



## WORLD MARKETS PRICING & REIMBURSEMENT



**GLOBAL  
INSIGHT**

“Establishing prices for our products is one of the most fundamental strategic decisions that drug manufacturers have to make.”

— Product Manager, Pharmaceutical Company



## Product pricing is a key determinant of returns on R&D investment, but achieving optimal pricing has never been more difficult than in today's climate of intensifying cost containment and ever-changing regulatory environments.

Entirely Web-based, **World Markets Pricing & Reimbursement (WMPR)** combines comprehensive tracking and analysis of global pricing and reimbursement developments through:

- Same-Day Analysis and monthly in-depth reports, including a monthly summary and editorial of regulatory reforms, risk-sharing agreements, reimbursement decisions, and developments around the world [1]
- A database of 15 cost-containment policies (such as price cuts, therapeutic reference pricing, and generics substitution), enabling instant comparisons of P&R regulations across 30 leading and emerging markets [2]
- Detailed country profiles and analysis on how each policy affects spending for 30 markets [3]
- An international pricing database of innovative drugs, allowing comparisons of competitor launch sequencing and pricing strategies [4]
- An international reference pricing matrix, outlining the countries that are referred to by any government when pricing a drug, across 36 markets [5]

[1]  
*Same-Day Analysis provides you with the implications of P&R reform in leading markets, key product pricing decisions and trends in market spending, complemented by in-depth, monthly Special Reports.*

**Healthcare and Pharma - Analysis** Published: Mon 19 Oct 2009

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**Romania: Price Rules May Force Pharma Companies to Withhold Drugs from Romania, as Healthcare Budget Set to Drop in 2010**

Some international pharmaceutical producers may be pushed into withholding new medicines from the Romanian market due to stringent price legislation, report local sources.

**IHS Global Insight Perspective:**

<b>Significance</b>	Pricing legislation that has resulted in a decline in the value and volume of the Romanian pharmaceutical market could force some pharmaceutical producers to withhold new drugs from the Romanian market. Meanwhile, the government is planning to reduce the healthcare budget from 4% to 3.3% of GDP in 2010.
<b>Implications</b>	Withholding of new medicines could have obvious implications for accessibility to innovative treatments in Romania, while the potential reduction of the healthcare budget would be a further blow to pharmaceutical companies and patients in Romania.
<b>Outlook</b>	The recent announcement of the introduction of a deathbed mechanism, putting further pressure on pharmaceutical companies in the Romanian market, may be a decisive blow for some pharmaceutical companies, who have seen their profitability on the Romanian market withered away in recent months.

Some international pharmaceutical companies are considering withholding innovative drugs from the Romanian market in 2010, in response to the pricing policies of the Romanian Ministry of Health (Mh), reports Romanian news source The Diplomat. These companies may judge that the changes to the pricing system mean that it is no longer profitable for them to market their drugs in the country, the source reports. Although this has not happened yet, there is a greater risk of it happening in 2010, believes Peter Clesius, general manager of the Romanian branch of pharmaceutical industry research organisation Capedon, as quoted by The Diplomat.

The withholding of new medicines from the Romanian market is accepted as a possibility by Andreas Damasica, general manager of Bayer Romania, the Romanian subsidiary of German pharmaceutical major Bayer, as quoted by the source. However, Damasica emphasises that Bayer would not take such a step without careful consideration. The Romanian Mh, for its part, does not believe that this will happen, and Tudor Tudu, the secretary of state in the Mh, told the source that Romania probably has more innovative medicines available to patients than other countries in the south-eastern European region.

**Antibiotic and Zentiva Announce Temporary Halt to Production**

Meanwhile, the largest pharmaceutical manufacturers in Romania, state-owned Antibiotic and the Romanian subsidiary of Czech generics producer Zentiva, itself a subsidiary of Sanofi-Aventis, will be stopping production for several weeks towards the end of the year, as reduced demand for pharmaceuticals results in a build-up of stocks. Sales of pharmaceuticals by volume declined 15.3% year-on-year (y-o-y) in the second quarter of 2009.

**Fixed Exchange Rate Exacerbates Low Price Problem**

Changes to pricing and reimbursement (P&R) regulations introduced in Romania in April meant that prices of imported drugs were reduced by an average 10%. In addition, the Romanian government also imposed a system of fixed exchange rates for medicines imported into Romania, of 4 lei (USD\$1.4) to the euro, as an attempt to stabilise prices amid the currency volatility associated with the financial crisis. However, since January the Romanian currency has stabilised at around 4.25 lei to the euro. Consequently, pharmaceutical companies selling their products in Romania are incurring considerable losses from the artificially low euro-lei exchange rate.

In these circumstances, it is expected that parallel trade will become more prevalent in Romania, as drug distributors seek to maximise their profitability by selling drugs imported to Romania from countries where pharmaceuticals are priced higher.

[2]  
*An interactive database allowing you to search for pharmaceutical cost-containment policies employed across 15 markets.*

Cost Containment Policy Comparator															
	Argentina	Australia	Belgium	Brazil	Canada	China	Czech Republic	France	Germany	Greece	Hungary	India	Ireland	Italy	Japan
Overview	✓	✓	✓	✓	✓	✓									
Price Caps	X	✓	✓	✓	✓	✓									
Price Cuts	X	✓	✓	✓	X	X	✓								
Class/therapy area reference pricing	✓	✓	✓	✓	✓	✓									
International reference pricing	X	✓	✓	✓	✓	✓	X								
Pharmaco-economic requirements															
Generic substitution															
Co-payments															
Promotion Controls															
Product volume caps															
Prescribing Guidelines															
Positive reimbursement list															
Negative reimbursement list															
Product revenue caps															
Profit/revenue controls															
Physician drug or healthcare budget caps															

**IHS Global Insight's WMPR is specifically designed for pricing managers, strategic planning managers, health economists, and product managers. This service allows the user to easily navigate the complex pricing and reimbursement systems in key markets, enabling you to optimize pricing strategies and launch sequencing.**

# WORLD MARKETS PRICING & REIMBURSEMENT

WMPR combines in-depth regulatory analysis with product-specific pricing data, providing you with macro- and micro-level understanding of how P&R environments affect both your products and those of your competitors.

[3] Each cost-containment policy is accompanied by analysis of how it operates in that market, how it is likely to change, and the impact it has on drug pricing, volumes, and spending.

Select Criteria and click Search. Use Ctrl (PC) or Shift (Mac) to make multiple selections

Search by Reference Countries: [All Countries] [Australia] [Argentina] [Belgium] [Brazil] [Canada] [China] [Columbia] [Czech Republic] [Denmark]

Search by Reference Countries: [All Countries] [Argentina] [Australia] [Belgium] [Brazil] [Canada] [China] [Czech Republic] [Denmark]

Search

Reference Pricing Matrix

	Argentina	Australia	Austria	Belgium	Brazil	Canada	China	Czech Republic	Denmark	Ecuador	Finland	France	Germany	Greece
Argentina														
Australia														
Austria														
Belgium														
Brazil														
Canada														
China														
Columbia														
Czech Republic														
Denmark														
Finland														
France														
Germany														
Greece														

France: P&R Country Profiles: Regulatory Framework: Co-payments

Current as of Thu 28 Oct 2009

**Co-payments**

**Mechanism**

- Reimbursed drugs are classified according to three categories: 25% with the patient incurring a co-payment of 65% of the price of the drug; 65% with a co-payment of 30% and 100% with no patient co-payment. Fully reimbursed drugs comprise those where there are no alternatives to treat severe and debilitating disease, and account for over 50% of total drug spending.
- Patients must also forego a 50-euro-cent portion of the reimbursement of their prescription and 2 euro for ambulance services under the *flexiole* medicine co-payment system. The non-reimbursable co-payment is debited from the reimbursable portion of each box of medicines prescribed to the patient, up to a total maximum of 50 euro per year. The system also includes similar co-payments on visits to nurses and physiotherapists.
- Patients with long-term illnesses are exempt from co-payments.

**Background**

- Patients pay very little out-of-pocket for their drugs as the additional costs for drugs that are not fully reimbursed are usually covered by complementary insurance. Over 90% of French patients are fully covered for reimbursed medicines. As a result, patients have little awareness of the cost of prescription medicines, which has contributed to the high levels of drug consumption in France, with per capita spending the highest in the EU.
- Since patients are not used to paying for their medicines, they seldom are prepared to pay the difference between the original brand price and the reference price (which is not covered by insurance schemes).
- Patients are used to having relatively unrestricted access to healthcare services, which has contributed to the over-use and inappropriate use of resources. Patient co-payments of 1 euro were introduced in 2005 for visits to primary-care physicians and out-patient clinics. Patients also have to pay for consultations with specialists without referral by a primary-care physician.
- Non-reimbursable co-payments on pharmaceuticals, check-ups and medical transport have been in place under the *flexiole* system since January 2008. Savings obtained from the scheme will be put towards improving the standard of care for patients with Alzheimer's disease and cancer, as well as palliative care.

**Outlook**

- Savings on reimbursed spending by amendments to reimbursement categories are unlikely to translate into higher co-payments for individual patients, as the majority of costs are covered by some form of insurance.
- The government is hoping that 1% of 600 million euros.
- The introduction in 2005 of a five monitoring of patients who are fu

Country: [All] Active Ingredient: [All]

Brand Name: [All] Company Name: [All]

Therapeutic Area: [All] ATC Code: [All]

Search

Country	Active Ingredient	Brand Name	Dosage	Form	Units	Company Name	Therapeutic Area	ATC Code
Australia	ATAZANAVIR	REYATAZ	150 MG	Capsule	60	BRISTOL MYERS SQUIBB	Viral Diseases	J05A
Australia	OMALIZUMAB	XOLAIR	150 MG	Injection	-	NOVARTIS	Respiratory	R03D
Australia	PREGABALIN	LYRICA	150 MG	Capsule	-	PFFZER	Neuro-Degenerative Disorders	N03A
Australia	ADALIMUMAB	HUMIRA	40 MG in 0.8 ML prefilled pen	Injection	2	MEDIMMUNE	Other	-
Australia	YTRACIUM	YTRACIS	1.85 GBq/ML	Injection	-	BAYER SCHERING	Other	V10X
Australia	AFOROPHINE	AFORINE	10 MG / 1 ML	Injection	5	HOSPIRA	Neuro-Degenerative Disorders	N04A
Australia	ROSUVASTATIN	CRESTOR	5 MG	Tablet	30	ASTRAZENECA	Cardiovascular	C10A
Australia	ERLOTINIB	TARCEVA	150 MG	Tablet	-	ROCHE	Oncology	L01X
Australia	IVABRADINE	PROCORALAN	5 MG	Tablet	-	SERVIER	Cardiovascular	C03E

[4] Our searchable database contains prices for all innovative drugs approved since the beginning of 2003 across eight leading markets, allowing you to see the impact of cost-containment measures on individual products and compare manufacturers' strategies on pricing and launch sequencing.

## PRICING & REIMBURSEMENT COUNTRY PROFILES

- |                |         |              |                |
|----------------|---------|--------------|----------------|
| Australia      | Germany | Netherlands  | Sweden         |
| Argentina      | Greece  | New Zealand  | Switzerland    |
| Belgium        | Hungary | Poland       | Turkey         |
| Brazil         | India   | Portugal     | United Kingdom |
| Canada         | Ireland | Russia       | United States  |
| China          | Italy   | South Africa |                |
| Czech Republic | Japan   | South Korea  |                |
| France         | Mexico  | Spain        |                |

[5] The international reference pricing matrix looks at the vast network of countries that look to each other when pricing their drugs, and can be used to optimize launch-sequencing strategies.

WMPR leverages IHS Global Insight's local market expertise to predict future policy trends, allowing you to understand how P&R environments are shaped, and how this shaping effects pharmaceutical consumption, before it happens.

## ► IHS GLOBAL INSIGHT HEALTHCARE & PHARMA SERVICES

IHS Global Insight's Healthcare & Pharma practice provides a portfolio of intelligence solutions to optimize the performance of companies and organizations across the pharmaceutical, biotech, and generics sectors. Our key focus is to provide actionable insights to support strategic decision making—particularly in the fields of market access, pricing and reimbursement (P&R), emerging markets, generics strategies, therapeutic development pathways, and general competitive intelligence. We deliver high-value subscription and consultancy services to address daily healthcare information needs, highlight important market trends and obstacles, and maximize product life cycles. These services include our Same-Day Analysis—providing the latest global analysis on fast-paced developments in the sector on a daily basis—multi-client studies, special reports, country reports, global pricing data, and market access consultancy. Our expertise is based on the unparalleled geographic and therapeutic specialties of our in-house data and specialized analysts.

For more information, please visit [www.ihsglobalinsight.com/healthcare](http://www.ihsglobalinsight.com/healthcare).

\* IHS Global Insight also offers its global pricing database, PharmOnline International, as an optional add-on to WMPR. Please see separate brochure for further details.

\*\* IHS Global Insight also offers its database for risk-sharing agreements, Risk-Sharing Database, as an optional add-on to WMPR. Please contact us for further details.

## THE POWER OF PERSPECTIVE

**ABOUT IHS GLOBAL INSIGHT:** IHS Global Insight ([www.ihsglobalinsight.com](http://www.ihsglobalinsight.com)) provides the most comprehensive economic and financial information on countries, regions, and industries available from any source. IHS Global Insight's immediate and insightful analysis of market conditions and key events enables innovative and successful decision making for clients around the world. IHS Global Insight employs approximately 700 employees in 13 countries.

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