



SFK

Facts and figures 2017

*On pharmaceutical care
in the Netherlands in 2016*

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Introduction

Healthcare in the Netherlands

Most pharmaceutical care in the Netherlands is covered by compulsory basic health insurance. Everyone who lives or works in the Netherlands is legally required to have a basic health insurance. The content of the basic health insurance package is determined by the government and is the same for everyone. The majority of the overall cost of health care is covered by basic health insurance and financed by fixed health insurance premiums paid by everyone over the age of 18.

The government determines which medicines are allowed onto the market and which medicines are included in the Drug Reimbursement System (Geneesmiddelenvergoedingssysteem (GVS)). The Dutch Minister of Health, Welfare and Sport sets maximum prices for medicines twice a year in accordance with the Medicine Prices Act (Wet Geneesmiddelen prijzen (WGP)).

Foundation for Pharmaceutical Statistics database

Since 1990 the Dutch Foundation for Pharmaceutical Statistics (SFK) has exhaustively collected data regarding kind and use of medicines dispensed by community pharmacies in the Netherlands. For each dispensation the SFK registers very detailed information about the drug supplied, the dispensing pharmacy, the health insurance company, the prescribing doctor and anonymous information about the patient for whom the prescription was issued. The SFK has built and maintains the largest data warehouse in this particular field in the Netherlands.

Annually the SFK publishes the results of the information gathered during the previous year in the brochure 'Data en Feiten'. This publication provides the most complete overview of the latest, most important pharmaceutical data in the Netherlands.

This publication, Facts and Figures 2017, is the translated summary.



Key figures for pharmaceutical care in 2016

Data provided by community pharmacies as part of the legally insured drug package

	THE NETHERLANDS	AVERAGE PER PHARMACY	AVERAGE PER PERSON
Pharmaceutical care revenues	€ 4,335 million	€ 2,182,000	€ 275
of which, GVS contributions	€ 41 million	€ 21,000	€ 3
Cost of medicines	€ 3,049 million	€ 1,534,000	€ 193
Prescription-only medicines (POM)	€ 2,949 million	€ 1,484,000	€ 187
Non-prescription-only medicines	€ 100 million	€ 50,000	€ 6
Pharmacy fees	€ 1,286 million	€ 648,000	€ 81
Dispensing fee (POM)	€ 1.227 million	€ 620,000	€ 81
Fee for pharmaceutical care services	€ 8 million	€ 4,000	€ 0
Margin non-POM	€ 7 million	€ 4,000	€ 0
Prescriptions	240 million	120,800	15.2
Prescription-only medicines (POM)	231 million	116,500	14.7
Non-prescription-only medicines	8 million	4,300	0.5
Inhabitants*	15,8 million	7,945	-

*Inhabitants depending on community pharmacies for drug dispensing i.e. 93% of the Dutch population

SFK bases expenditure on pharmaceutical care declared on invoices submitted to health care insurers by pharmacies. With the introduction of deregulated prices on the 1st of January 2012, health care insurers and pharmacists have to agree on the reimbursement for pharmaceutical care between them. The amounts paid to pharmacists by insurers in accordance with contractual agreements may differ from the cost of medicines specified in the invoices submitted to health care insurers by the pharmacies. SFK is not privy to these agreements. In reality, the costs and fees listed above may be lower.

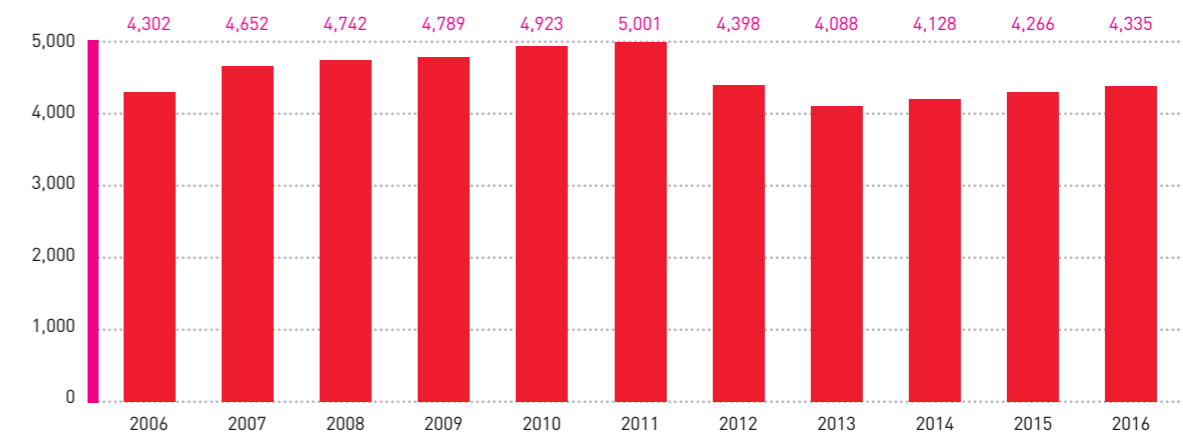


Expenditure on pharmaceutical care in an upward trend

Expenditure on pharmaceutical care covered by basic health insurance, dispensed by community pharmacies, has been increasing steadily since 2013. Between 2015 and 2016 it increased by € 69 million to a total of € 4,335 million. This 1.6 % increase is a windfall for the Dutch government as the government had anticipated a higher growth

of 3.3 %, similar to 2015. The total number of dispensed prescription medicines amounts to 240 million in 2016, an increase of 0.4% over the previous year. Expressed in defined daily doses (DDD) this increase was more evident: it increased by 2.0%. The total amount of DDD dispensed by Dutch pharmacies was 8.6 billion in 2016.

Total expenditure on pharmaceutical care provided by community pharmacies (1 = 1 million)



The 1.6 % increase in 2016 is an unexpected bonus for the Dutch government.

Source: Foundation for Pharmaceutical Statistics | Stichting Farmaceutische Kengetallen

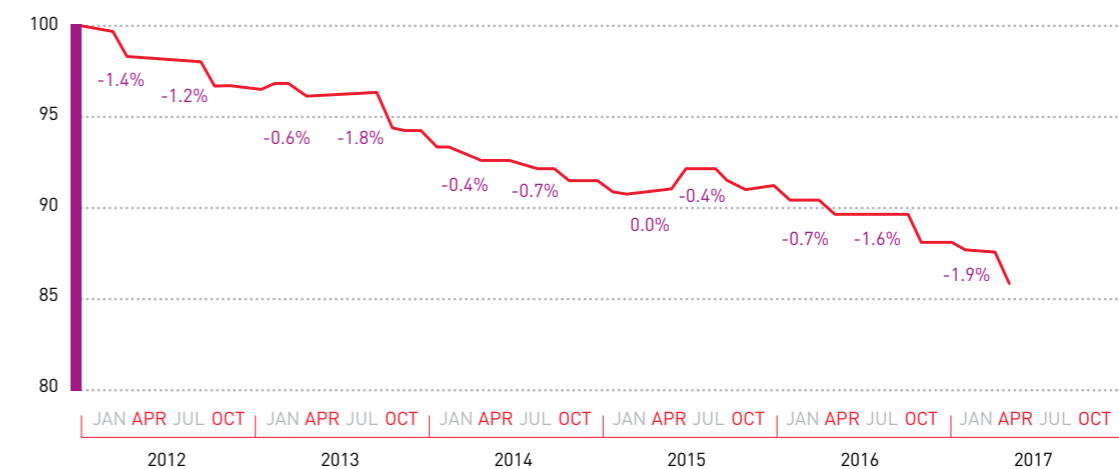


Brexit leads to lower prices and consequently to less revenue

With the Dutch Medicines Pricing Act (Wet Geneesmiddelen Prijzen, WGP) the Dutch government determines the maximum prices for medicines twice a year. It safeguards that the price of medicines will not exceed the average price of the same medicine dispensed in Belgium, Germany, France and Great Britain. Since the Act was introduced in 1996, it has been the government's main means of price control. The WGP has caused the price level of medicines to fall at an average annual rate of 3 to 4% in the last few years.

As stated above medicine prices in Great Britain help to determine the maximum medicine prices in the Netherlands. Due to the devaluation of the British pound in the period of uncertainty before and after the Brexit referendum, the medicine prices decreased in the Netherlands. This influence of the British pound became evident in October 2016 when the maximum prices were based on the exchange rate of the pound sterling in March 2016. Three months before the actual referendum the value of the British pound had already decreased. As a result medicine prices in the Netherlands dropped more than 4%. The SFK has calculated that in 2017 the Brexit will lead to a further medicine price fall of € 100 million.

SFK-price index for prescription medicines (January 2012 = 100, vertical lines: WGP- calibration points).



Since 2012 three quarters of the lower price level is caused by the Dutch Medicines Pricing Act (WGP).

Source: Foundation for Pharmaceutical Statistics | Stichting Farmaceutische Kengetallen

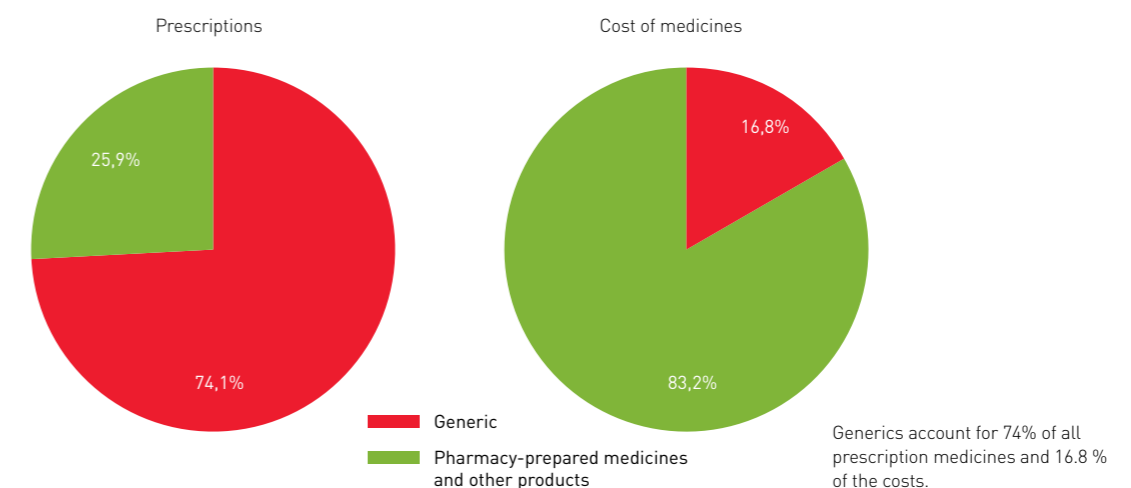


Three quarters of all prescriptions in the Netherlands is a generic medicine

In 74,1% of all dispensations of prescription medicines reimbursed by the legally insured drug package, the public pharmacy dispensed a generic version in 2016. This was an increase compared to 72,4% in 2015. Although the share of generic medicines is 74,1 % of all dispensed prescription medicines, the generic medicines accounted for only 16,8 % of the total medicine costs.

The average treatment with a generic medicine amounts to € 2,57 per month. After medicine patents expire, unbranded medicines are introduced on the market, which consequently lead to lower pricing. About 18 to 24 months after the introduction of new generic medicines prices still decline but at that point prices generally cease to drop any further. The prices of generics generally remain stable at a price level of 85% lower than the original price of the specialité at the time of the patent expiration.

Share of prescription medicines, reimbursed by the legally insured drug package, by volume and by medicine costs (2016)



Source: Foundation for Pharmaceutical Statistics | Stichting Farmaceutische Kengetallen

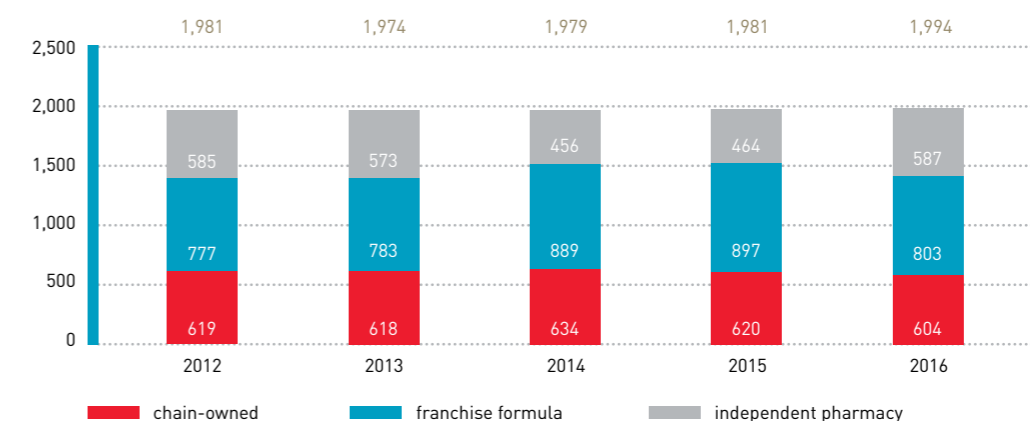
The Dutch pharmacy

Number of chain pharmacies significantly reduced in 2016

By the end of 2016 there were 1,994 community pharmacies in the Netherlands, 13 more than the year before. The share of chain store and franchise pharmacies substantially dropped in the last year: in January of 2016 chain store pharmacies covered 77% of the public pharmacy market, yet a year later dropped to a market share of 71%.

This was due to the intervention of the Authority for Consumers and Markets (ACM) who granted its final consent for the pharmacy chain and wholesaler Brocacef to acquire the Mediq pharmacy chain. The ACM approved the merger on condition that the new Brocacef-chain (BENU) would dispose of 89 pharmacies, to prohibit a predominant market share. This caused a significant decrease of chain and franchise pharmacies in 2016.

Number of community pharmacies subdivided in chain-owned, franchise formula and independent pharmacies (2012-2016)



More public pharmacies in total but fewer chain-store and formula pharmacies.

Source: Foundation for Pharmaceutical Statistics | Stichting Farmaceutische Kengetallen

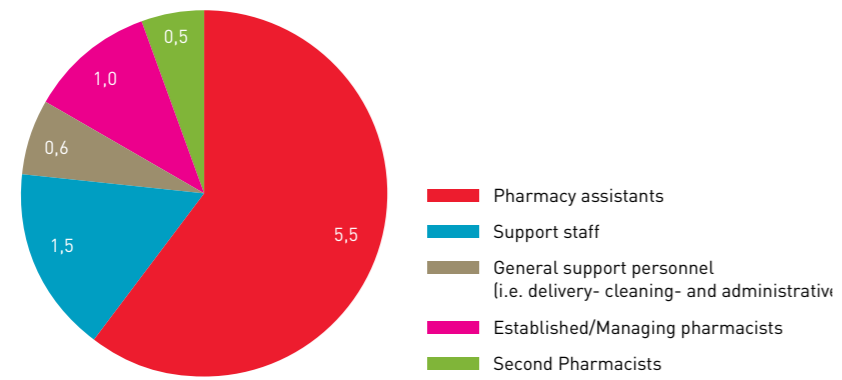
Increasing revenues less than wage developments

In 2016 the average public pharmacy in the Netherlands generated expenditure on pharmaceutical care of € 2.182 million (reimbursed by the legally insured drug package). This is 1.3% more than in 2015.

The pharmacy fees increased by 0.6% to € 648,000, whereas the demand for pharmaceutical care services increased by only 0.2% in number of medical prescriptions. The increase of revenues lagged behind the wage developments.

The pharmacy staff

The average pharmacy team per the 1st of Januari 2016 in FTE (*number of persons)



The average pharmacy employs 5.5 FTE pharmacy assistants

Source: Foundation for Pharmaceutical Statistics | Stichting Farmaceutische Kengetallen



Top ten medicines with the most drug users

In relation to the last five or six years we see little change in the top 10 statutorily insured drugs with the highest number of users. The anti-inflammatory drug Diclofenac had the most users in 2016 with over 1.2 million users, despite of the evident decrease in users in the last few years. On second place we find

the antibiotic Amoxicillin with almost 1.2 million users. Both drugs are usually used for a short period of time so that the average usage a year is limited. In the top ten, the largest increase in users used the medicine Colecalciferol (vitamin D3) supplement for preventing osteoporosis.

Top 10 legally insured drugs with most users in 2016

	ACTIVE INGREDIENT (RANKING IN 2012)	USED TO TREAT	USERS (MILLION)
1	Diclofenac (1)	Pain and inflammation	1.22
2	Amoxicillin (2)	Bacterial infection	1.19
3	Omeprazole (4)	Gastric acid disorders	1.16
4	Macrogol, combinations (6)	Constipation and intestinal ailments	1.14
5	Simvastatin (3)	High cholesterol	1.14
6	Metoprolol (5)	Angina pectoris and hypertension	1.10
7	Colecalciferol (9)	prevention osteoporosis	0.96
8	Salbutamol (8)	Respiratory problems	0.91
9	Neutral dermatica (7)	On the skin, eczema and other skin affectations	0.90
10	Pantoprazole (-)	Gastric acid disorders	0.85

Despite the decline in the number of users, diclofenac retained its position as the drug with most users in 2016.

Source: Foundation for Pharmaceutical Statistics | Stichting Farmaceutische Kengetallen

About the Foundation for Pharmaceutical Statistics

The Foundation for Pharmaceutical Statistics (Stichting Farmaceutische Kengetallen (SFK)) has been collecting, monitoring and analysing detailed data on the use of medicines in the Netherlands since 1990. SFK obtains its information from a panel of pharmacists who currently represent more than 95% of all community pharmacies in the Netherlands. National figures based on the data provided by the panel are calculated using a stratification method developed by SFK. This method incorporates both data supplied by SFK-affiliated pharmacies and available data on non-SFK-affiliated pharmacies. It also takes into account factors such as the size of the patient population and the location of the pharmacy. Every time a pharmacy dispenses a prescription, SFK gathers and records data on:

- the dispensed medicines and/or materials;
- the dispensing pharmacy;
- the reimbursing (or non-reimbursing) health care insurer;
- the prescribing doctor;
- the patient for whom the prescription was issued.

The quality and representativeness of SFK data is assured by thorough validation procedures and tried and tested statistical methods.

.....
As a result SFK maintains the most comprehensive and up-to-date data on pharmaceutical statistics in the Netherlands.
.....

The collected data serves to support daily pharmacy practice and is also used for scientific research. SFK publishes the most important statistics and news in its annual Facts and Figures (Data en feiten) report and in Pharmaceutisch Weekblad (PW), a weekly journal for pharmacy professionals.

The Royal Dutch Pharmacists Association (Koninklijke Nederlandse Maatschappij ter bevordering der Pharmacie (KNMP)) and the Dutch Ministry of Health, Welfare and Sport (Ministerie van Volksgezondheid, Welzijn en Sport (VWS)) frequently employ SFK data.

About this report

The figures published in this report show national use of medicines dispensed by community pharmacies. This report does not provide information on the use of medicines supplied by dispensing general practitioners. In thinly populated areas, where it is not economically viable to operate a community pharmacy, pharmacy care is provided by dispensing general practitioners, who serve just under eight percent of the population altogether. This report does not provide information on the use of medicines in hospitals or institutions that provide care under the Exceptional Medical Expenses Act (Wet Langdurige Zorg (WLZ)).

With the introduction of deregulated prices on 1 January 2012, health care insurers and pharmacists now have to agree on the reimbursement for pharmaceutical care. The amounts paid to pharmacists by insurers in accordance with contractual agreements may differ from the cost of medicines specified in the invoices submitted to health care insurers by the pharmacies. SFK is not privy to these agreements.

Within the context of this report, 'cost of medicines' means either the pharmacy reimbursement price (for prescription-only medicines) or the pharmacy purchase price (for non-prescription-only medicines). The cost of medicines includes the patient contributions required by the Drug Reimbursement System (Geneesmiddelenvergoedingssysteem (GVS)).

'Expenditure on medicines' refers to the cost of medicines specified in invoices submitted to health care insurers by the pharmacies plus pharmacy fees. It also includes the patient contributions required by the GVS.

All figures in this publication pertain to the legally insured drug package. Unless otherwise indicated, none of the amounts stated include VAT (Prescription medicines are subject to 6% VAT in the Netherlands).

Colophon



Facts and Figures 2017 is a publication produced by the Foundation for Pharmaceutical Statistics (Stichting Farmaceutische Kengetallen (SFk)). Reproduction of the content of this report is permitted provided that the source is fully acknowledged as Foundation for Pharmaceutical Statistics, December 2017.

ISBN 978-90-817780-7-7

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