



PGEU Position on Affordability of Medicines and Health Systems Sustainability

At the heart of community pharmacists day-to-day mission lies their commitment to the safe, effective and rational use of medicines by patients, ensuring that the right patient receives the right medicine at the right time, along with the appropriate professional advice.

Unaffordable medicines prices can be one of the main barriers to access to medicines by patients and health systems. Community pharmacists are sometimes faced with patients who are not able to pay for the medicine they need due to the high co-payment.

Therefore, ensuring equitable and sustainable access to medicines for patients and health systems is an objective that PGEU shares with national governments and health systems, as well as with European¹ and international institutions².

In the context of current political priorities, PGEU welcomes the European Commission efforts to ensure the affordability of medicines for patients and health systems financial and fiscal sustainability as outlined in the roadmap of the Pharmaceutical Strategy for Europe³.

In addition to the measures proposed in the Pharmaceutical Strategy Roadmap, we believe that expanding and rewarding the role of community pharmacists in health systems and strengthening prevention and primary care systems are key policy levers to lead the way towards more sustainable, inclusive and healthier future in Europe. Furthermore, we consider that promoting the rational use of medicines should be at the core of any policy aiming to enhance the affordability of medicines for patients and health systems.

As the current Covid-19 pandemic is adding stronger pressure on already overburdened health systems, community pharmacists are ready and committed to further advance their services and provide continued support to European patients and health systems. Since the beginning of the Covid-19 crisis community pharmacists have been working with tireless commitment and determination to guarantee patients continued access to treatments. Throughout the crisis, they have been the first line of advice, treatment and referral for many European citizens on common ailments, successfully preventing unnecessary visits to emergency rooms.

In what follows, we provide our considerations on pricing and reimbursement policies in Europe, as we believe this is one of the determinants of affordability of medicines and health system sustainability. Furthermore, we provide our perspectives on other dimensions of affordability of medicines for patients and health systems sustainability, following a more holistic approach, and focusing specifically on the importance of primary care, prevention, community pharmacy services, to promote health systems resilience.

¹ <https://www.consilium.europa.eu/en/press/press-releases/2016/06/17/epsco-conclusions-balance-pharmaceutical-system/>

² <https://www.who.int/news-room/detail/28-09-2020-who-publishes-pricing-policy-guideline-to-improve-affordable-access-to-medicines>

³ https://ec.europa.eu/health/human-use/strategy_en

PGEU Considerations on Pricing and Reimbursement policies in Europe

Pricing and Reimbursement (P&R) policies are one important dimension of the broader topic of affordability of medicines for patients and health systems in Europe.

In the aftermath of the global financial and economic crisis triggered in 2008 in the United States, some EU Member States adopted cost-containment policies in the pharmaceutical sector to reduce the impact of pharmaceutical expenditure on public budgets.

On top of financial and fiscal sustainability pressures to European health systems, the increasing marketing of innovative, specialty medicines has been a major challenge even in high-income countries in Europe over the last years. Although new, innovative medicines may be able to respond to unmet patients' needs, they may pose new challenges as for the capacity for patients to access these medicines without financial hardship and for health systems to be able to reimburse them. As argued by the Organization for Economic Cooperation and Development (OECD)⁴, launch prices of new medicines have been increasing in some therapeutic categories, sometimes without commensurate health benefits. Even new effective medicines are not always affordable to patients in need and this puts an additional pressure on healthcare budgets.

The data included in the OECD Health at a Glance 2019 report⁵ confirm that pharmaceutical expenditure increased by 1.6% between 2013-2017 across OECD countries. As a result, keeping pharmaceutical expenditure under control has remained a key policy objective for national governments.

PGEU observes that adoption of pure cost-containment pricing models may be detrimental to public health objectives, as they tend to affect availability of medicines⁶ and to shift the financial burden of the costs of medicines on patients, by, for instance, increasing co-payment. Lack of financial coverage and protection on medicinal products may jeopardize public health objectives, as it can reduce access to healthcare, worsen health status, for instance by lowering patients adherence to their medication due to cost concerns, in turn undermining health outcomes, and also exacerbating health and socio-economic inequalities.

Moreover, broad use of cost-containment policies in some EU Member States over the past years has also impaired the financial viability of community pharmacies. Given their key role in promoting the overall health systems sustainability, measures that favour the application of a sustainable remuneration for community pharmacists should be considered when implementing P&R decisions.

P&R policies remain a competence of EU Member States under the condition that they comply with the overall EU legislation such as the Transparency Directive. In this respect, PGEU considers decisions on P&R to be an integral part of health policy and as such a prerogative of each individual Member State.

At the same time, PGEU acknowledges that individual pricing decisions in some EU countries may affect other countries. Taking this into account, PGEU believes that promoting better coordination among EU countries⁷ to ensure that pricing decisions taken by one EU country do not lead to negative impacts on patient access in another country is an appropriate way the EU can help improve affordability of medicines for health systems.

In line with the European Commission proposal in the Pharmaceutical Strategy Roadmap, we also support EU co-operation on issues related to evaluating cost-effectiveness and measuring added therapeutic value as

⁴ <https://www.oecd.org/els/health-systems/pharmaceuticals.htm>

⁵ <https://www.oecd-ilibrary.org/docserver/4dd50c09-en.pdf?expires=1602145348&id=id&accname=guest&checksum=BC9EF3892A3528117D6F24E0914AE227>

⁶ <https://www.oecd.org/els/pharmaceutical-pricing-policies-in-a-global-market.htm>

⁷ Cross-countries cooperation should be encouraged to establish adequate HTA frameworks, or to promote joint pricing negotiations and/or to promote horizon scanning. Examples of successful cross-countries cooperation include the Benelux Initiative on Pharmaceutical Policy and/or the International Horizon Scanning Initiative.

well. In this respect, we recognize that in recent years, a number of voluntary cross-country collaborations^{8 9} have been established on different areas, including on P&R and on the joint procurement of medicines. We believe these collaborations to be useful and successful experiences to be further promoted.

Furthermore, PGEU considers that the regulation of medicines prices should be operated through a mix of policy instruments and not only leveraging on a single pricing policy tool. It is also desirable for Member States to carry out periodic review of P&R policies, conducting adequate policy evaluation, and taking into account any changing conditions in the pharmaceutical market and in the population.

PGEU Considerations on affordability of medicines and health systems sustainability

Pharmaceutical pricing policies are not the sole determinant of affordability of medicines. There are multiple aspects that affect the affordability of medicines and the sustainability of health systems, therefore more options are presented below to pursue these policy objectives.

First of all, we consider that the promotion of the rational use of medicines should be at the core of any policy aiming to enhance the affordability of medicines for patients and health systems. This can be implemented by appropriately remunerating cost-effective healthcare services which improve therapy outcomes and adherence and minimize the risks related to using medicines. Examples of such services are adherence-focused new medicines services¹⁰, medicines use reviews¹¹, dose administration aid services, common ailment¹² and chronic disease management^{13,14} services.

Together with the promotion of the rational use of medicines, more investments in prevention and in strengthening of primary care systems should be strongly encouraged as a measure to promote affordability of medicines for patients and health systems.

As pointed out by the OECD¹⁵, with the share of population aged 65 and above set to almost double to 28% by 2050 across OECD Countries, national governments must reconfigure their health systems to make them more sustainable and make sure that patients can receive affordable, effective and high-quality care for people living with chronic conditions. This would enable to avoid unnecessary use of hospital and specialised healthcare services.

In this respect, community pharmacy services should be further integrated in primary care networks to help reducing the pressure on overburdened secondary care. The Covid-19 pandemic has demonstrated that it is more important than ever before to maximise the scope of community pharmacy practice and its integration within the primary care systems, in order to offer rapid, effective and safe solutions to meet patients' needs

⁸ <https://beneluxa.org/>

⁹ <https://journals.sagepub.com/doi/full/10.1177/2399202619852317>

¹⁰ Elliott, et al. (2016). Supporting adherence for people starting a new medication for a long-term condition through community pharmacies: a pragmatic randomised controlled trial of the New Medicine Service. *Pharmacoeconomics*. 2017 Aug 3. doi: 10.1007/s40273-017-0554-9

¹¹ Jódar-Sánchez, F. et al. Cost-Utility Analysis of A Medication Review With Follow-Up for Older People With Polypharmacy

in Community Pharmacies in Spain: Consigue Program. *Value in Health*, Volume 17, Issue 7, A511 - A512

¹² Watson M, Holland R, Ferguson J, Porteous T, Sach T, Cleland J. *Community Pharmacy Management of Minor Illness (the MINA Study)* London: Pharmacy Research UK; 2014.

¹³ Marra C et al. Cost-effectiveness of pharmacist care for managing hypertension in Canada. *Can Pharm J (Ott)*. 2017 Mar 21;150(3):184-197 doi: 10.1177/1715163517701109

¹⁴ Hughes, Jeffery David et al. "The role of the pharmacist in the management of type 2 diabetes: current insights and future directions." *Integrated pharmacy research & practice* vol. 6 15-27. 16 Jan. 2017, doi:10.2147/IPRP.S103783

¹⁵ <https://www.oecd-ilibrary.org/sites/a92adee4-en/index.html?itemId=/content/publication/a92adee4-en>

and maintain continuity of pharmacy services and of medicines supply. This is crucial to make European health systems more sustainable and resilient.

Further expansion of community pharmacy services should be considered by introducing appropriate legislation and/or financial support, for instance to enable services which proven to be crucial during this pandemic, such as the home delivery of medicines to patients who are not able to physically visit the pharmacy, the safe renewal of repeat prescriptions for chronic medications, the promotion of safe and rational use of medicines as well as the prevention, reporting or mitigation of adverse drug reactions (ADRs) and ensuring access to certain hospital medicines via community pharmacies for patients who need them.

Reinforcing primary care and community pharmacy services via appropriate economic incentives can also be crucial to lower health inequalities. In particular, community pharmacy services can ensure access to vulnerable populations that otherwise can struggle to access health services.

In the midst of a public health crisis of the current magnitude, due to the Covid-19 pandemic, it is crucial to build on the roles and services that community pharmacies can undertake to help in relieving pressure and providing cushions in other areas of health service, such as general practice and emergency departments. Health authorities should make use of the accessible physical network of pharmacies across Europe, which is accessible even in remote, rural areas, being often the only and free point of contact with healthcare systems to vulnerable patients. Promoting and rewarding community pharmacy prevention services, such as disease prevention programs, immunization, health screening services as well as their role in ensuring quality of care and patient safety, would also help making populations more resilient to pandemics or future health shocks, by controlling exposure to risk factors via this type of services.

Over the next months and years, it will be even more crucial to ensure that the sustainability and resilience of EU Member States health systems. In line with this priority, the wide network of community pharmacies in Europe provides a unique opportunity to access to disease prevention programs, immunization, health screening, etc. through provision of increasing number of health services for all citizens. Therefore we believe that this crisis suggests that expanding community pharmacy services, as integral part of primary care, promoting prevention and better management of long-term conditions, can help to improve access to health services and ease the burden to the secondary health sector.

As recommended by the World Health Organization Regional Office for Europe (WHO Europe)¹⁶ and by the OECD¹⁷ recently many European countries have introduced changes in legislation to expand the role of pharmacists and relieve pressure on the rest of the healthcare system. Some countries have also secured additional funds to empower pharmacists in their vital work on the frontline against Covid-19.

Further key policy levers to advance affordability of medicines for patients and health systems consist in the design of appropriate financial incentives for pharmacists to dispense and promote the uptake of generic medicines in order to make medicines more affordable for patients.

As digital transformation is one of the main trends shaping European health systems, community pharmacists are equipped and ready to address the challenges and opportunities arising from digitalization in healthcare. In the era of digitalization, community pharmacists remain a trusted source of reliable health information for patients, and they uptake digital technologies to support their workload in routine practice and provide more personalized advice to patients.¹⁸

¹⁶ <https://www.euro.who.int/en/health-topics/Health-systems/pages/strengthening-the-health-system-response-to-covid-19>

¹⁷ <http://www.oecd.org/coronavirus/policy-responses/beyond-containment-health-systems-responses-to-covid-19-in-the-oecd-6ab740c0/>

¹⁸ <https://www.pgeu.eu/wp-content/uploads/2019/03/190220E-PGEU-Position-Paper-on-Big-Data-Artificial-Intelligence-in-Healthcare.pdf>