



TANDVÅRDS- OCH

LÄKEMEDELSFÖRMÅNSVERKET

# Health Economics and Value Based Pricing in Sweden

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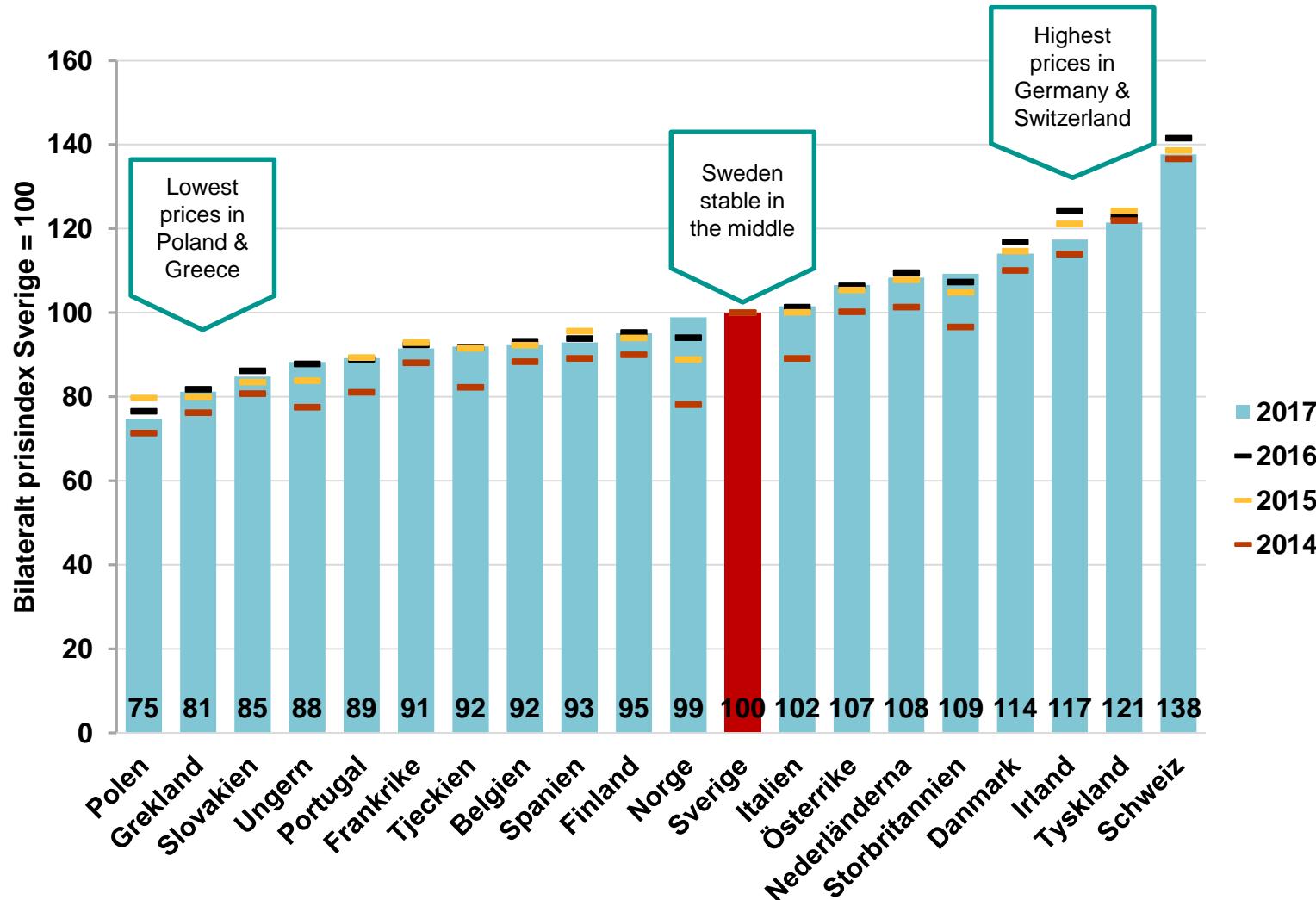
# TLV is an agency under the Ministry of Health and Social Affairs which:

- Decides on the pricing and subsidising of medicinal products and consumables
- Decides the regulation about the generic substitution system
- Decides the pharmacy retail margin for subsidized products
- Decides on the subsidizing of dental care

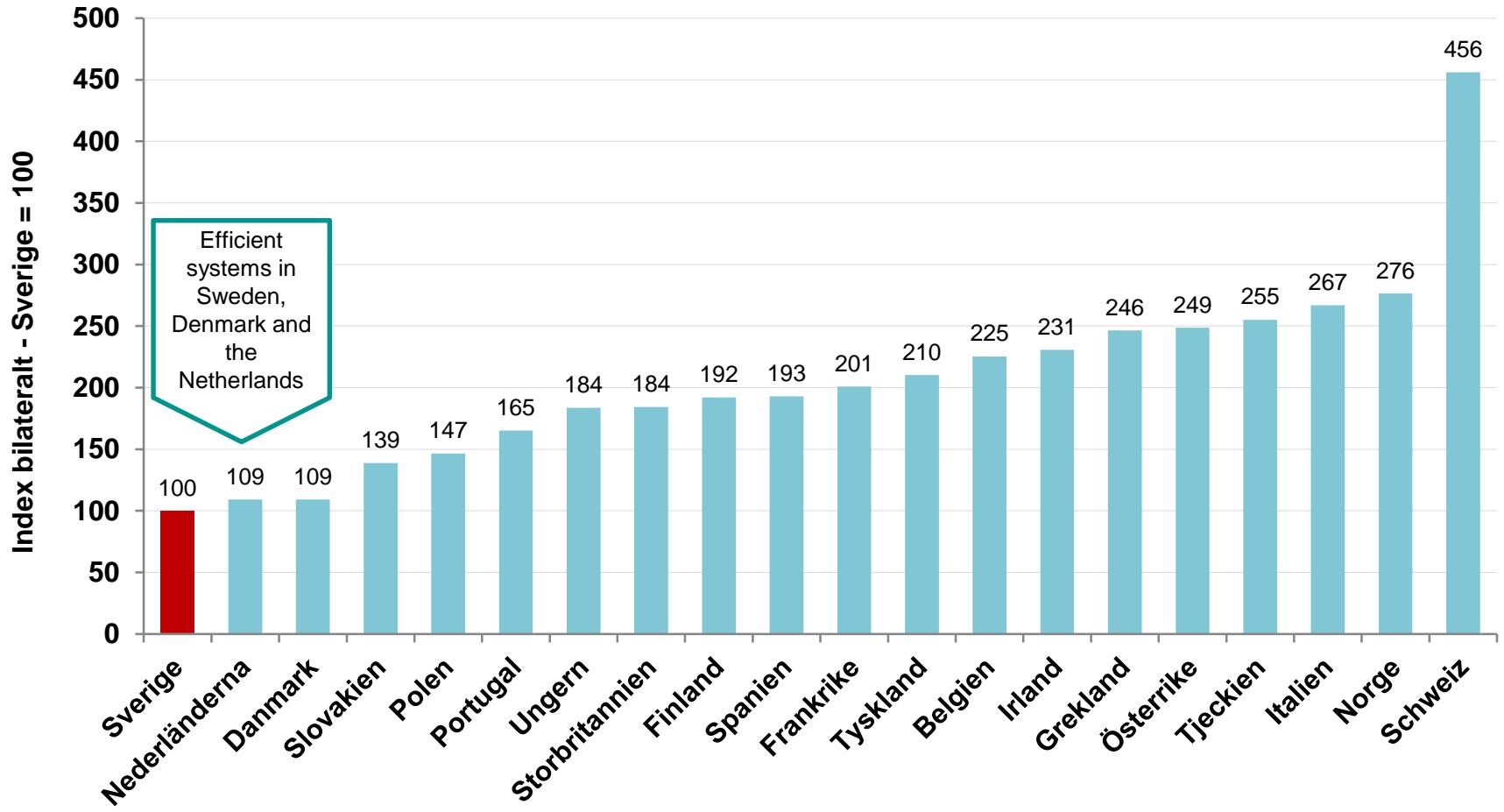
140 employees working with a multi-disciplinary approach to investigations, providing a broad perspective.

# The Market

# Price index on-patent 2017

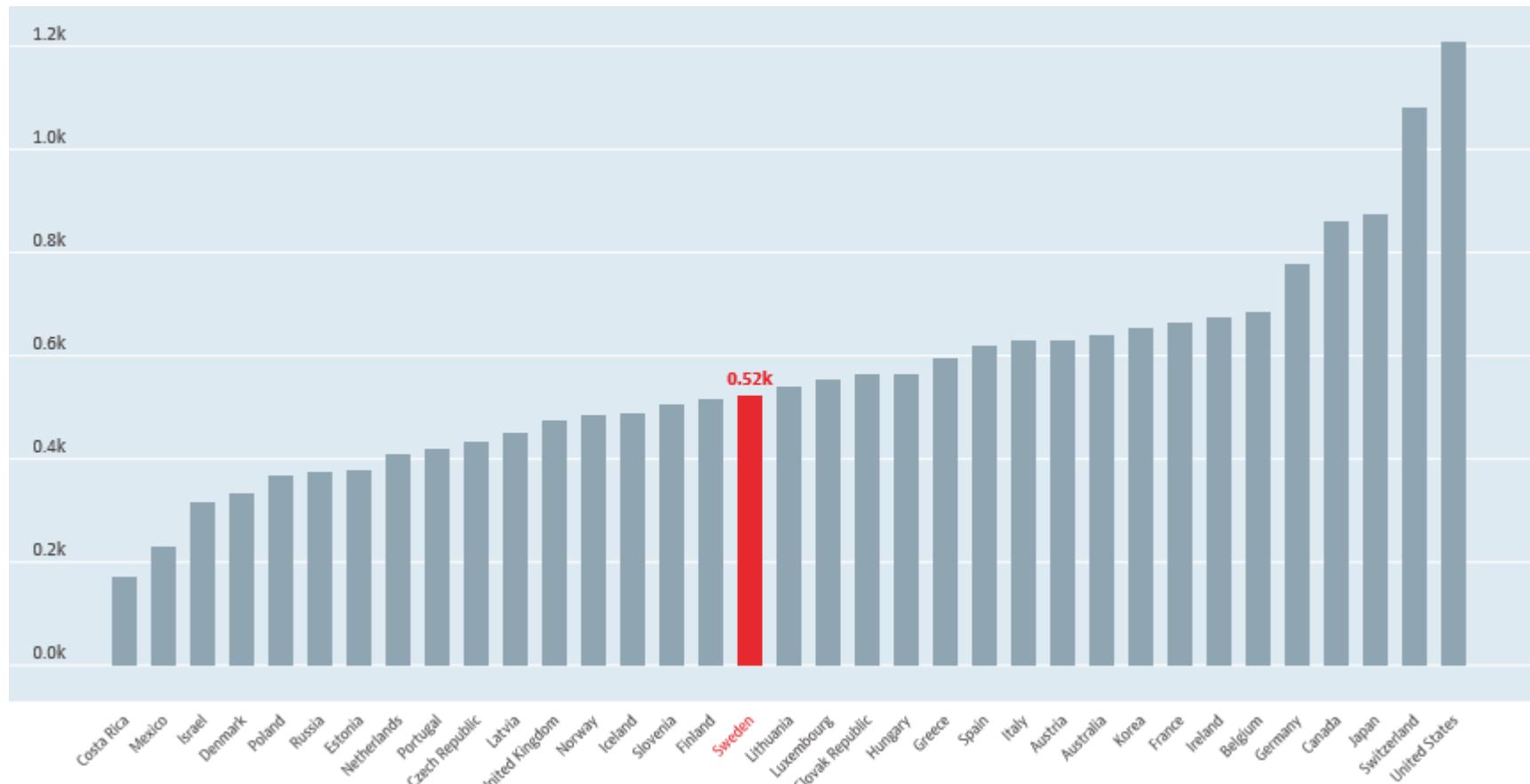


# Prices off-patent (generics) 2018



# Pharmaceutical expenditure per capita

OECD expenditure on pharmaceuticals per capita for selected countries 2017



Source: OECD Health Data 2019



# The System

# Background: Pricing and reimbursement of pharmaceuticals in Sweden

- TLV decides on pricing and reimbursement of pharmaceuticals (EUR 2.8 billion per annum) and regulates the generic substitution system
- 21 Regions provide health care. They have a high degree of autonomy
- Pharmaceuticals used in in-patient care are paid for in full by the regions
- The State finances the Regions' expenses for prescription pharmaceuticals that are covered by the reimbursement system (TLV decides on reimbursement)



# Health Economics is used for Value Based Pricing

## Governing paragraph

- The cost of using the medicine should appear reasonable from medical, humanitarian and economic points of view

## New treatment is compared with standard treatment

- Sub-groups
- Alternative treatments

## Value for the money is measured by ICER

- Incremental cost-effectiveness ratios
- Cost per quality adjusted life year (QALY)

## Willingness-to-pay

- Severity of the disease
- Rare disease (if severe)

# National recommendations and decisions



## Decision to reimburse if used

- Board of Pharmaceutical Benefits (TLV)
  - Members appointed by the government

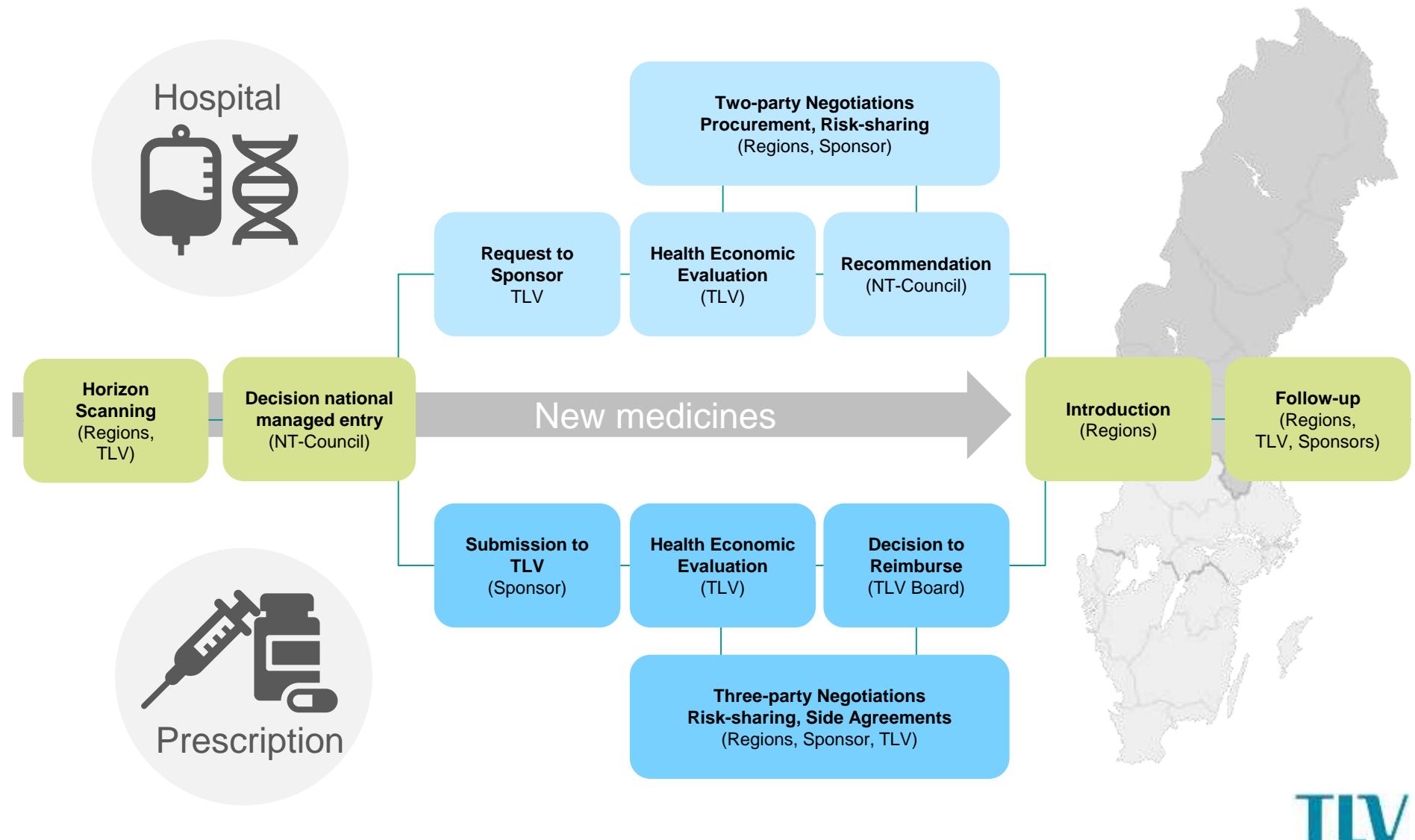


## Recommendation to use

- The Council for New Therapies (NT)
  - Members appointed by the regions



# Patient access pathways and managed entry



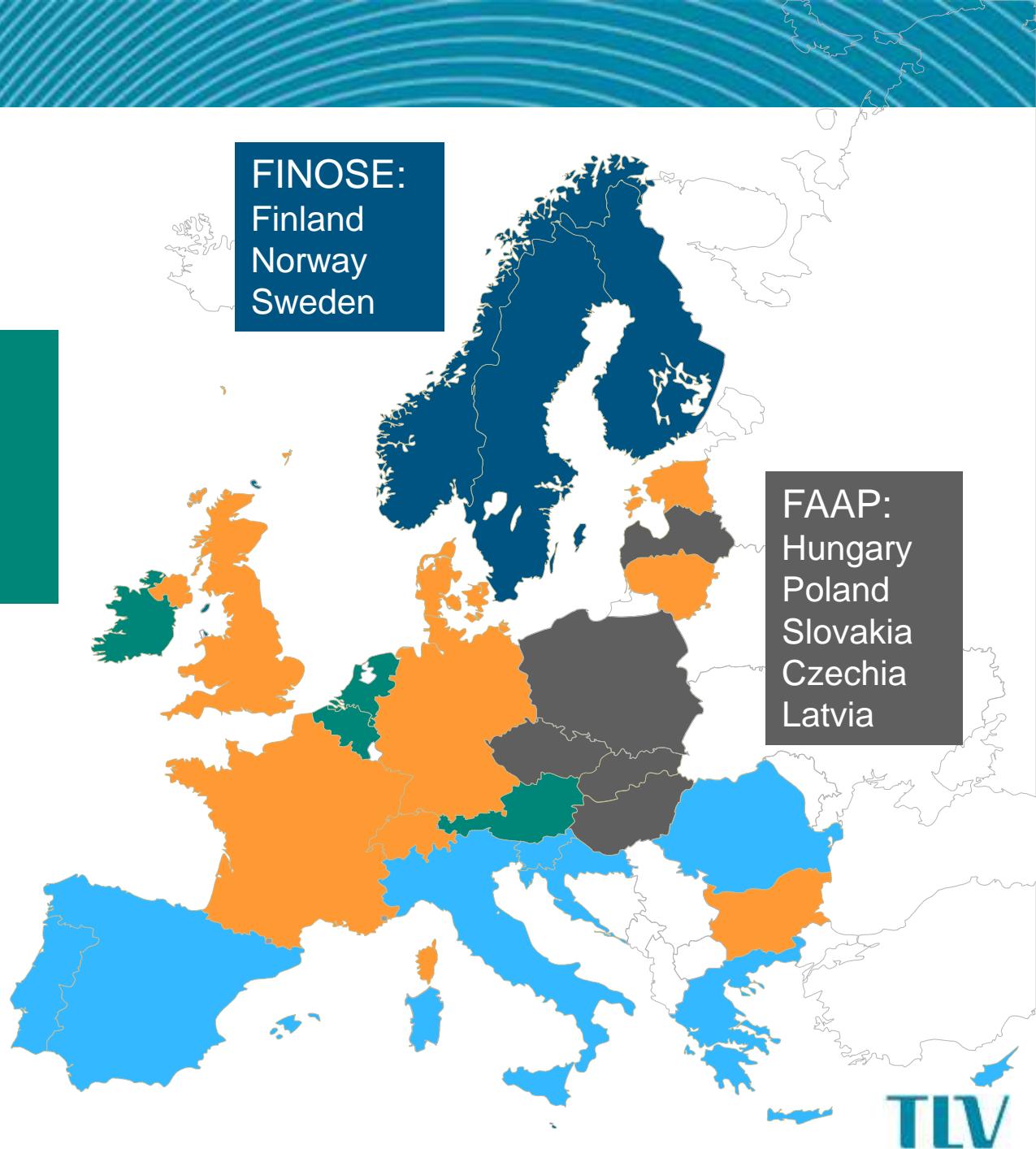
European co-operation within  
EUnetHTA increases

**FINOSE:**  
Finland  
Norway  
Sweden

**Beneluxa:**  
Netherlands  
Belgium  
Luxembourg  
Austria  
Ireland

**La Valetta:**  
Croatia  
Cyprus  
Greece  
Ireland  
Italy  
Malta  
Portugal  
Romania  
Slovenia  
Spain

**FAAP:**  
Hungary  
Poland  
Slovakia  
Czechia  
Latvia



# Increased inflow of new technologies creates need for development



- ✓ Rare diseases
- ✓ Biosimilars
- ✓ Antibiotics
- ✓ Oncology
- ✓ Diabetes
- ✓ Gene therapy
- ✓ Cell therapy
- ✓ Etc...



# The End



Thank you for the  
invitation and for  
listening!

