Purpose

More frequent feedback to prescribers,
promoting more timely adjustments in
prescriptions → More cost-effective use of
medications

Potential constraints

None

POLICY OPTIONS

Creation of a reference pricing system for biological medications

Purpose

Greater patient awareness of the price of biological medications

Potential constraints

Possible increase in out-of-pocket expenses for the patient if they do not choose the most cost-effective medication.

Potential implications associated with switching medications.

POLICY OPTIONS

Creation of an incentive system for healthcare entities based on their contribution to reducing the average unit cost of active substances with available biosimilar medications

Purpose

Greater competition between different biosimilars and the reference biological medicine could lead to a decrease in the price of both medications.

Potential constraints

If the incentive does not have an impact on the professionals, the effect in the medium term may fade away.

Spending Review

2025 / 2027

- Framework
- Parameters
- Options
- Decisions
- Implementation
- Monitoring & Review

MEDICAL DEVICES

- Creation of Medical Device Committees in Local Health Units
- Improvement of the Medical Device Usage Monitoring System
- Acting on Centralized Purchases of Medical Devices
 - Intervention in the Cardiology Area for Medical Device Price Review
- Guidelines for the cost-effective use of medical devices based on HTA

REDUCING WASTE

- Polipharmacy: Creation of Deprescribing Consultations in Hospital Care
- Limiting the Number of Dispensed Packages with Co-payment per Month per Patient
- Waste Reduction through the optimization of drug administration in Local Health Units
 - centralization of the preparation of certain drugs to maximize unit volume efficiency

THANK YOU
OBRIGADA

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