

# Public Spending on medicines between 2018 and 2026: lessons for designing a new financing model in Portugal



António Donato<sup>1</sup>, Branca Barata<sup>2</sup>, Cláudia Ricardo<sup>3</sup>, Francisco Rocha Gonçalves<sup>4</sup>, Mécia Fonseca<sup>5</sup>, Rosário Trindade<sup>6</sup>, Vasco Conde<sup>7</sup>, Miguel Ventura<sup>8</sup>, Hugo Pedrosa<sup>8</sup>, João Freitas<sup>8</sup>, Cristina Lopes<sup>9</sup>, Inês Teixeira<sup>9</sup>

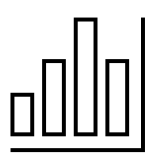
<sup>1</sup>Tecnimede Group, Portugal; <sup>2</sup>J&J Innovative Medicine, Portugal; <sup>3</sup>Roche, Portugal; <sup>4</sup>Sanofi, Portugal; <sup>5</sup>Novartis Farma, Portugal; <sup>6</sup>AstraZeneca, Portugal; <sup>7</sup>Novo Nordisk, Portugal; <sup>8</sup>IQVIA, Portugal; <sup>9</sup>APIFARMA - Portuguese Pharmaceutical Industry Association, Portugal



## OBJECTIVES

The current model for financing innovation in Portugal relies primarily on financial agreements supported by paybacks from the pharmaceutical industry. The fragmented nature of these payments leads to the absence of standardized and comparable data that hinders a clear and transparent evaluation of the system. Thus, the **objectives** of the study are:

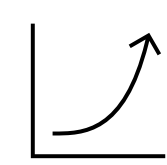
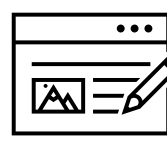
- To determine the **NHS pharmaceutical spending** in Portugal, and whether the official data reflects the amounts actually paid.
- To evaluate the **trend of paybacks made by the pharmaceutical industry**, to improve data transparency and reinforce the pharmaceutical industry's contribution to the sustainability of the health system.



## RESULTS

- Paybacks from the pharmaceutical industry **increased from 11% to 18%** of the gross NHS spending reported between 2018 and 2022 (Figure 1), reaching a value of over 428 million euro in 2022 (Figure 2), for the universe of respondents which represent 82% of the market and 64% of the NHS expenditure.
- In 2022 the **paybacks were distributed** as follows: 45.5% Price Differential; 38.7% Clawback (Protocol between Government & APIFARMA); 15.4% Return NHS charges above reimbursement contract limits (CAPs).
- The **weight of the different types of deductions** changed over time, with CAPs payback increasing by 75% between 2018 and 2022.

## METHODS



- A **quantitative study** was conducted in 2023 through a survey among the Portuguese Pharmaceutical Industry Association (APIFARMA) members, supported by a confidentiality agreement (NDA) signed between IQVIA and each company, to collect historical data (2018-2022) on hospital and ambulatory sales, and paybacks made to the State.
- IQVIA databases and reports published by the Portuguese Medicines Agency (INFARMED) were used for additional extrapolation **scenarios and to forecast** public spending (2023-2026), with linear and polynomial statistical regression models.

Figure 1: Evolution of the NHS gross spending vs paybacks

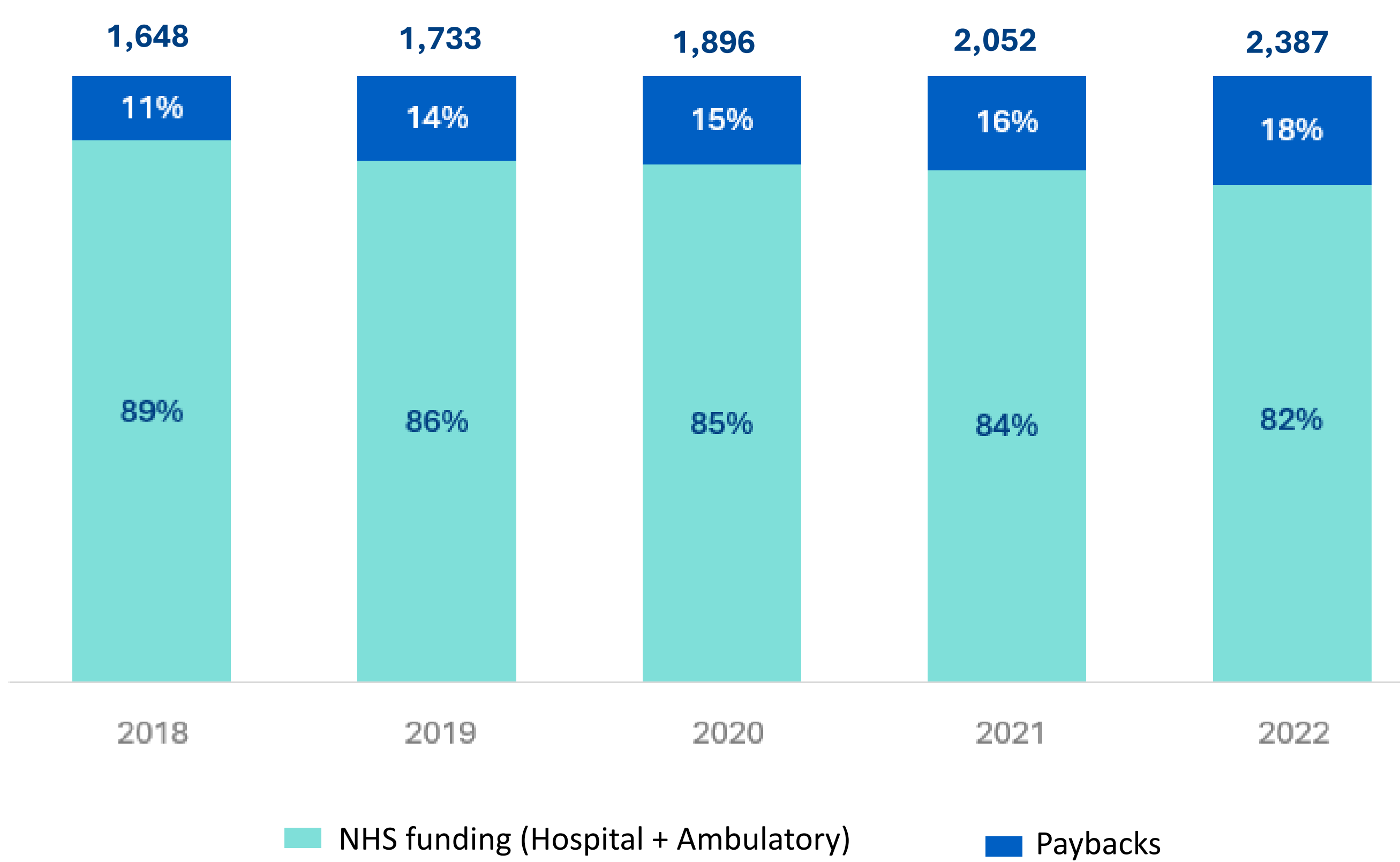


Figure 3: Evolution of the NHS net spending vs published data

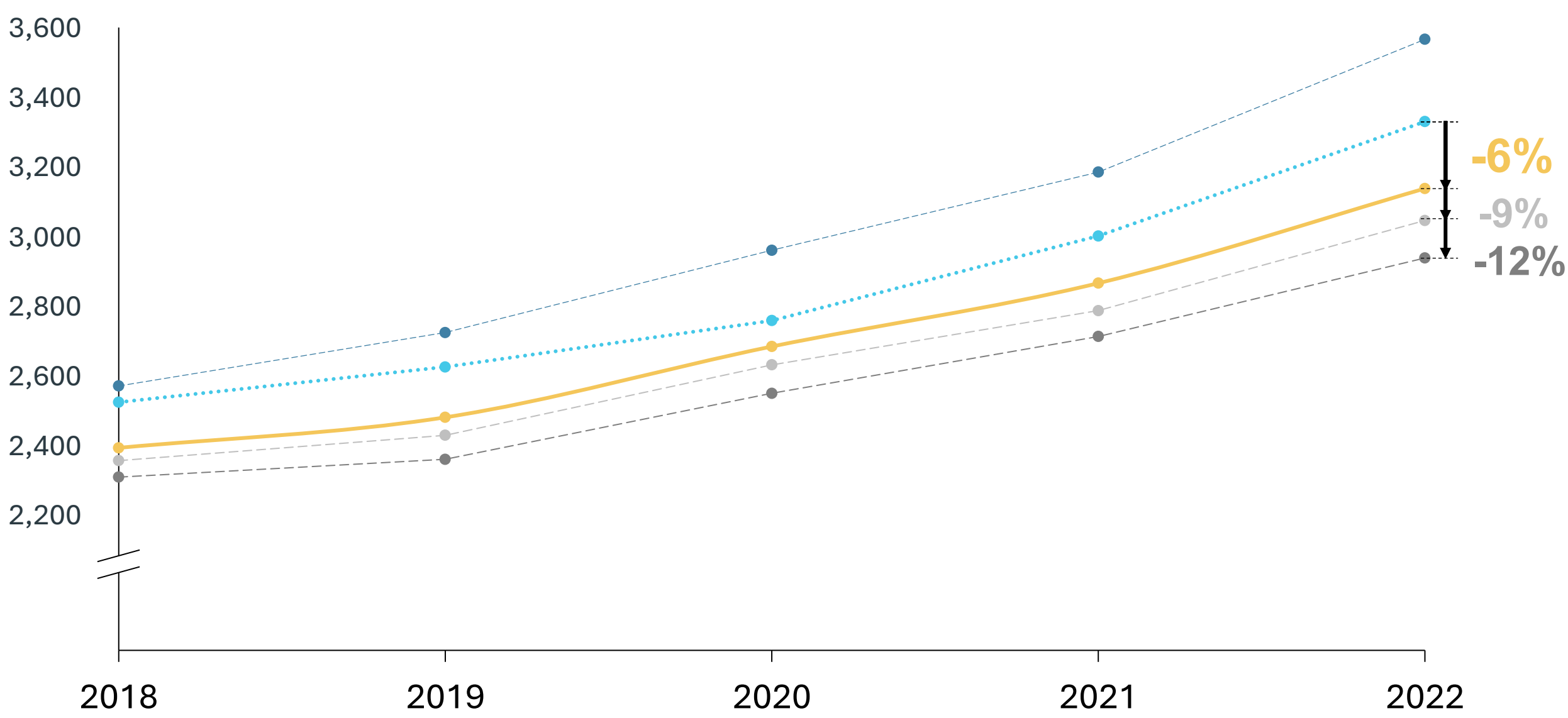
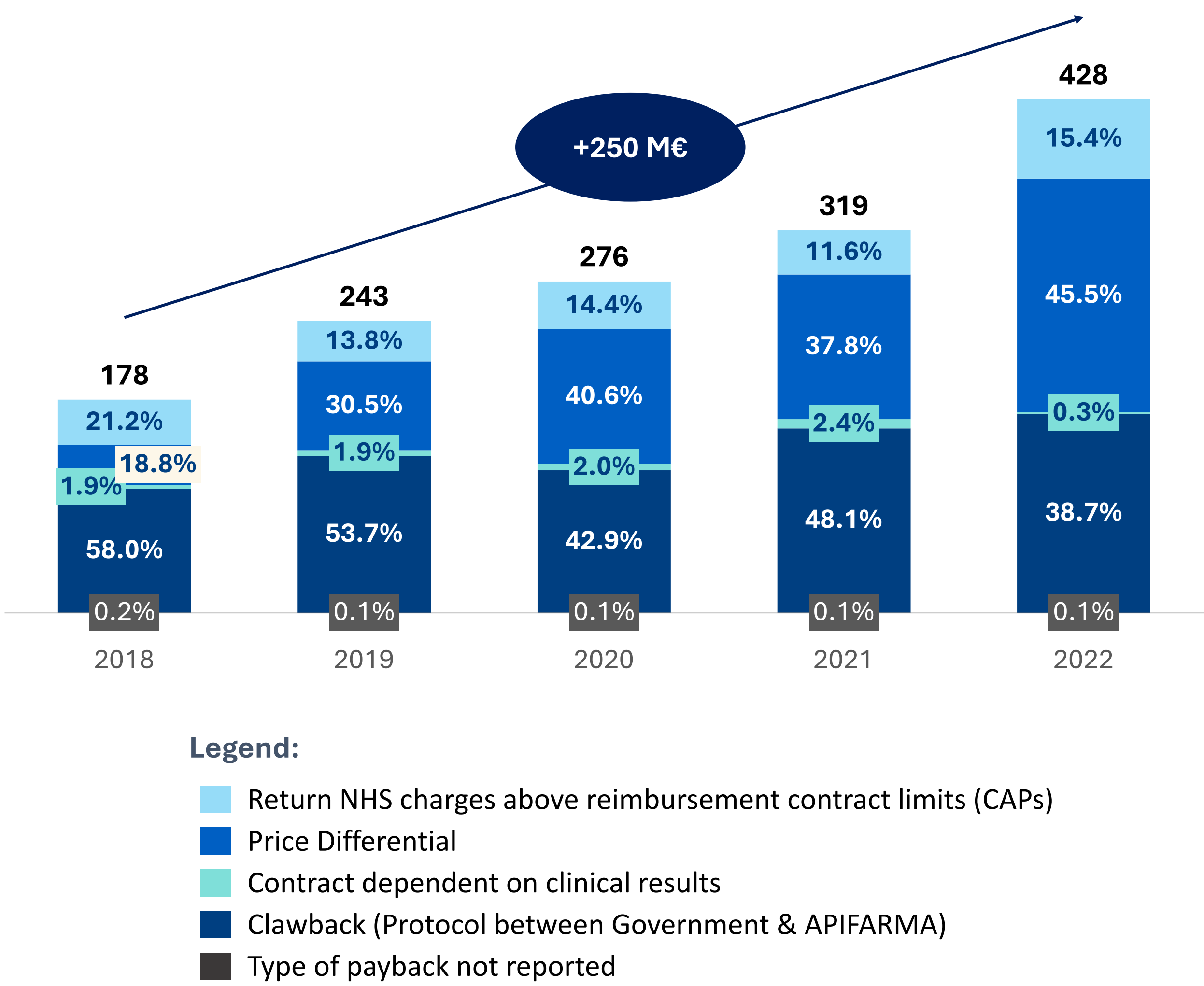
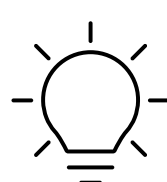


Figure 2: Evolution of pharmaceutical industry paybacks



- The **NHS net spending on pharmaceuticals was at least 6% lower** than the official value reported in 2022 (Figure 3).
- The **growth rate of industry deductions exceeds the evolution of public expenditure on medicines**. The weight of paybacks in the total NHS spending could reach 24% in 2026 (worst-case scenario), with 30% in the hospital market.



## CONCLUSIONS

- Due to the unsustainability of growing industry paybacks, **patient access needs** and **new health technology's availability**, the existing financing model may soon jeopardise the introduction of **innovation** and put in risk access to medicines in Portugal.
- Therefore, it is necessary to **monitor current healthcare technologies financing system and to discuss its revision and update** through the lens of competitiveness, by exploring new solutions that answer to society's needs.

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