

IMPACT OF HEALTHCARE REFORMS ON PRICING AND REIMBURSEMENT IN TURKEY

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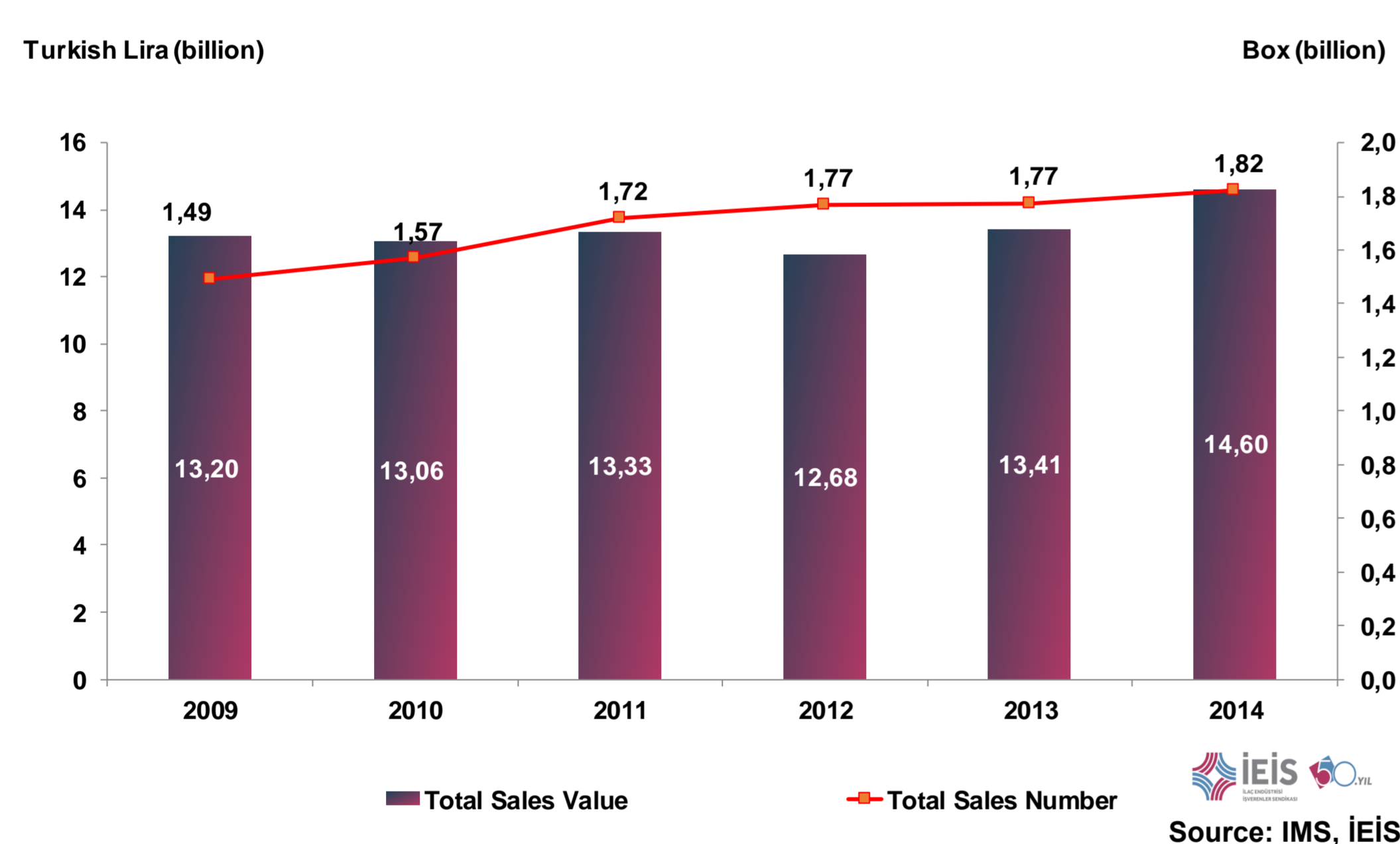
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Introduction

Recently, the need for health services has increased gradually and the limitations in sources allocated for this area have been recognized. Moving from this fact, it has gained a supreme importance to determine what health programs or technologies will be given priority. According to Danzon (2001), arrangements towards controlling the expenses through price and profit controls, reimbursement methods and incentives have recently gained wide currency. During the Health Transformation Programme some of main implementations for pharmaceuticals in the reform were;

- Reimbursement commission for pharmaceuticals established
- Family physician system started
- Reference pricing for pharmaceuticals started in 2004, putting a maximum reimbursement limit for one molecule was correlated with lowest price and establishing positive list for pharmaceuticals in 2006, starting to provide all medical device and pharmaceuticals for inpatients by hospitals in 2007,
- The statutory economic analysis for pharmaceuticals started for reimbursement applications in 2009
- Global budget for pharmaceuticals introduced in 2010

Turkish Pharmaceutical Market



Pharmaceutical Market View

- Consumption was 23,5 box per capita in 2014.
- Out of pocket health expenditure was 87 US dollars in 2014.
- Even though health and pharmaceutical expenditure was lower than OECD average, physician visit was higher (8,2) than OECD average (6,6). This was 1,7 in 1994 and 3,1 in 2002. But visit to primary health services was 3,1 in 2014.
- Population decreased 9 millions from 2004 to 2013 but coverage of social health insurance increased 18 millions.
- Pharmaceutical expenditure of Social Security Institution was 53% of public health expenditure in 2001, this decreased to 31% in 2013.

Methodology

This present study examines; along with the current situation in Turkey, pharmaceutical pricing methods, reimbursement methods and basic health indicators, within the scope of changing pharmaceutical policies, in Turkey, obtained results and effects of those results so far.

Results

Upon the research conducted, it was founded that the pharmaceutical policies in Turkey has been effected medicines prices dramatically last few years. Pricing and Reimbursement regulation changed several times and but public health expenditure hasn't decreased. Access to healthcare was main factor of health expenditures. Rational drug use was another issue which was aim of Turkish Authorities.

References:

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Results

Pricing Methods in Turkey

Country	Market	Direct Price Controls	Use of International Price Comparisons	Margin Controls	Reference Pricing
Turkey	Original	Yes	Yes	No	Yes
	Generic	Yes	Yes	No	Yes

Price comparison is main criterion Turkey, it is the main criterion and the ceiling price is determined on the basis of the lowest price in other countries. A lower price may be defined upon the request of manufacturer.

Pricing is basically processed by using 3 different methods

- Free Pricing (Germany, The Netherlands, Denmark)
- Direct Price Controls (France, Italy, Portugal, Greece, Spain, Turkey)
- Margin Controls (UK)

Health Expenditures

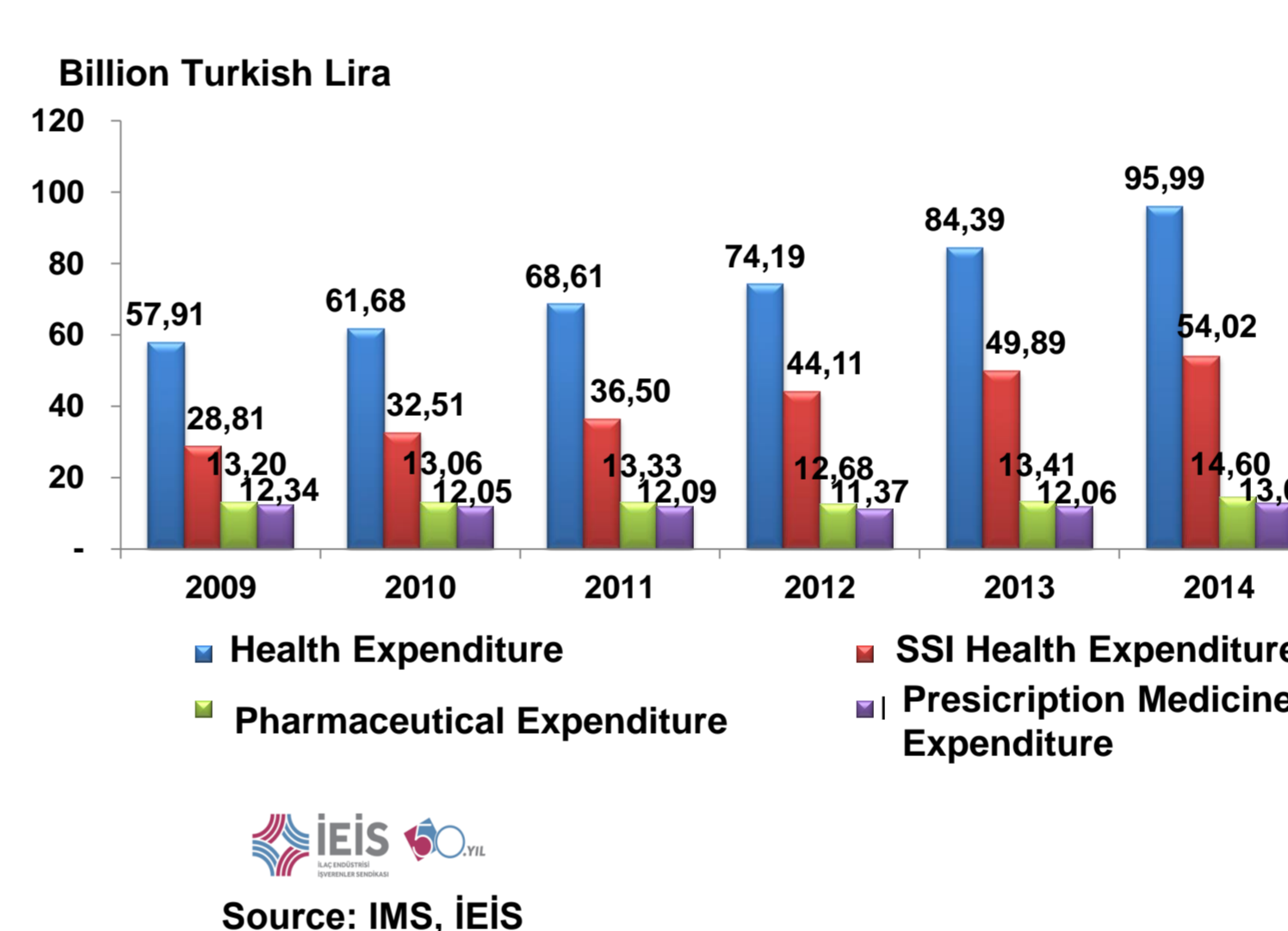


Table: Turkey, Pricing Reimbursement Methods

Country	Turkey	
Pricing Policy	Statutory Pricing	
Direct Price Controls	Originals	Generics
	Yes	Yes
Reference Pricing	Yes	
External Reference Pricing	Yes	
Internal Reference Pricing	Yes	
Different Pricing for Generics	Yes	
Price Control	All Medicines	
Level of Price Control	Manufacturer Price	
Reimbursement Categories	In General 41% and 28% Discount	
Differences for Originals and Generics on Reimbursement Level	Yes	
Negative Positive List	Yes	
Decision Taking Committees	Reimbursement Commission of Social Security Institution (SSI)	

Conclusion

Turkey is an important market for pharmaceutical sector with a population of over 75 million. Wrong policies that would be implemented in pricing and reimbursement processes may result in the lack of access to medicines in the short term and in the long term, these policies may pose an obstacle in front of the investments to be made by pharmaceutical companies in Turkey. Considering the greatness of the pharmaceutical sector, this is also of great importance in terms of employment. Although it is natural for Turkey to put restrictions on drugs budget to ensure sustainable drug financing, in order to maintain the existence of pharmaceutical industry and protect the patients' access to medicines; it would be more favorable in the development of the industry that the expectations of the stakeholders in the industry are taken into account in the policy making process. This would also help the already supported R&D activities to be sustainable as well. The positive and negative aspects of Turkey's offering the least expensive medicine should be examined. Creating the inter-ministerial commission and making the pricing and reimbursement decisions through that commission, as seen in the other countries in our study, would minimize problems between the institutions and lead to a healthier decision making process. It is thought that employing full-time experts will increase the working capacity and productivity of the commission. The primary objective here should be keeping the technical and scientific capacity of the Commission at the highest level, as in other countries. Then it would be feasible to draw clear lines between the health service provision, payer and decision-makers.