

OBJECTIVES: The aim of the study is to investigate the effect of the implementation of Diagnosis Related Groups (DRGs) on the average length of stay in the rheumatology departments in Hungary. **METHODS:** The data derive from the financial database of the National Health Insurance Fund Administration (OEP) of Hungary covering the period of 1995–2004. All the rheumatology departments in Hungary are included into the study. For the analyses we choose the average length of stay (ALOS). We compared the changes in the average length of stay of rheumatology departments with the national average of all medical specialities. During the period of 1995–2004 there were used 7 different versions of the Hungarian DRG. **RESULTS:** The average length of stay was 14.88 days in rheumatology in 1995 while it was on average 9.68 days for all medical specialities. For 2004 the average length of stay decreased by 3.85 days to 11.03 days in rheumatology and by 2.72 days to 6.96 days in all medical specialities. The gap between rheumatology and the national average of all medical specialities has been also closing up from a difference of 5.20 days in 1995 to 4.07 days in 2004. According to progressivity levels we found the longest average length of stay in national medical institutes providing higher (tertiary) level of medical care while the shortest ALOS was observed in city hospitals providing basic hospital care. **CONCLUSIONS:** We found that although the average length of stay of all medical specialities decreased between 1995–2004, the rheumatology departments underwent a significant reduction of their average length of stay. After the implementation of the Diagnosis Related Groups (DRG) system the hospitals realized financial incentives in order to reduce their costs. In our investigation we managed to confirm that the efficiency of rheumatology care improved during this decade.

PHPI8

PRICES OF GENERIC DRUGS IN FINLAND VS. EUROPE

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OBJECTIVES: To compare price level of generic drugs in Finland and in Europe on average and to find out whether price level of generics decreases faster or slower in Finland compared to Europe. **METHODS:** Active substances that had over 2% market share of generic market in Finland in 2005 were included. Top 16 most sold substances fulfilled this criterion and accounted for 50.6% of the total generic market. To analyze the rate of price deflation the time from the launch date of the first generic product of each substance was used as an estimate of the time generic competition has prevailed. The same methods were used to compare Finnish prices to those of UK, The Netherlands and Denmark on a country level. **RESULTS:** Finnish prices were below European average in 12 cases out of 16. The analysis of the rate of price decrease suggests that Finnish prices may decline faster after generic launch than in Europe. In the country specific comparison prices in Finland were lower than in UK, The Netherlands and Denmark in 72%, 75% and 33% of packs included, respectively. Compared to Finland, prices seem to decrease more rapidly in Denmark but slower in The Netherlands. In UK prices are at a higher level than in Finland at all times including the launch of generic competition. **CONCLUSION:** Prices of generic drugs appear to be lower in Finland than in Europe on average. This cross sectional analysis suggests that prices in Finland decline more rapidly after the generic launch than in other European countries on average. However, there is considerable variation in Europe in respect of generic price level and rate of price decrease, as our country specific examples show.

DRUG PRICE INDICES 1980–2005 IN FINLAND

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A 5% price cut of all reimbursed medicines was enforced at the beginning of 2006 in Finland to control increasing drug costs. **OBJECTIVES:** To estimate the significance of price development to rising drug costs by describing the development of drug wholesale price indices in Finland in 1980–2005. **METHODS:** Price indices covering study period (The Helsinki Research Institute for Business Administration [1980–1990], IMS [1991–1994] and Statistics Finland [1995–2005]) were merged into two index clusters (1980 = 100 and 1990 = 100). The latter enables more precise classification according to reimbursement categories. Real price indices were produced by adjusting nominal indices with Consumer Price Index (CPI, Statistics Finland) and its sub-index Consumer Price Index for Health Care (CPI-H, Statistics Finland). **RESULTS:** In 2005, the index (1980 = 100) for all drugs was 164 (CPI adjusted 63; CPI-H adjusted 32) and for basic refund category 137 (53; 26), respectively. The respective figures in 1990 = 100 index were: all drugs 105 (82; 58), prescription based 98 (76; 54), reimbursed 92 (72; 51), Basic Refund ('50%') 94 (73; 52), Lower Special Refund ('75%') 85 (66; 47) and Higher Special Refund ('100%') 100 (78; 55). **CONCLUSIONS:** Nominal drug wholesale prices have increased in Finland, but real prices have constantly decreased. Real prices (CPI-adjusted; CPI-H-adjusted in parenthesis) of all drugs have decreased 37% (68%) since 1980, or 18% (42%) since 1990. For reimbursed drugs the development has been more dramatic; in Basic Refund category real prices have decreased 47% (74%) since 1980, and 27% (48%) since 1990. From that point of view it seems that rising drug costs can not be explained with price development and that grounds for mandatory price cuts are not sustainable.

PHPI9

PHP20

SWITCH PATTERNS AROUND PATENT EXPIRY WITH ECONOMIC IMPLICATIONS FOR THE NETHERLANDS

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Controlling pharmaceutical expenditures within health care budgets is of particular interest to governments. Despite incentives for substitution to cheaper generic products, these expenditures keep increasing. The Dutch government suggested therapeutic substitution to be responsible for such increasing expenditures. **OBJECTIVES:** To investigate the influence and economic impact of therapeutic substitution around patent expiry. **METHODS:** Analyses were done for proton pump inhibitors (PPIs) with data obtained from the InterAction Database (IADB), comprising pharmacy dispensing records of approximately 500,000 patients of the Northern and Eastern part of The Netherlands. Trends in PPI-use were presented quarterly between 2000–2003. To analyse differences in switching patterns for omeprazole (patent expiry: april 2002), two cohorts were defined and followed for two years: omeprazole users before (cohort 1) and after (cohort 2) patent expiry. Survival analysis was conducted using patient-specific data to identify 'switchers' from and 'survivors' on omeprazole. **RESULTS:** PPI-use increased over time, with a downward trend in proportional omeprazole use compared to other PPIs. Totals of 5913 and 7369 patients could be included in cohort 1 and 2, respectively. During follow-up, 495 (8%) patients in cohort 1 and 998 (14%) patients in cohort 2 switched from omeprazole to another PPI (p <