



France: 1,8% decline in turnover for the reimbursed drugs market...

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The French Economic Committee for Health Products (the CEPS) has recently published its annual activity report, available (*in French*) on the French Ministry of Health Website (<http://www.sante.gouv.fr/les-activites-du-ceps.html>).

This report not only describes the 2013 CEPS activity in the field of price and reimbursement tariff determination for drugs and devices but also gives some very interesting statistics about the French reimbursed drugs market.

We present here just a few samples of some of the statistics related to the French reimbursed drugs market presented in this 156 pages report.

❖ **General trends**

In 2013, the French reimbursed drugs market showed a **global 1,8% decline in turnover**, at € 24,72 billions with a decline by sector of

- - 2,2% for the ambulatory market¹ (*with a € 18,44 bn turnover*)
- - 0,6% for the hospital market² (*with a € 6,28 bn turnover*)

It has to be noted that the global turnover of the French reimbursed drug market is now inferior to what it was in 2009 (the ambulatory market being inferior to what it was in 2007). The decline in turnover is mainly linked to the price decrease politic as well as to the development of generic drugs.

¹ Drugs sold in retail pharmacies

² Drugs delivered in hospital pharmacies to ambulatory patients as well as drugs reimbursed through the DRG system

❖ **Subgroups analysis**

Despite this global decline, some subgroups of reimbursed drugs sold *in the ambulatory market* were associated last year with an increase in turnover.

The most important increase has been identified for the following 5 subgroups

Subgroups	2013 Turnover (€ Millions, excluding taxes)	2013/2012 Increase in turnover (€ Millions, excluding taxes)	Part of the reimbursed ambulatory market turnover
Cancer drugs	1219	+ 115	6,6%
Anticoagulants	499	+97	2,7%
Specific antirheumatic agents	689	+58	3,7%
Antidiabetics	997	+48	5,4%
Multiple sclerosis treatment	324	+41	1,8%

Cancer drugs represent the subgroup for which the increase in turnover has been the most important in 2013.

This increase is particularly driving by the fact that some cancer drugs previously sold under the ATU scheme are now sold on the ambulatory market and that a drug which was previously considered as belonging to the orphan drugs subgroup is now considered as belonging to the cancer drugs subgroup. The lost of patent of some cancer drugs in 2011, followed by the launch of the corresponding generic drugs, only very slightly balance the important increase associated to new products launch.

Anticoagulant drugs sales (€499 Millions in 2013) represent 2,7% of the global ambulatory reimbursed drugs market. The increase in turnover associated to this subgroup is exclusively due to the increase of the sales volumes of two drugs, following the extension of their indications in the prevention of cerebrovascular stroke and systemic embolism in non valvular atrial fibrillation, obtained at the beginning of 2012.

Some therapeutic areas are characterized by continuous sales increase for several years. It is the case for specific antirheumatic drugs (+€ 58 Millions), indicated in inflammatory rheumatisms, chronic inflammatory bowel disease ()such as the Crohn’s disease and plaque psoriasis. It is also the case for antidiabetic drugs.

On the other side some other subgroups are associated with a decline in turnover when compared to 2012.

The 5 most important subgroups for which a turnover decline has been observed are described in the following table

Subgroups	2013 Turnover (€ Millions, excl. taxes)	2013/2012 Decline in turnover (€ Millions, excl. taxes)	Part of the reimbursed ambulatory market turnover
Proton pump inhibitors	435	- 161	2,4%
Cholesterol lowering drugs	1028	- 158	5,6%
Renin-angiotensin system drugs	932	- 156	5,1%
Brochondilators and anti-asthmatic drugs	1006	- 79	5,5%
Anti-Alzheimer's drugs	128	- 52	0,7%

As for previous years, the subgroups of Renin-angiotensin system drugs and Proton pump inhibitors continue the decline which began in 2009, what is a consequence of a regulation based on prices and volumes. Similarly, the decline of the subgroup of cholesterol lowering drugs is continuing with the loss of patents of some drugs and the related consequences in terms of price.

❖ The generic drugs market

After a slight decline during the 2008-2011 period, the generic reimbursed market has started again its increase: In 2013, the generic market was of € 3,4 billion (excluding taxes) with an increase of +13,3% vs 2012.

More specifically, on the 2008-2013 period, the part of generic drugs in the global drug market has increased, in value as well as in number of units sold, as described in the following table

Part of generic drugs in the global drug market		
Year	Value	Number of units
2008	10,9%	21,9%
2013	18,7%	30,9%

The increase can notably be explained by the implementation of the “third party payer system with generic” process (i.e when a patient is proposed by the pharmacist to choose a generic instead of an original drug, if the patient decides to choose the generic, he won't have anything to pay. If he chooses the original drug, then he will have to pay the drug and then to ask the Social Security for a reimbursement) as well as by financial incentives for pharmacists delivering generics

Finally, in 2013, generic drugs sales represented 40,1% of the boxes of medicines sold in retail pharmacies, what corresponded to 28,8% of the drugs sold in retail pharmacies turnover (excl. taxes).

❖ **Other market segments**

The market of retroceded drugs (drugs delivered in hospital pharmacies to ambulatory patients) represented € 1,4 billions in 2013 (corresponding to 1,3% decline in sales and 2,7% in reimbursements when compared to 2012).

The 2013 orphan drugs market reached a turnover of € 992 Millions, representing 4% of the reimbursed drugs market, with an increase of 11,4% between 2012 and 2013.

And lastly, drugs reimbursed on top of DRGs (expensive drugs whose cost cannot be integrated in the cost of the DRG) represented a € 2,9 billions turnover in 2013, corresponding to a 6,1% increase. It has to be noted that this increase is only concentrated on a limited number of drugs.

The data presented here only represent a small example of the information that can be found in this very comprehensive report. For instance you may also find, in this report, information about how the price of drugs is positioned in France, when compared to Germany, UK, Italy and Spain.

If you'd like to obtain more precisions about the information presented in that public report, or more generally on the French reimbursed drug market, don't hesitate to contact me, I would be happy to assist.

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