

**ESIP-MEDEV Survey on
Increase of Pharmaceutical expenditure
May 2023**

Call for input

Increased pharmaceutical expenditure can be driven by many factors: novel, more expensive therapies brought to the market, reimbursed and increasingly used in outpatient care settings; extended indications leading to larger patient groups using (expensive) therapies; demographic ageing, the rise of chronic diseases and the consequent increased use of medicines. These factors are expected to put healthcare systems at strain in the long run.

As representatives of national pricing and reimbursement authorities, ESIP's and MEDEV's overarching priority is to keep the **need for affordable access to medicines** high on the next European Commission's agenda. In order to reinforce the arguments around affordability, it is crucial to collect data on (increased) pharmaceutical expenditure over recent years.

Furthermore, in the weeks leading up to the publication of the recent [revision of the EU pharmaceutical legislation](#), ESIP had the opportunity to discuss the EU pharma package with the cabinet of Ursula von der Leyen. A request came from the Commission to collect data from Members on increasing pharmaceutical expenditure trends.

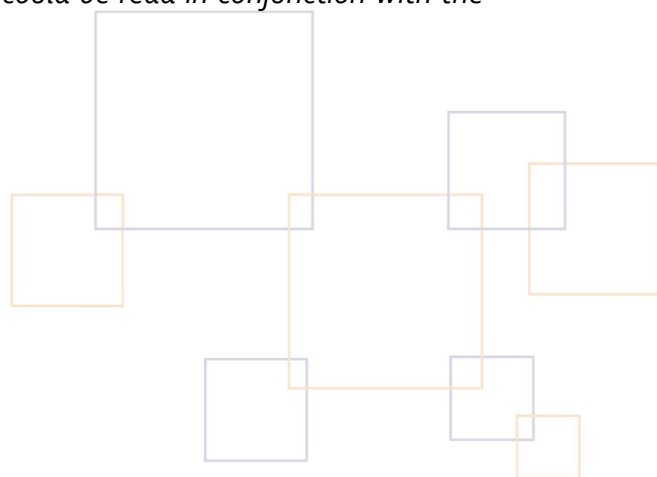
Against this background, we invited Members to share figures on pharmaceutical expenditure over recent years, particularly on:

- **Comparison with previous years** (evolution curve, worrisome trends & forecasts)
- **What drives these increases? Which are the therapeutic areas most affected?**
- **If possible, provide specific figures/recent trends & forecast on orphan drugs costs**

Please specify if these figures refer to:

- **net/list prices?**
- **in-patient/out-patient care/in-patient and out-patient care combined?** (aggregated and where possible disaggregated figures)
- **If possible, clarify whether these trends follow changes/increase in volumes and/or prices.**

The analysis below is a summary of the most striking, publicly available figures received from Members. The analysis, not intending to be exhaustive, could be read in conjunction with the [OECD figures on pharmaceutical spending](#).



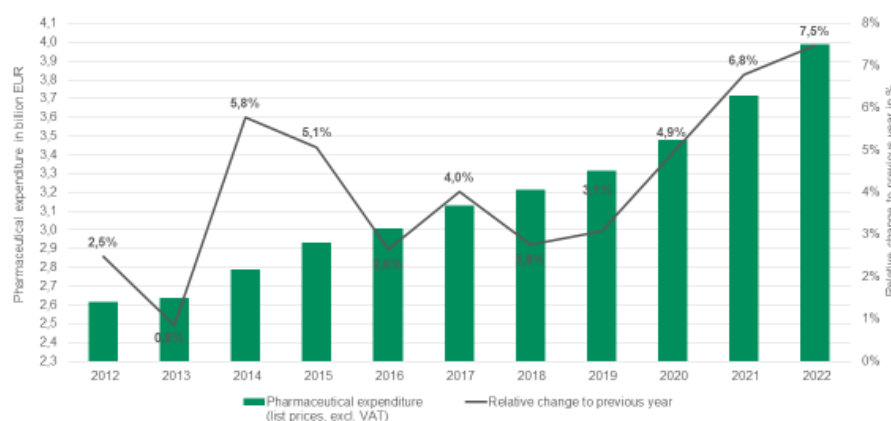
Main trends

(1) Overall rise of pharmaceutical expenditure since 2010 in both in-patient and out-patient care.

Some examples:

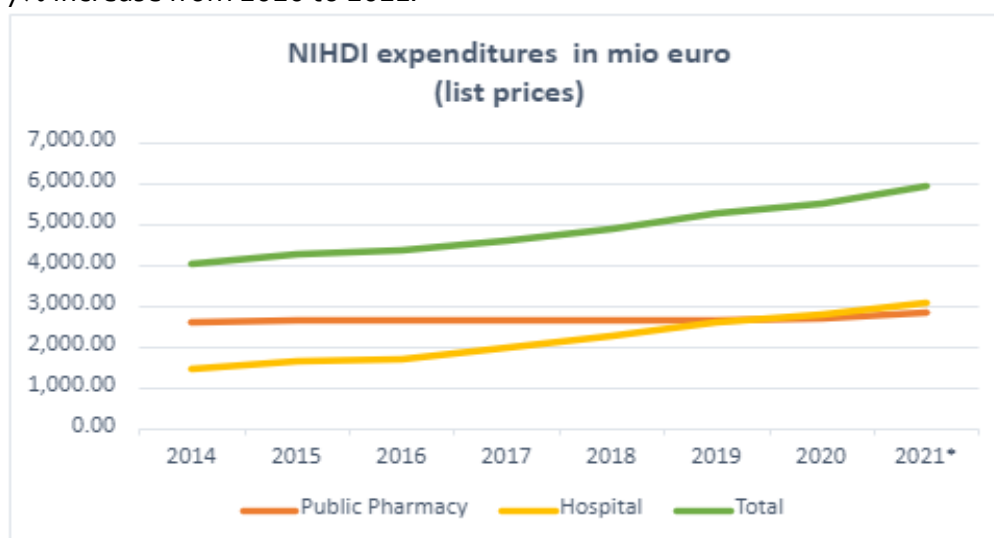
- **Austria:** Out-patient pharmaceutical expenditure in 2022 amounted to approximately 4 billion EUR compared to 3.7 billion (list prices) in 2021, corresponding to an increase of 7.5%. Since 2012 this figure has increased by 1.4 billion EUR. The drivers for pharmaceutical expenditure increase over the last year are growing prices (average costs per prescription: +5.3%) and increasing volume (number of prescriptions: +2.1%).

Pharmaceutical expenditure (list prices)

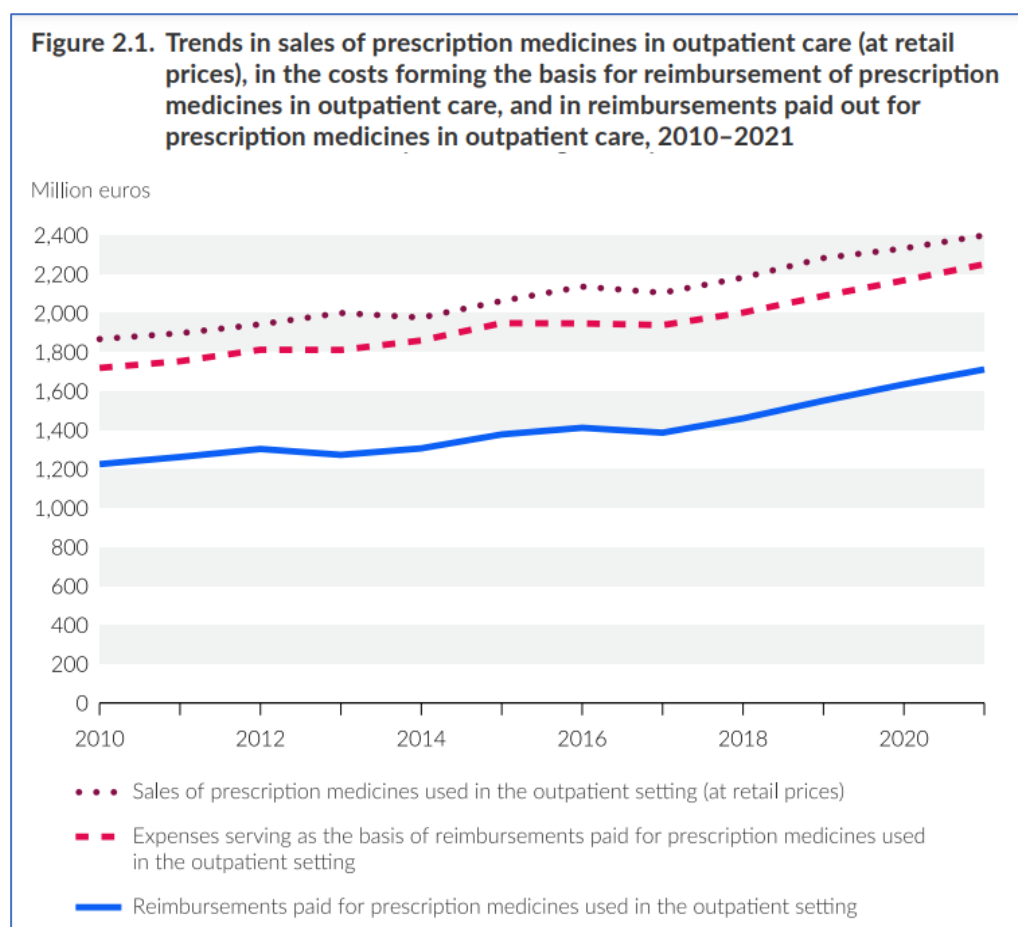


Source: Maschinelle Heilmittelabrechnung (based on list prices, excl. VAT)

- **Belgium:** Overall pharmaceutical expenditure increased between 5% and 7% from 2014 to 2021, with a low peak of 1.7% in 2016-2015 and the highest peak of 7.4% in 2019-2018. Since 2014, pharmaceutical expenditure increased from 4.05 billion EUR to 5.9 billion EUR. Pharmaceutical expenditure increased by 7% increase from 2020 to 2021.

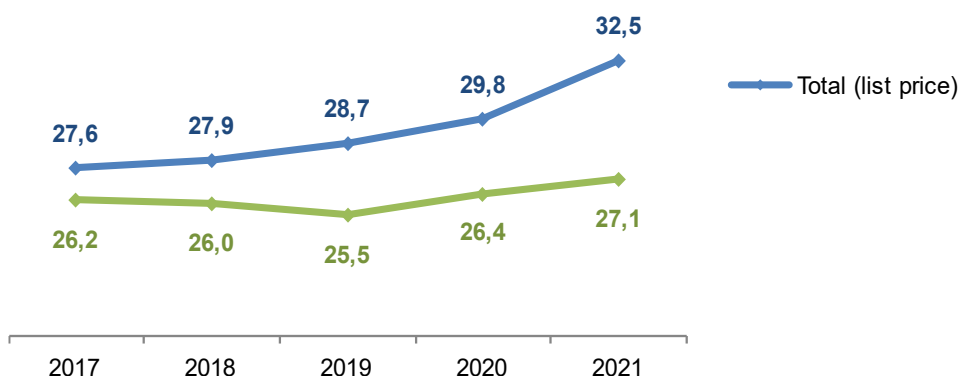


- **Czech Republic:** From 2017 to 2020, the pharmaceutical expenditure increased from 85,3 billion Czech Koruna to 99,7 billion Czech Koruna. The latest variation (from 2019 to 2020) recorded an increase of 5.8%. Pharmaceutical expenditure increased by 44% for centers of excellence prescribing costly pharmaceuticals including some orphans, for the period 2017-2020.
- **Finland:** Out-patient pharmaceutical expenditure for the period 2010-2022 increased by overall 40%, rising from 1.2 billion EUR to 1.8 billion EUR. The yearly increase in percentage points from 2018 onwards varies from 6% to 3%, the last variation recorded from 2021-2022.

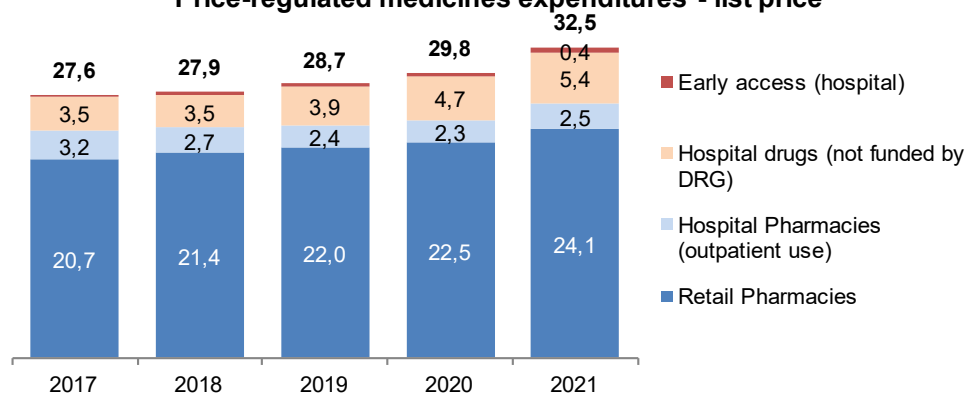


- **France:** Gross pharmaceutical expenditure increased by 18% for the period 2017-2021, going from 27,6 billion EUR to 32,5 billion EUR. Considering rebates and the safeguard clause, the net expenditure increase was estimated at 4%, from 26,2 billion EUR to 27,1 billion EUR.

Price-regulated medicines expenditures

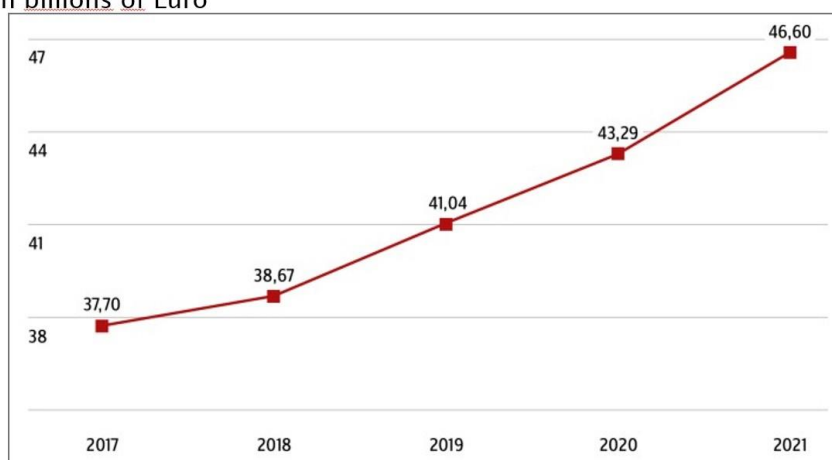


Price-regulated medicines expenditures - list price

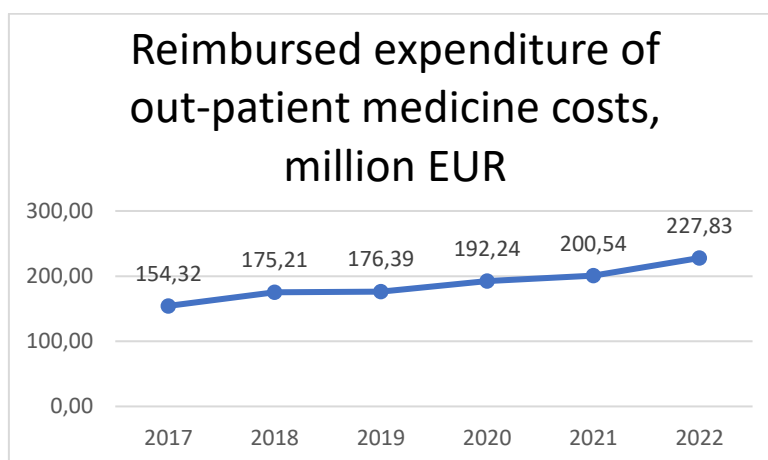


- **Germany:** Pharmaceutical expenditure in 2021 amounted to 46,60 billion EUR compared to 43,29 billion in 2020, corresponding to an increase of 4.8%. Since 2017 this figure has increased by 10 billion EUR.

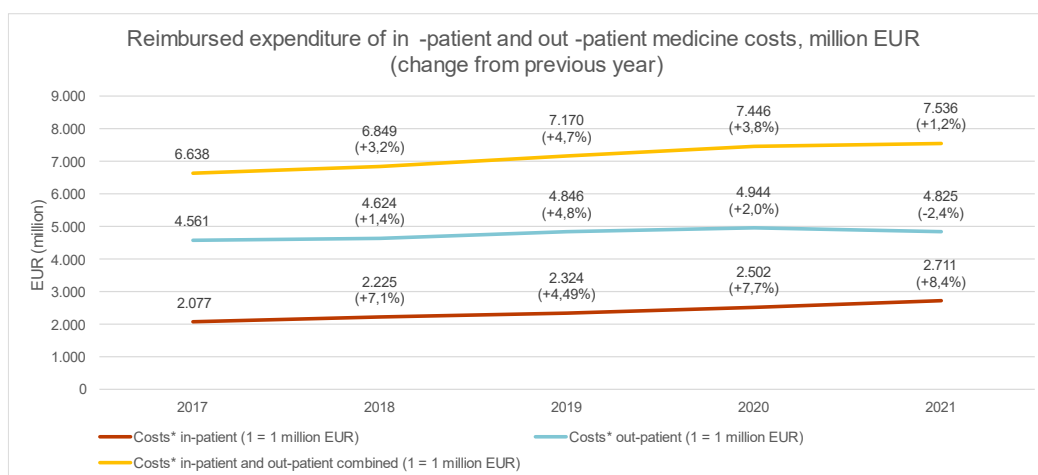
Expenditures for pharmaceuticals in Germany in billions of Euro



- **Latvia:** Out-patient pharmaceutical steadily increased from 2017 to 2022, going from 154 million EUR to 227 million EUR. The highest yearly increase was recorded between 2021 and 2022 (13.6%).



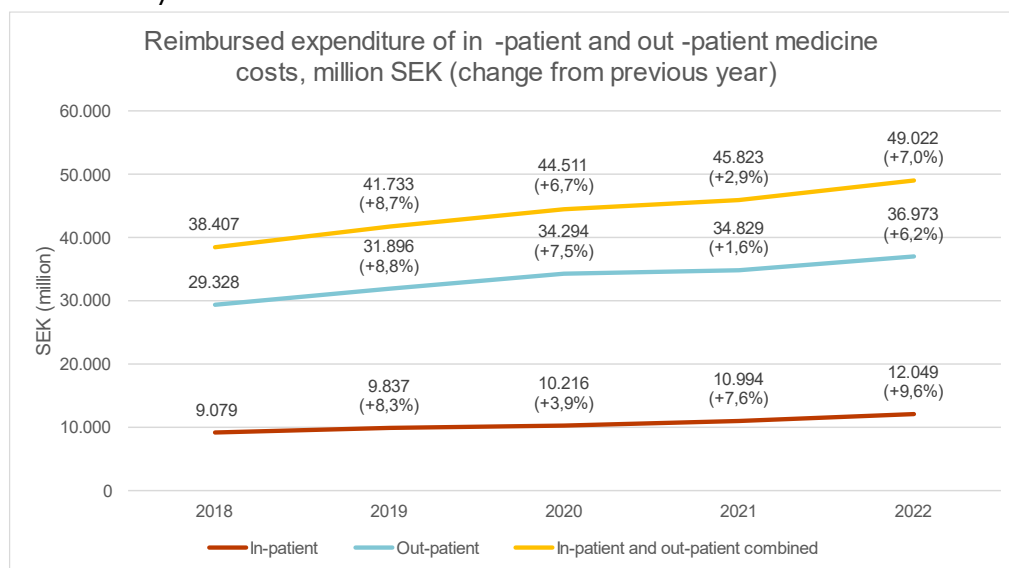
- **Netherlands:** pharmaceutical expenditure for the in-patient and out-patient sectors combined increased during the period 2018-2021, from 6.8 EUR billion to 7.5 EUR billion. However, this increase has been less accentuated for the period 2020-2021 (1.2%) due to a decrease of out-patient care costs (-2,4%), following the termination of several temporary measures related to the COVID-19 pandemic. Accordingly, the reimbursement of some medications was transferred to the in-patient sector.



- **Portugal:** starting from 2015 the pharmaceutical expenditure has steadily increased. Yearly variations fluctuate from +2.6% to +10.9%. The peak was recorded between 2021-2022, going from 3 billion EUR to 3,3 billion EUR and corresponding to an 11% yearly increase.
- **Spain:** pharmaceutical expenditure increased steadily since 2019: for both the in-patient and out-patient (community pharmacy with prescription) sectors, the expenditure raised approximately by 4.6% for the period 2020-2021,

going from 8.5 billion to more than 8.9 billion for hospital pharmacies, and from 12.5 billion to more than 13 billion for prescribed medicines in pharmacies.

- **Sweden:** pharmaceutical expenditure increased for both the in- and out-patient sector, with yearly variations from 3% to 9% per year over the period 2018-2022. For the period 2021-2022, the expenditure went from 45,823 million Swedish Kronor to 49,022 Swedish Kronor, corresponding to an increase of 7%.



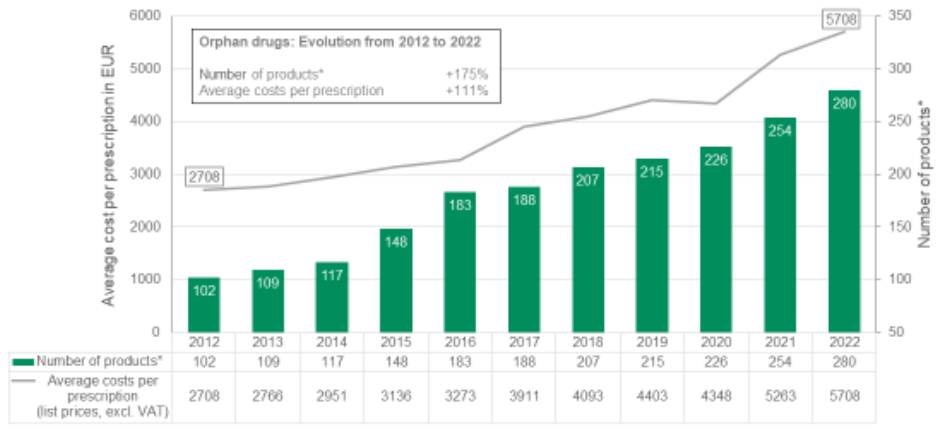
(2) Some therapeutic groups are the main drivers of higher pharmaceutical expenditure: oncology treatment, including for orphan indications, sometime with significant gaps in expenditure compared to other therapeutic groups. Other areas of growing pharmaceutical expenditure are medicines for the alimentary tract and metabolisms (e.g. due to growing costs of antidiabetic drugs), blood and blood forming organs diseases (e.g. due to the increase in sale of novel direct anticoagulants).

(3) Several countries reported a steady increase in number of orphan medicines eligible for reimbursement, while expenditure on orphan treatment as a share of the overall pharmaceutical expenditure grows steadily.

Some examples:

- **Austria:** Expenditure for orphan medicines has more than tripled from 2013 to 2022 and corresponds today to more than 8.5% of the total pharmaceutical costs, while orphan medicines treat about 0.1% of total patients. Average yearly costs per patient have more than doubled since 2013. The number of patients with yearly treatment costs of more than 100 000 EUR is now 25 times as high as in 2013 (all costs are list prices).

Number of orphan drugs and costs per prescription 2012 – 2022 (list prices)

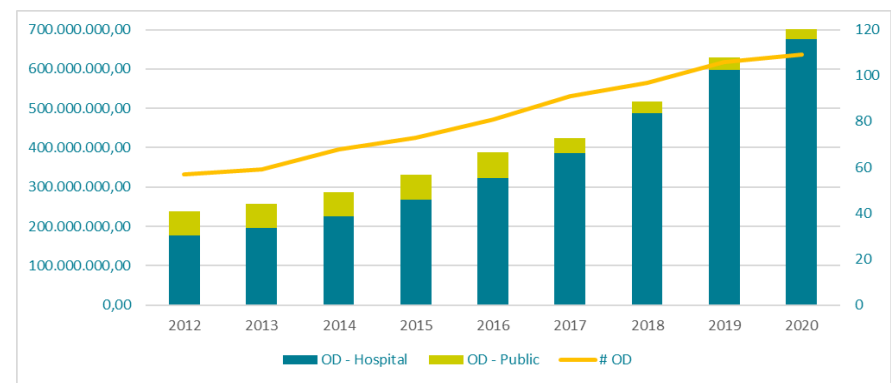


*Including parallel imports, as of 31.12. for each year

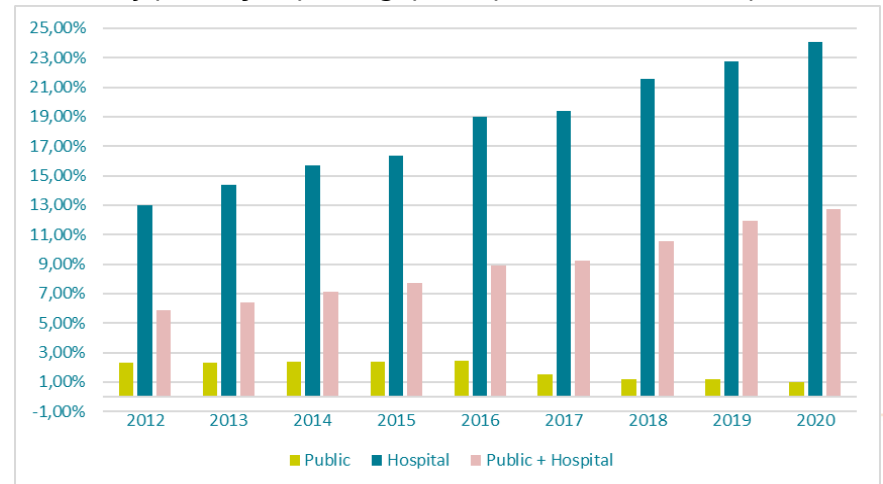
Source: Maschinelle Heilmittelfabrechnung (based on list prices, excl. VAT); EKO Basisdatenbank

- o **Belgium:** the global ratio of orphan expenditure on the overall pharma expenditure was 13% in 2020, 24% for in-patient care.

Evolution of NIHDI expenditures and number of orphan drugs eligible for reimbursement, 2012-2020

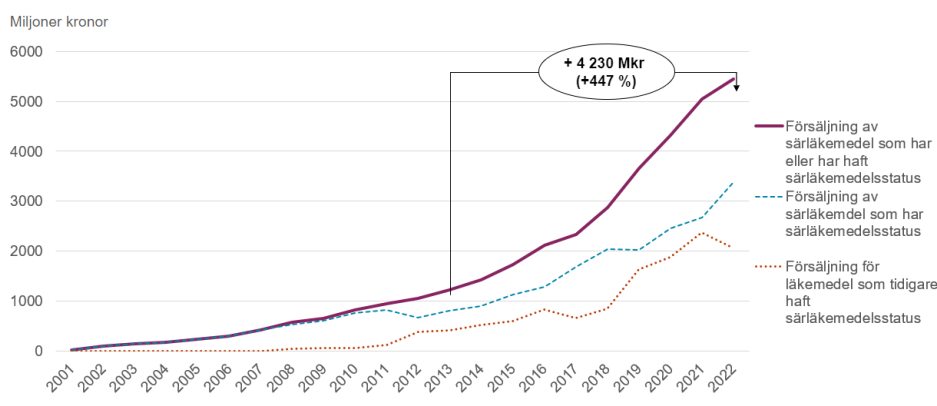


Annual expenditures for orphan drugs as a percentage of NIHDI annual expenditures, by place of dispensing (public pharmacies and hospitals)



- **Sweden:** the number of orphans on the Swedish market significantly increased from 2013-2022 (+112%). This corresponded to an even greater increase in sales of medicines with an orphan status (+ 447% from 2013-2022, equal to more than 4 billion Swedish Kronor).

Sales of OPMs over time, list prices, in-patient and out-patient care combined (solid line: current + previous orphan status)



Number of OPMs with any sale in Sweden over time (in-patient and out-patient combined)

Antal läkemedel som är eller varit säräkemedelsklassade med försäljning i Sverige 2001-2022

