

Dynamics of public outpatient drug expenditures in Austria, 2005-2015

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Background

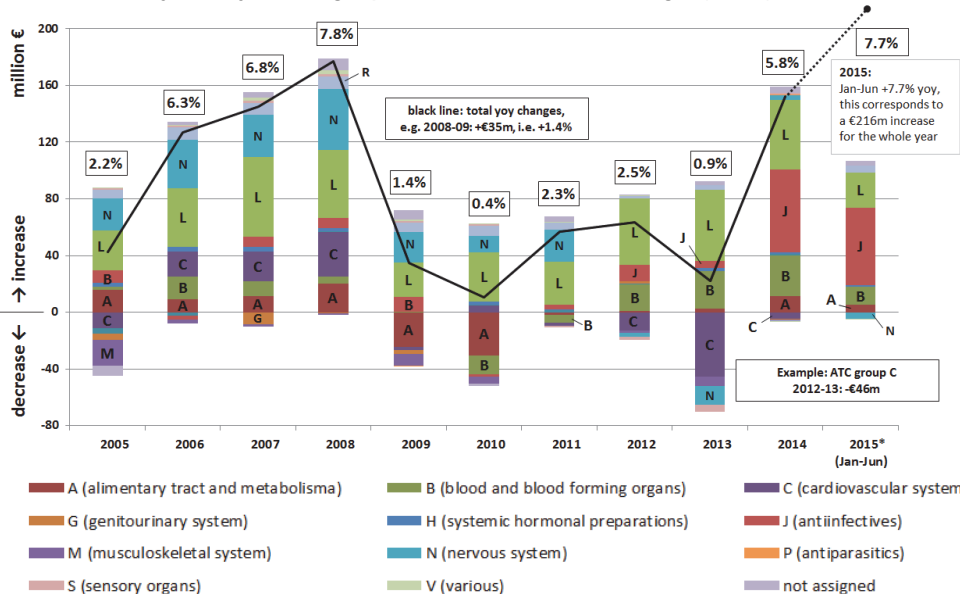
Rising drug costs are currently a major concern worldwide. Austria also has to deal with this issue. This study aims to describe the dynamics of drug expenditure in the outpatient sector since the introduction of the current reimbursement system in Austria in 2005 (at the first ATC level). Furthermore, the key factors responsible for the current rise in drug expenditures are being addressed.

Method

The observation period of the study ranged from 2005 to June 2015. All filled prescriptions of the outpatient sector that were compensated by the 19 social security sickness funds (covering more than 97% of the national population) were included into the study. The costs were calculated using the prices as stated in the Code of Reimbursement (*Erstattungskodex*¹) in euros excluding VAT.

Results

Illustration 1: Dynamics of public outpatient drug costs in Austria 2005-15. Absolute year-on-year changes per ATC and total relative changes (boxes).



While outpatient drug expenditures increased significantly from 2006 to 2008, only a moderate rise occurred from 2009 to 2013. However, in 2014 expenses started to rise again considerably, the ATC levels J (antiinfectives), L (antineoplastics and immuno-modulators) and B (blood and blood forming organs) being the main cost drivers. Apart from that, one can notice that the expenditures for the ATC group L have been growing steadily in the past 10 years, increasing 33% alone from 2011 to 2014. ATC group N - being the second cost driver - was responsible for rising drug expenditures until 2011. This changed after 2011. Another major cost driver with increasingly high expenditures since 2012 is ATC group B. A significant decrease in expenditures (for example by loss of exclusivity) has recently not occurred except in 2013 (ATC group C – cardiovascular system).

	2014				January - June 2015			
	absolute value excl. VAT (€)	year-on-year change (€)	year-on-year change (%)	% of total yoy change	absolute value excl. VAT (€)	year-on-year change (€)	year-on-year change (%)	% of total yoy change
Total	2,787,420,240	152,259,190	5.8%	100.0%	1,428,522,573	102,534,540	7.7%	100.0%
J (antiinfectives)	241,453,087	58,588,369	32.0%	38.5%	153,015,902	54,810,910	55.8%	53.5%
J05 (antivirals)	146,284,098	61,454,698	72.4%	40.4%	102,842,441	53,025,772	106.4%	51.7%
2nd gen. DAAs*	63,700,109	63,700,109	n.a.	41.8%	61,092,679	51,896,295	564.3%	50.6%
L (antineopl. & Imm.)	593,224,392	48,619,549	8.9%	31.9%	310,476,658	24,716,903	8.6%	24.1%
L01 (antineoplastics)	128,581,145	8,598,752	7.2%	5.6%	69,545,642	6,964,362	11.1%	6.8%
L04 (immunosupp.)	300,923,366	34,962,872	13.1%	23.0%	161,781,055	19,481,676	13.7%	19.0%
L04AB (anti TNFs)	163,723,026	9,820,509	6.4%	6.4%	85,947,170	8,069,276	10.4%	7.9%
B (blood)	220,074,548	28,653,543	15.0%	18.8%	116,491,835	12,784,834	12.3%	12.5%
B01 (antithrombotics)	156,217,096	24,523,054	18.6%	16.1%	83,916,856	10,256,593	13.9%	10.0%
DOACs**	52,567,099	23,909,652	83.4%	15.7%	33,142,346	10,191,663	44.4%	9.9%

* Second generation DAAs: sofosbuvir [& ledipasvir], [ombitasvir, paritaprevir, ritonavir], daclatasvir, simeprevir, dasabuvir
** DOACs: rivaroxaban, apixaban, dabigatran

Table 1: Public outpatient drug costs in Austria 2014 and Jan-June 2015, selected sub groups. Absolute values, percentages, year-on-year changes (i.e. to the same period in the previous year).

Closer examination reveals that the current rise is strongly dominated by the new drugs to treat hepatitis C (part of group J), followed by direct oral anticoagulants (DOACs, part of group B). Second generation direct-acting antivirals (DAAs) accounted for €64m in 2014, i.e. 2.3% of the total drug spending and 42% of the total increase in drug expenditures (€152m/+5.8%) from 2013 to 2014. DOACs accounted for 16% (€24m) of this increase. In 2014, anti-TNFs were still the most cost-intensive subgroup at ATC level 4 (€164m/5.9%) and accounted for 6.4% of the total increase. In the first half of 2015 not only the cost rise itself rose to +7.7% but also the contribution of DAAs (51%) to this increase further intensified. The growth rate of DOACs decreased to +44%, while those of antineoplastics (+11%) and anti-TNFs (+10%) increased significantly.

Conclusion

Due to high-priced specialty drugs, pharmaceutical expenditures in the Austrian outpatient sector have recently increased considerably. This also contributed to the fact that a mere 0.4% of prescriptions in 2014 were responsible for almost 26% of the total costs.

These developments, together with the ongoing weak economic growth² and therefore stressed health care budgets, as well as more high-priced specialty drugs in the pipeline, all pose a challenge to the Austrian social security health care system.