

Discount Contracts German Health Insurers

S & P has worked a number of projects on market access with regard to health insurance funds (discount agreements and supply contracts).

We can differentiate between 8 different discount forms among industry and German health insurance companies:

1. Pure discount deal
2. Cost capping contracts
3. Cost sharing contracts
4. Risk Sharing Contracts
5. Quality-oriented (value-added) contracts
6. Pay-for-performance contracts
7. So-called Bundling Contracts
8. So-called PPP contracts (public-private partnerships)

We would also like to quote the following:

The “Kassenärztliche Bundesvereinigung” writes on its current proposal on the subject of "Ordinance Control - Discounts and Discount Agreements:

The lawmaker wants to relieve the statutory health insurance companies with regard to pharmaceutical expenditure, which is why pharmaceutical companies and pharmacies are obliged to grant the health insurance companies a price reduction per prescribed medicinal product package.

Legal manufacturer discount

The amount of the statutory manufacturer discount according to § 130a SGB V depends on the medicinal product:

a. Non-regulated medicinal products

Drug producers must grant a reduction of 7% of the manufacturer's fee to the health insurance funds per prescribed package of a medicinal product which does not belong to a fixed-income group. The discount applies to both patent-protected and patent-free medicines.

Originally, the manufacturer discount was 6%. However, under the Statutory Health Insurance Act, the legislator had increased it to 16% for the period from 1 August 2010 to 31 December 2013. With the entry into force of the 14th SGB-V-Change Act of 1 April 2014, the manufacturer discount is currently 7% of the manufacturer's fee.

In order to prevent the producers from increasing their discount on 1 August 2010, the legislator has set a price moratorium. This was initially limited until December 31, 2013, but continues to apply seamlessly until 2017 through the 13th and 14th SGB-V-amendment laws.

b. Patent-free, drug-equivalent medicines ("generic drug")

For patent-free, drugs with the same active ingredients, there is also a statutory manufacturer discount per prescribed package of currently 6% on the basis of the manufacturer's fee.

This discount shall not apply if the medicinal product is a fixed-income medicinal product and the producer's price for the medicinal product (excluding VAT) is 30% lower than the respective fixed amount which is the basis of this price.

c. Vaccines

With the new Drugs Directive, which entered into force on 1 January 2011, vaccines were also included in the discount arrangements within the framework of the vaccination protection pursuant to § 20d (1) SGB V. For vaccines, health insurance companies receive a discount to the manufacturer's fee (without VAT). The amount of the discount corresponds to the difference between the selling price and a European average price. How this European average price is calculated is regulated in SGB V.