

Comparison of Pharmaceutical Pricing and Reimbursement Systems in Turkey and Certain EU Countries

Kagan Atikeler¹, Gülbin Ozcelikay²

¹Hacettepe University, Ankara, Turkey, ²Ankara University, Ankara, Turkey

Objectives

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. 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, the EU countries which Turkey takes as reference and the United Kingdom, the implementations of which are of utmost importance for other countries.

Methodology

This study was conducted with a descriptive method. The main tool of the study is implemented regulations of pharmaceutical pricing and reimbursement in Turkey, Italy, France, Portugal, Spain and United Kingdom. Data sources consist of Guidelines of Health Authorities and web pages, related articles, reports, other guidelines and laws and directives.

Results

Table 1: Comparison of Pricing Methods in Turkey and Certain Other Countries (Mossialos et-al., 2004)

Country	Market	Direct Price Controls	Use of International Price Comparisons	Margin Controls	Reference Pricing
France	Original	Yes	Yes	No	No
	Generic	No	Yes	No	Yes
Greece	Original	Yes	Yes	No	Yes
	Generic	Yes	Yes	No	Yes
Italy	Original	Yes	Yes	No	No
	Generic	No	Yes	No	Yes
Portugal	Original	Yes	Yes	No	No
	Generic	No	Yes	No	Yes
Spain	Original	Yes	Yes	No	No
	Generic	No	Yes	No	Yes
United Kingdom	Original	No	No	Yes	Yes for PPRS Excluded Drugs
	Generic	Yes	No	No	Yes for PPRS Excluded Drugs
Turkey	Original	Yes	Yes	No	Yes
	Generic	Yes	Yes	No	Yes

In UK, pricing and reimbursement process go hand in hand and there is a margin control-based system existing. In Italy, Average Europe Price is taken into consideration while the prices are determined, but other factors mentioned above has impact on pricing decisions as well. Price comparisons are important for all the reviewed countries except UK, but this condition is not the sole criterion for other countries reviewed in our study except Turkey and Greece. Contribution margin and private health insurances exist in all countries. Turkey and Greece takes minimum price as reference whereas Portugal takes the average of the lowest 3 prices while defining prices. Price discounts are applied at variable rates in all countries. These discounts may continue to be applied in accordance with the changes occurring in yearly budgets.

Table 2: Pricing & Reimbursement Methods in Turkey Reference Countries of Turkey for Pricing and UK

Country	Turkey	France	Greece	Spain	Italy	Portugal	UK
Pricing Policy	Statutory Pricing	Price Negotiation	Statutory Pricing	Statutory Pricing	Price Negotiation	Statutory Pricing	Margine Control
Direct Price Controls	Org Gen	Org Gen	Org Gen	Org Gen	Org Gen	Org Gen	Org Gen
	Yes Yes	Yes No	Yes Yes	Yes No	Yes No	Yes No	No Yes
Reference Pricing	Yes	Yes	Yes	Yes	Yes	Yes	Only for PPRS-Excluded Medicines
External Reference Pricing	Yes	Yes	Yes	Yes	Yes	Yes	No
Internal Reference Pricing	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Different Pricing for Generics	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Price Control	All Medicines	Only for Reimbursed Medicines	All Medicines	Only for Reimbursed Medicines	Only for Reimbursed Medicines	All Prescription Medicines	Only for Medicines in NHS List
Level of Price Control	Manufacturer Price	Manufacturer Price	Manufacturer Price	Manufacturer Price	Manufacturer Price	Manufacturer Price	NHS List Price
Reimbursement Catagories	In General 41% and 28% Discount	Major (65%), Moderate (35%), Weak (0%)	0%, 10% and 25%	100%, 90%, 60% and 0%	Class A and Class H 100%, Class C and Class C-bis 0%	Class A 95%, B 69%, C 37%, D 15%	After PPRS Price Negotiation 100%
Differences for Originals and Generics on Reimbursement Level	Yes	No	No	Yes	No	No	Yes
Negative Positive List	Yes	Yes	No	Yes	No	Yes	Yes
Decision Taking Committees	Reimbursement Commission of Social Security Institution (SSI)	Committee of Transparency and Economics	Transparency Committee	Inter-ministerial Pricing Committee	Technical Committee under Italian Medicines Agency (AIFA)	Portugal Medicines Agency	Health Department of PPRS

Conclusion

The reimbursement system has been changed numerous times and the discount rates has incrementally risen. In pricing, on the other hand, drug companies face difficulties in economic terms because of the fact that price discount of high rates are implemented over the reference price and that the European currency of Euro is fixed at 2,00. Moreover, it has also been recognized that certain drugs have been hard to find within the market and the patients' access to medicines has become hindered. When pricing and reimbursement system is reviewed for Turkey and other countries in our study; it can be seen that each country has its own special conditions. While Turkey has some similarities with France, Greece, Italy and Spain with respect to pricing and reimbursement, it has significant differences from UK pricing and reimbursement system.

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. Whether being the country to supply the least expensive medicine is the correct objective or not in the international arena should seriously be discussed. Pricing and reimbursement policies of medicines should be aimed to show compliance with efficient and sustainable health policies.

References:

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