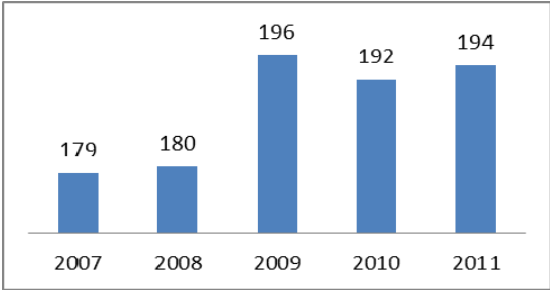
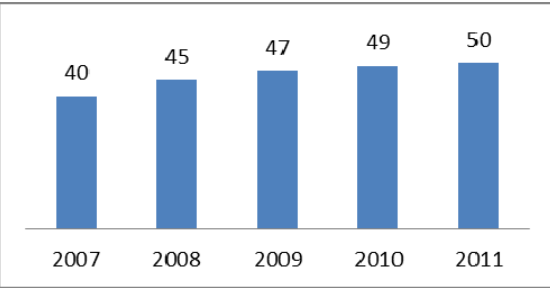
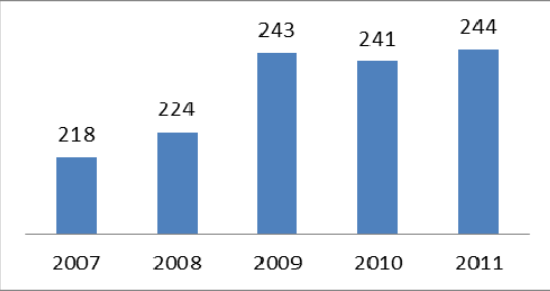


## CZECH REPUBLIC

### Recent changes in pharmaceutical policy measures and developments in pharmaceutical expenditure

Major changes in pharmaceutical policy in 2012-2013	Development of pharmaceutical expenditure in the last 5 years (EUR/per capita)																																				
<p><u>Pricing</u></p> <ul style="list-style-type: none"> <li>01/01/2012: raise of VAT rate from 10 % to 14 % (additional change in 2013)</li> <li>01/01/2012: mark-up change (combined wholesale/pharmacy scheme)</li> <li>01/02/2012: launch of price reviews of all price regulated medicines (new reference basket)</li> <li>01/04/2012: end of 7 % price cut on all (non-revised) reimbursed medicines (effective since 01/04/2011)</li> <li>01/04/2012: additional change of reference basket for pricing. Currently all EU countries except for Cyprus, Germany, Estonia, Luxembourg, Malta, Romania, Bulgaria and Austria</li> <li>01/01/2013: raise of VAT rate from 14 % to 15 %</li> </ul> <p><u>Reimbursement</u></p> <ul style="list-style-type: none"> <li>01/12/2011: reimbursement price is set on the basis of ex-factory price (formerly it was set on retail price)</li> <li>01/12/2011: revision of reimbursement once in 3 years (formerly every year). Introduction of short revisions in case of expected savings or in need to ensure a fully reimbursed product.</li> <li>01/12/2011: introduction of fast entry of generics on the market (decision issued in 30 days)</li> <li>01/12/2011: 32% decrease of reimbursement in case of the first generic or 15% in case of the first biosimilar</li> <li>01/01/2012: dispensing fee modification (CZK 30 per prescription, max. 2 items on prescription)</li> <li>01/01/2012: change of the Decree on Reference groups (some clusters of interchangeable pharmaceuticals were changed, some remained the same)</li> <li>01/04/2012: end of 7 % reimbursement cut on all (non-revised) reimbursed medicines (effective since 01/04/2011)</li> <li>01/07/2012: reimbursement of OTC medicines cancelled (exceptions agreed upon by insurance funds)</li> </ul> <p style="text-align: center;"><b>Outlook</b></p> <ul style="list-style-type: none"> <li>Approved usage of medicinal cannabis for treatment purposes. Ongoing discussions about its reimbursement.</li> <li>Ongoing discussions about willingness to pay threshold.</li> </ul>	<p><u>Out-patient sector*</u></p>  <table border="1"> <tr><th>Year</th><td>2007</td><td>2008</td><td>2009</td><td>2010</td><td>2011</td></tr> <tr><th>Expenditure (EUR/per capita)</th><td>179</td><td>180</td><td>196</td><td>192</td><td>194</td></tr> </table> <p><i>*may include ambulatory services of hospitals</i></p> <p><u>In-patient sector</u></p>  <table border="1"> <tr><th>Year</th><td>2007</td><td>2008</td><td>2009</td><td>2010</td><td>2011</td></tr> <tr><th>Expenditure (EUR/per capita)</th><td>40</td><td>45</td><td>47</td><td>49</td><td>50</td></tr> </table> <p><u>Total market</u></p>  <table border="1"> <tr><th>Year</th><td>2007</td><td>2008</td><td>2009</td><td>2010</td><td>2011</td></tr> <tr><th>Expenditure (EUR/per capita)</th><td>218</td><td>224</td><td>243</td><td>241</td><td>244</td></tr> </table> <p>Source: Institute of Health Information and Statistics (<a href="http://uzis.cz">uzis.cz</a>)</p> <p>Per capita calculations by SÚKL (10.5 mil. inhab. / 24,586 CZK/EUR)</p>	Year	2007	2008	2009	2010	2011	Expenditure (EUR/per capita)	179	180	196	192	194	Year	2007	2008	2009	2010	2011	Expenditure (EUR/per capita)	40	45	47	49	50	Year	2007	2008	2009	2010	2011	Expenditure (EUR/per capita)	218	224	243	241	244
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<p style="text-align: center;"><b>Impact of measures and evaluation</b></p> <ul style="list-style-type: none"> <li>Expected annual savings from price reviews launched in 2012 – 60 mil. EUR</li> <li>Introduction of short revisions brought expected annual savings over 11 mil. EUR.</li> <li>Fast entry of generics decreased delay in the market entry - 80% of applications were decided within deadline.</li> </ul>																																					