

# Evaluation of the external price referencing (EPR) policy for the National Essential Medicines List in Ukraine

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## Introduction of price regulation for the entire National Essential Medicines List (NEML) to increase access to medicines in Ukraine

### BACKGROUND

- By October 2022, Ukraine introduced external and internal reference pricing for the entire NEML
- February 2023: ~450 international non-proprietary names (INNs) included in the NEML ⇒ prices were calculated based on an established methodology
- Ministry of Health approached WHO Country Office to conduct an evaluation of the EPR methodology and price calculation of the NEML ⇒ WHO CO commissioned GÖ FP

### OBJECTIVES

- Analysis of a sample of maximum prices for the NEML published in February 2023;
- Calculation of prices for the same sample using an extended country basket (adding Romania)
- Analysis of the methodology for EPR and of the price data sources

### METHODS

- Scan and translation of relevant Ukrainian law texts
- 2 meetings with Ukrainian pricing specialists
- Selection of sample INNs
- Collection of price data of the 5 reference countries
- Copy the sequence of steps to calculate prices
- Comparison of methodology against common methodologies

#### External price referencing:

The practice of using the price(s) of a medicine in one or several countries in order to derive a benchmark or reference price for the purposes of setting or negotiating the price of the product in a given country.

#### Internal reference pricing:

The practice of using the price(s) of identical medicines (ATC 5 level) or similar products (ATC 4 level) or therapeutically equivalent therapies in a country in order to derive a benchmark or reference price for the purposes of setting or negotiating the price or reimbursement of the product in a given country

The EPR methodology for NEML in Ukraine seems to be in line with standard practice applied in other European countries

- Recalculation of prices of the sample:** for almost all of the products the study team reached the same reference price as listed in the Ukrainian price list
- Adding another country to the EPR country basket:** After adding Romania to the basket of reference countries, prices for the products in the sample decreased by 4% on average. ⇒ Overall effect unclear!
- Price calculation methodology was evaluated:** number of reference countries, quality of data sources, calculation method, currency rate, reference products, consideration of parallel imports, frequency of updating price data, appeal procedure, hospital price, publication of price data sources used
- Price data sources were checked** (official price lists in the five reference countries are available, ex-factory prices are included in the official price lists of four of the five reference countries)
- Managing / collating price data from different sources** could happen in two ways: (1) manually, or (2) automatically

## Conclusions and recommendations

- Simplify EPR methodology and streamline with other programs in Ukraine (Affordable Medicines Programme)

- Instead of the median, use the average of the three lowest prices across or within reference countries

- Apply EPR only for on-patent products and look into alternative pricing policies for generics

- Consider extension of country basket (e.g. addition of Romania)

- Introduce IT tool (instead of manual calculation, e.g. Croatia)

- Join Euripid or other international collaborations

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