LINEAR, FLAT AND MIXED PRICING STRUCTURES AS NEGOTIATION QUANTITIES OF NEW MEDICINAL PRODUCTS IN CONTEXT OF AMNOG IN GERMANY

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BACKGROUND

• Within the framework of AMNOG, the final price - also referred to as reimbursement price - of a new medicinal product is negotiated between manufacturers and the National Association of Statutory Health Insurance Funds (SHI/”GKV-Spitzenverband”) or will be set by the arbitration board in case of non-agreement of both parties.

• In this regard, a relevant quantity for the SHI and manufacturers is the pricing structure of the reimbursed price after negotiations:
  - The SHI has its own requirements concerning budgetary burdens for pharmaceutical expenditures, so a linear pricing structure (price increases with dose) – which enables planned dosage-related daily treatment costs per patient - is generally favored.
  - For manufacturers, the choice of pricing structure between flat pricing (identical price for different doses), linear pricing or a combination of the two (”mixed pricing”) depends on different parameters such as indication, expected physicians’ prescription behavior or conditions of parallel trade issues due to the European reference pricing.

OBJECTIVES

The objective of this analysis is to assess if manufacturers could maintain their favored pricing structure for new medicinal products at market launch in Germany after negotiations.

RESULTS

• 118 price negotiations for new medicinal products have been completed as of Sep 1st, 2016 while 6 new medicinal products were withdrawn from the German pharmaceutical market before price negotiations with the SHI started.

• 31 relevant completed price negotiations were identified, in which pharmaceutical manufacturers entered either with a linear pricing (n=21), a flat pricing (n=27) or a mixed-pricing structure (n=3) for the respective drug.

• The remaining 67 completed negotiations were excluded from this analysis since the respective drug was only available in one dose.

CONCLUSIONS

• Based on the results of our analysis, it can be shown that pharmaceutical manufacturers can mainly maintain their favored pricing model for a new medicinal product in Germany.

• Even a flat pricing structure, although resulting in additional expenditures for the SHI in certain cases, has a high probability of being accepted in negotiations and arbitration proceedings.

REFERENCES

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• Initial prices and reimbursement prices were taken from: ABDATA Pharma-Daten-Dienst - Service der Werbe- & Vertriebsgesellschaft Deutscher Apotheker (WvV), ADBA-Artikelstamm, www.pharmazie.com/dacon32/global/infosieten_eng/abdaartikelstamm.htm

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