

LOCAL PRODUCTION POLICIES IN THE TURKISH PHARMACEUTICAL MARKET

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OBJECTIVES

Health care reforms in the last decade have resulted in improved access to health care services and pharmaceuticals in Turkey. As a result of this, several measures were taken to control the increasing healthcare expenditures. In recent years, the government has focused on the burden of imported drugs on the Turkish economy and has declared increasing R&D activities and supporting local production as the main objectives of the 10th Development Plan. In this respect, the government has targeted to meet 60% of the national pharmaceutical need in terms of value through local production. The process will be completed in five phases and pharmaceutical companies will be invited to invest for local production of their products. This study aimed at outlining the local production policies in Turkey.

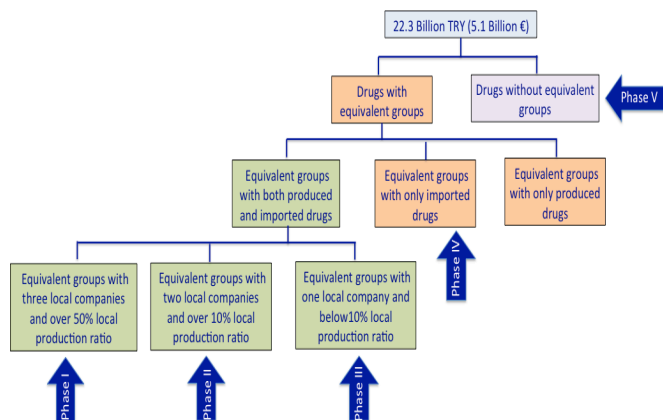
METHODS

A literature analysis was made to explore the local production policies in Turkey. A thorough analysis of the de-listing document published by the Turkish Medicines and Medical Devices Agency's (TITCK) web site in April 2017 was made. The list covers 48 products that will be delisted from the reimbursement list as of February 8, 2018. This list was analyzed by using Rx Media® and Social Security Institution's (SSI) lists showing the prices and discounts of the products. Other relevant data for the study were obtained from the Turkish Medicines and Medical Devices Agency's presentations.

FINDINGS

Figure 1 displays the principles of localization by each phase with expected values. As can be seen, at the end of the process a public saving of 22.3 billion TRY (5.1 million €) is predicted. Policies will differ among drugs with and without equivalent groups. There will be three stages for drugs with equivalent groups. Local production policies are first applied to drugs with 50% or more local products in the market. Followed by drugs with more than 10% and less than 10% local products. The fourth stage will be applied to imported drugs and fifth stage will be applied to drugs without an equivalent group.

Figure 1: Phases of Localization



TITCK

Figure 2: Classification of the De-Listed Products by ATC Categories (Number)

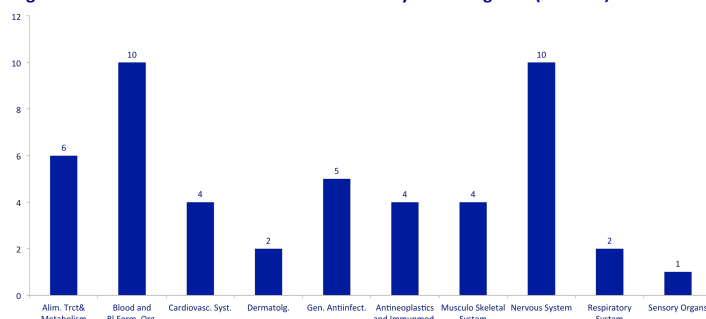


Figure 3: Companies with De-listed Products in Phase I

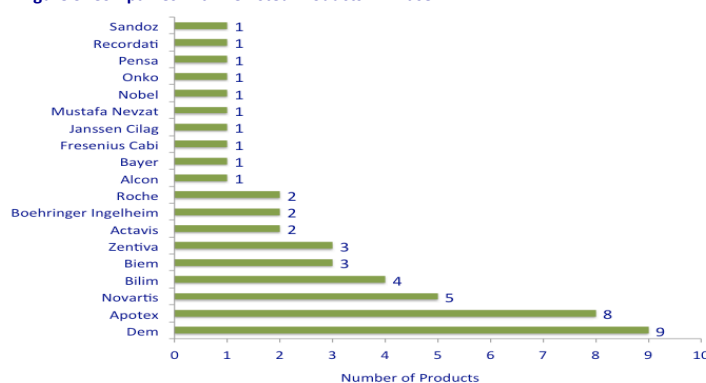
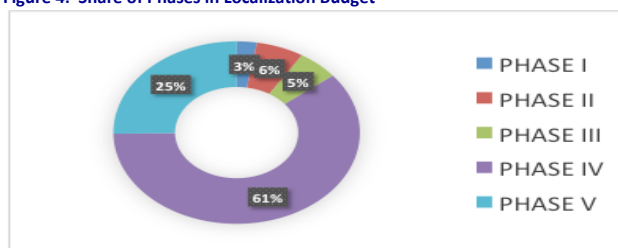


Figure 4: Share of Phases in Localization Budget



As can be seen from Figure 4, the bulk of the saving from the localization process is planned for Phase IV (63%). The first phase to start in 2018 has the lowest share.

RESULTS

Local production of pharmaceuticals is high on the agendas of Turkish policy-makers. A process comprising of five phases is adopted with expected public savings of 22.3 billion TRY (5.1 billion€). The first phase is completed and 48 medicines will be delisted from the reimbursement list on February 8, 2018. 73% of these products are still reimbursed by the SSI, 19% are passivized in the system and 8% are de-listed with the request of the producer. The majority of these products are in the blood and blood forming organs and nervous system ATC categories.

CONCLUSION

The emphasis on controlling pharmaceutical expenditures has reached another stage in Turkey with more emphasis and policies towards local production of products. It is expected that apart from savings on the public budget, there will be an impact on R&D activities, on technology transfer and on decreasing current deficit. The Ministry of Health and SSI are working on additional incentives for licensing, pricing and reimbursement policies of these locally produced drugs as well.