

# VALUE FOR MONEY IN SPENDING ON PHARMACEUTICAL IN CROATIA



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## Background

Spending on pharmaceuticals in Croatia makes up a considerable share of total healthcare expenditure. A large share of pharmaceutical expenditure is devoted to treating chronic diseases whose incidence and prevalence increases with age. Due to the budget restrictions (already bearing arrears amounting to several million Euro), it is important to analyse whether and how the “value for money” is being considered in medicines’ pricing and reimbursement decisions.

## Material & Methods

Policy documents related to the process of medicines’ pricing and reimbursement were reviewed, as well as publicly available data on medicines expenditure in Croatia.

## Results

- While significant funds flow into curative care, there is not much information on quality of care and “value for money” spent on different interventions, including medicines.
- Value-for-money analysis of medicines proposed for reimbursement, such as cost-effectiveness analysis, is not requested as a part of the submission dossier nor is it conducted by the bodies involved in pricing and reimbursement decision-making.
- The Health economic assessment is limited to Budget impact analysis focusing exclusively on HIF’s costs.
- The appraisal process is not guided by formal multi-criteria decision analysis nor are the conclusions of formal appraisals publicly available.
- Although HIF manages a limited budget, there is no formal process of prioritization in place when appraisal recommendations or reimbursement decisions are formed nor do these rely on a broader set of healthcare funding priorities.
- Value-based pricing is currently not implemented on a regular basis, with few managed entry agreements tying treatment outcomes to prices and payments.

## Conclusion

- Value-for-money analysis requires high-quality, reliable and available local epidemiological, outcomes and costing data – often unavailable in Croatia with few randomized clinical trials conducted in Croatia to facilitate the provision of local outcomes data.
- Priorities with respect to medicines funding seems to be internalised in the reimbursement decisions with no formal criteria