

CRITICAL APPRAISAL OF NEW PERSPECTIVES FOR MEDICINE PRICING POLICY IN GREEK HOSPITALS

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Background

A new regulation has recently given the right to Hospital Pharmacies, through their medical committees, to directly negotiate the prices of medications with their suppliers, instead of merely utilizing the officially fixed ones.

Purpose

The aim of this report is twofold: primarily, to review the first financial benefits deriving from the new procedure and, secondly, to highlight some considerations that should be taken into account when evaluating the whole process.

Materials and Methods

For the purposes of assessing the potential limitation, as far as the hospital pharmaceutical expenditure is concerned, a review of the post negotiation prices reported by several hospitals in the National Observatory of Prices, has been performed along with a comparison of current official pricing lists fixed and published by the Ministry of Health and Social Solidarity. For a more in depth analysis, these reports should be compared with the discount results achieved by the Health Procurement Committee which has recently completed **7 e-auction** procedures including **35 active substances**.

Results

In some cases, a discount of up to **90%** was reported on the initial prices, (with an average of approximately 40%), with the emphasis put on generic and off-patent products. Therapeutic categories in which the most important discounts were observed include: antibiotics (e.g. meropenem, piperacillin/tazobactam), cytotoxic agents (e.g. paclitaxel, cisplatin, carboplatin, gemcitabin), ondasetron, propofol, omeprazole etc. Hospitals of greater bed capacity seem to be more powerful in the negotiating procedure (data extracted by the official site of the National Observatory of Prices, <http://www.epromy.gr>).

It is worth mentioning that some hospitals alone have managed to obtain better offers than the e-auctions performed by the Health Procurement Committee.

The estimated profit deriving from the e-auction procedure is up to **17,100,573euro/year**. In tables (1) and (2), following, certain examples of discount prices achieved, are showed.

Table 1: Examples of discount prices achieved through e-auctions (national level)

Active Substances	Official Price	e-auction Price	% Reduction
CEFTAZIDIME 1G	4,96	0,9	-81,79%
CEFTRIAXONE 1G	5,17	1,08	-79,07%
CEFUROXIME 750MG	1,37	0,62	-64,12%
EPIRUBICIN 10MG	8,51	5,58	-34,49%
FLUCONAZOLE CAP.100MG	2,12	0,29	-86,41%
GEMCITABINE 200MG	15,72	6,99	-61,54%
IMIPENEM + CILASTATIN (500+500)MG	12,05	10,3	-7,90%
IRINOTECAN 40MG/2ML	49,95	11,84	-74,95%
LEVOFLOXACIN 500MG	25,13	1,5	-93,46%
QUETIAPINE TAB. 25MG	0,32	0,03	-90,37%
RISPERIDONE TAB. 1MG	0,33	0,07	-82,54%
SULBACTAM + AMPICILLIN (0.5+1) GR	2,76	1,88	-42,38%
TOPOTECAN 4MG	198,17	197,76	-0,21%
VANCOMYCIN 500MG	7,09	6,74	-5,93%

Table 2: Comparison of prices achieved through e-auctions and hospital negotiations

Active Substance	Official Price	e-auction Price	Hospital over 500 beds	Hospital up to 200 beds	Hospital under 100 beds
PIPERACILLIN / TAZOBACTAM 4,5GR	12,88	7,985	5,99	6,68	7,08
CIPROFLOXACIN 400MG	27,34	1,346	2,90	2,78	16,25
OMEPRAZOLE 40MG	4,30	0,967	1,347	2,00	2,935

Discussion

Firstly, the discounts achieved through e-auctions and other negotiating procedures seem to be quite impressive. Since e-auctions and pricing lists are both performed and regulated on a national level, such a difference potentially reveals weaknesses of the pricing policy, especially as far as generics and off-patent products are concerned.

Secondly, the fact that some Hospitals have achieved better discounts than the e-auctions reveals that hospital pharmacies have significant negotiating power. Furthermore the pharmaceutical companies reveal their willingness to lower their prices in order to establish their presence in the hospital market, probably considering the latter to be a powerful tool promoting both their off-patent and in-patent products.

Additionally, it seems that the whole issue of pricing policy of generics and off-patent products is entering a new era, in which methods, traditionally used to study the pharmaceutical expenditure, should alter. The parallel observation of cost and pricing of substitute substances is considered to be indispensable so that a thorough and clear picture of the savings achieved is formed.

Conclusions

It is possible for hospital pharmacists to gain resources by lowering the pharmaceutical cost in hospital care, while ensuring patient safety. The first results reported should be considered quite positive given the burden of the current unfortunate financial conditions; however other considerations should be kept in mind when coordinating such a procedure, i.e. transparency, patients' safety, availability of pharmacoeconomic and bioequivalence studies, while paying respect to the global market rules.

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