Increasing prices to ensure availability of medicines? Financial incentives implemented as shortage mitigation policy in PPRI member countries

Sabine Vogler

WHO Collaborating Centre for Pharmaceutical Pricing and Reimbursement Policies, Pharmacoeconomics Department, Gesundheit Österreich GmbH (GÖG / Austrian National Public Health Institute), Vienna, Austria

What do we want to know? How have we collected the data?

BACKGROUND

- Shortages of medicines have been increasing globally
- Governments have taken policy measures to prevent and mitigate medicine shortages
- There seems to be an increasing use of financial 0 incentives, particularly granting of higher medicine prices, as shortage mitigation policy

OBJECTIVE

• To survey the implementation of financial incentives as a policy measure to reduce or avoid medicine shortages in About PPRI (PPRI) network Europe and globally

What have we learned?

- O At least 18 of the 38 surveyed countries used financial incentives as shortage mitigation measure
- O Ad-hoc price increases were frequently used incentives
- O Financial incentives were mostly introduced in late 2022 and 2023
- O Comprehensive shortage legislation in some countries (e.g., Australia, France, Germany), with more than one financial measure

ad hoc Most commonly applied measure price increases granted at request Systematic

Price increases -

price increases Price increases for medicines priced below a defined limit: one-off price increases for medicines below AUD4.- / €2.40 in Australia in Oct. '22, price increases of 5% for medicines priced up to $\in 10$ and of 2% for medicines with a pharmacy retail price between €10 to €15 in Portugal in Jan. '23)

increased stock (Norway), higher mark-ups (Germany)

Price

increases

METHODS

Countries

Time period

Data collection

Compensation

for wholesalers

Compensation for

38 countries, comprising

O Developments in the years 2020-2023

Supply Exemp chain tions actors

Compensation for pharmacies Increased pharmacy mark-up in case of generic substitution due to a shortage (Germany) reviews (Greece)

Exemptions processes Exclusion of some medicines from annual price

• 24 EU Member States, 10 further countries in the WHO

European Region; Australia, Brazil, Canada, Saudi Arabia

Year 2023 (Q2/'23: 11 countries, Q4/'23: 27 countries)

Survey with public authorities that are members of the Pharmaceutical Pricing and Reimbursement Information

Co-payments

relaxed

Relaxed co-payment

rules to reduce

price competition

(Germany)

Cove

rage

• Validation (e.g. compilation of preliminary findings)

Exemptions -

pricing

Temporary

suspension of

price regulation

for some

medicines (Brazil)

Reimbursement eased Reimbursement procedures for some magistral preparations were eased (Austria, Switzerland), some medicines for children were exempt from inclusion into internal reference pricing with maximum reimbursement amounts (Germany)

Others

Tendering

Security of supply as

award criterion in

public procurement

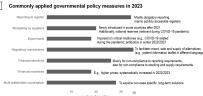
What could be the new steps?



Have the measures contributed to prevent and mitigate medicine shortages? Have they led to other effects?

? Measures to manage and mitigate medicine shortages in 38 countries

- Survey with national public authorities for pharmaceuticals 33 European countries, Australia, Brazil, Canada, Israel and Saudi Arabia (
- Ġ



This study is part of a larger piece of research on policies to tackle medicine shortages (published in February 2024). It offers a detailed descriptive overview and may serve as a valuable source for future impact assessments.

WHO Collaborating Centre for Pharmaceutical Pricing and Reiml Gesundheit Österreich GmbH (GÖG / Austrian National Public Health Institute

261 Health Policy

Tackling medicine shortages during and after the COVID-19 pandemic: Compilation of governmental policy measures and developments in 38 countries

doi.org/10.1016/j.healthpol.2024.105030

Acknowledgments and funding Thanks go to the members of the PPRI network for participating in the survey. The PPRI Secretariat to manage the PPRI network has been financially supported by the Austrian Federal Ministry of Social Affairs, Health, Care and Consumer Protection. Data analysis and writing of the article was self-funded.

5th PPRI Conference Vienna, 25-26 April 2024





Gesundheit Österreich GmbH ••