Reframing Pharmaceutical Pricing: Implications of the 2025 SVR Report for Germany's Pricing Logic and International Spillovers

HPR171

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INTRODUCTION

The 2025 report of the German Council of Economic Experts (SVR) recommends a major structural overhaul in Germany's pharmaceutical pricing system. Rather than continuing the traditional negotiated-value approach under AMNOG, the report proposes a shift to externally anchored pricing mechanisms such as:

- Interim pricing based on the appropriate comparator (zVT),
- Dynamic price revisions tied to new evidence or comparator changes,
- Budget impact thresholds with automatic rebate triggers,
- Expanded use of cost-effectiveness data.

Given Germany's reference pricing role in over 25 international markets, these proposed changes may have significant global implications.

METHODOLOGY

This policy analysis synthesizes recommendations from Chapters 2 and 5 of the 2025 SVR report and benchmarks them against pharmaceutical pricing frameworks from:

- UK (NICE),
- France (HAS and CEPS),
- Netherlands (ZIN),
- Canada (CADTH and PMPRB).

We analyzed legal feasibility (e.g., German SGB V), institutional roles (G-BA, IQWiG), and implementation risks based on literature on international reference pricing, launch sequencing, and access delays.

RESULTS

The SVR recommendations include:

- Externally defined interim prices based on the comparator therapy (zweckmäßige Vergleichstherapie),
- Dynamic pricing mechanisms triggered by new clinical or comparative evidence,
- Budget thresholds to initiate automatic price reductions.

Country	Interim Pricing	Cost-Effectiveness Use	Dynamic Pricing	Reference System Role
Germany (Proposed)	Yes (zVT-based)	Partial (SVR recommends)	Yes (evidence-triggered)	Reference for >25 countries
UK (NICE)	No	Yes (ICER thresholds)	Yes (managed access schemes)	Limited
France (HAS/CEPS)	No	Limited (budget impact focus)	Yes (renegotiation clauses)	Moderate
Netherlands (ZIN)	No	Yes (cost/QALY-based)	Occasional	Moderate
Canada (PMPRB)	Yes (ceiling price model)	Yes (integrated into HTA reviews)	Yes	Global benchmark

While these reforms aim to increase pricing symmetry and long-term budget control, they also risk:

- Reduced pricing flexibility for manufacturers,
- Delayed launches, particularly in smaller referencing markets,
- A shift in global portfolio prioritization due to tightened price corridors in Germany.

Scenario	Description	Likely Consequence
Baseline Reform	Germany implements interim pricing, dynamic revisions, and rebates with limited use of CEA.	Increased transparency, moderate international price pressure, limited access delays.
Aggressive Implementation	Full integration of CEA, public price benchmarks, and legally binding rebate triggers across all therapeutic areas.	Major global ripple effects: reduced net prices globally, delayed launches, narrower treatment portfolios.
Selective Application	Reform applies only to high-cost and orphan drugs; confidential discounts maintained elsewhere.	Balanced system: preserves innovation incentives, mitigates spillovers, aligns Germany with global HTA leaders.

CONCLUSIONS

The SVR 2025 recommendations mark a potential paradigm shift in Germany's pricing system which include the following:
- Access delays due to tighter global price corridors,
- Reduced flexibility in launch sequencing,
- Spillover effects in low-income or referencing countries.

To mitigate these risks, policy coordination and stakeholder dialogue are essential. Options include:
- Pilot programs for limited application of CEA and dynamic pricing,
- Return to confidential net pricing to avoid spillover distortions,
- Safeguards for innovation-intensive therapies (e.g., oncology, rare diseases).

A balanced, phased approach can help maintain both affordability and therapeutic innovation, securing Germany's leadership role in global market access.

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