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Exploring the feasibility
of sharing information
on medicine prices across
countries

**Marjolijn Moens,
Eliana Barrenho,
Valérie Paris**

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Exploring the feasibility of sharing information on medicine prices across countries

Marjolijn Moens*, Eliana Barrenho*, Valérie Paris*

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(*) OECD, Directorate for Employment, Labour and Social Affairs, Health Division

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Abstract

Debates on pharmaceutical policy have increasingly emphasised the need for more transparency, including on medicine prices. In that context, a resolution of the 72nd World Health Assembly called for greater transparency and the organisation of the Oslo Medicines Initiative. Despite this strong collective interest in enhancing price transparency, precisely what can and should be made more transparent has been poorly characterised. There is a lack of clarity as to the type of information (i.e., which prices and which medicines) to which countries would like access and would be willing to share, the conditions under which they would agree to do so, and the existence of barriers that might impede this. To advance the policy debate, the OECD conducted an examination of the feasibility of sharing information on medicine prices across countries, aiming to address this existing ambiguity. A country survey was conducted to explore the willingness, expectations, and motives of governments and payers for sharing information on medicine prices. This report presents the key findings derived from the survey and concludes with an assessment of the feasibility of sharing information on net medicine prices among OECD countries.

Résumé

Les débats sur la politique pharmaceutique ont de plus en plus mis l'accent sur la nécessité d'une plus grande transparence, notamment en ce qui concerne les prix des médicaments. Dans ce contexte, une résolution de la 72e Assemblée mondiale de la Santé a appelé à une plus grande transparence et conduit à l'organisation de l'Initiative sur les médicaments d'Oslo. Malgré cet intérêt collectif fort pour l'amélioration de la transparence des prix, ce qui peut et doit être rendu plus transparent a été mal défini. Il y a un manque de clarté quant au type d'informations (i.e. quels prix et quels médicaments) auxquelles les pays aimeraient avoir accès et qu'ils seraient disposés à partager, les conditions sous lesquelles ils accepteraient de le faire, et l'existence de barrières pouvant entraver ce partage. Pour faire avancer le débat politique, l'OCDE a mené une étude sur la faisabilité du partage d'informations sur les prix des médicaments entre les pays, visant à clarifier ces ambiguïtés. Une enquête a été menée pour explorer la volonté, les attentes et les motivations des gouvernements et des payeurs pour partager des informations sur les prix des médicaments. Ce rapport présente les principales conclusions tirées de l'enquête et se termine par une évaluation de la faisabilité du partage d'informations sur les prix nets des médicaments entre les pays de l'OCDE.

Executive Summary

In recent years, transparency has garnered growing attention within pharmaceutical policy as actual transaction prices paid by purchasers increasingly diverge from official list prices due to the proliferation of confidential agreements. These agreements, expected to result in more favourable prices for payers, have the adverse effects of impeding public spending oversight, eroding accountability in reimbursement decisions, and undermining international price benchmarking, a tool employed by many OECD countries for medicine price regulation.

Responding to public pressure to improve international price transparency, the 72nd World Health Assembly adopted in 2019 a resolution calling for greater transparency that urges countries to share information on the prices paid “after subtraction of all rebates and discounts. This call for transparency also spurred the development of the Oslo Medicines Initiative (OMI), initiated by the World Health Organization (WHO) and the Norwegian government. However, despite the strong collective interest in greater transparency, precisely what can and should be made more transparent has been poorly characterised. There is a lack of clarity as to the type of information (i.e., which prices, which medicines) to which countries would like access and would be willing to share, the conditions under which they would agree to do so, and the existence of barriers that might impede this.

To advance the policy debate, the OECD conducted an examination of the feasibility of sharing information on medicine prices across countries, to ascertain the information that could readily be shared, and by what mechanisms, considering existing legal frameworks and commercial and technical barriers. A survey of 43 OECD/EU member countries was conducted to better understand their needs, expectations, and willingness to share information on net prices of medicines. Thirty-four countries responded to all or part of the survey. The survey results provide a comprehensive analysis of countries’ expectations, aiding policy makers and stakeholders in shaping the agenda for future actions.

The key findings can be summarised as follows:

- **While twenty countries mandate the publication of list prices, countries often face legal and contractual constraints that prevent them from sharing net price information.** In the survey, nine countries declared having legal provisions in place that prohibit or limit the public disclosure of net price information, and six countries reported to face legal constraints that prevent them from sharing net price information. Thirty-two countries mention the existence of contractual clauses limiting competent authorities and/or purchasers in their ability to share information without companies’ consent. This current landscape poses significant barriers to achieve net price transparency, which would need to be removed by policy action to enable countries to share information on net prices.
- **All responding countries would be interested in gaining information on prices paid by their counterparts.** Their interest spans a wide range of products, including on-patent and off-patent medicines and medicines for rare diseases, as well as several types of prices. Specifically, 24 (out of 33) countries indicated their desire to obtain net ex-factory prices, while there is also a significant demand (23 out of 33) for list prices, reimbursement amounts and maximum regulated prices. Each respondent country (of which 21 are EU/EEA member states) indicated a preference to obtain this

price information from EU Member States. Notably, most countries (29 out of 34) are already engaged in a price sharing initiative, often sharing wholesale, pharmacy retail prices and list ex-factory prices.

- **While 24 countries declare interest in gaining information on net prices, only 7 responded they would be willing and able to share such information.** In addition, some countries selected a different set of products to gain price information about compared to the set of products they would be willing or able to share price information on. Additionally, the set of countries for whom they want to gain information differs to a certain extent from the set of countries they would be willing or able to share such information with. These divergent interests undermine the feasibility of sharing net price information across countries.
- **Countries believe that sharing information in a closed network would better suit their objectives than public disclosure.** While 5 countries stated no interest in sharing net price information in a closed network, 22 countries aim to use it for informing price negotiations and 12 countries for informing external reference pricing and joint procurement initiatives. When it comes to disclosing net prices publicly, 13 countries indicated that they are not interested. Conversely, 11 countries mention supporting price negotiations with manufacturers/suppliers as an objective (for 11 of 31 respondent countries), 9 countries mention external reference pricing and seven countries list joint procurement initiatives.
- **Countries have different views on the likely consequences of disclosing net price information, either publicly or in a closed network.** Countries largely agree that most likely the sharing of net prices would increase or leave unchanged the negotiation power for payers, the usefulness of external reference pricing or the sustainability of pharmaceutical spending. However, there is significant disagreement on how the disclosure of net prices would affect overall price levels, access to medicines and the complexity of price negotiations between payers and manufacturers. Four countries do not foresee any type of impact of disclosing net price information. These findings demonstrate that countries' objectives and reflections on the anticipated consequences of greater price transparency are not fully aligned.
- **Eighteen countries are interested in participating in a pilot mechanism for sharing net price information with other countries.** However, the interested countries do not agree on the conditions under which such mechanism could be implemented. For example, six countries would prefer participating in a mechanism for sharing information on a confidential and reciprocal basis between competent authorities in a closed network, while seven countries would prefer to establish a clearing-house mechanism administered by a third party that would collect confidential pricing information and share aggregated and anonymised data (either publicly or with participating countries). Most countries (16) support the idea that a third-party should host the mechanism.

In summary, this report confirms that a significant number of OECD countries would like to share information on net prices of pharmaceuticals with other countries, with a preference for doing so in a closed network. The majority of respondent countries expressed interest in participating in a pilot mechanism for sharing net prices with their peers. Achieving this objective, however, would necessitate legislative and contractual adjustments in several countries. Looking ahead, the OECD proposes collaborating with interested countries to address these hurdles. For example, this collaboration could involve investigating confidentiality requirements to gain a better understanding of the limits and extent of confidentiality coverage, such as the scope and duration of confidentiality clauses, across OECD countries.

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List of acronyms / abbreviations

AIDS	Acquired Immune Deficiency Syndrome
AIFA	Agenzia Italiana del Farmaco
ATMP	Advanced Therapy Medicinal Product
DIME	Observatory of Medicines with High Financial Impact
EC	European Commission
EEA	European Economic Area
ERP	External reference pricing
EU	European Union
EURIPID	European Integrated Price Information Database
FaAP	Fair and Affordable Pricing initiative
JAZMP	Agency for Medicinal Products and Medical Devices of the Republic of Slovenia
LMIC	Low or middle-income country
MAH	Marketing Authorisation Holder
MEA	Managed entry agreement
OECD	Organisation for Economic Co-operation and Development
OMI	Oslo Medicines Initiative
OTC	Over-the-counter medicines
PhMD	Pharmaceuticals and Medical Devices
PMPRB	Patented Medicine Prices Review Board
PPRI	Pharmaceutical Pricing and Reimbursement Network
R&D	Research and Development
SUKL	State Institute for Drug Control of Czechia
WHA	World Health Assembly
WHO	World Health Organization

Country abbreviations

AUS	Australia
AUT	Austria
BEL	Belgium
BGR	Bulgaria
CAN	Canada
CHE	Switzerland
CHL	Chile
COL	Colombia
CRI	Costa Rica
CYP	Cyprus
CZE	Czechia
DEU	Germany
DNK	Denmark
ESP	Spain
EST	Estonia
FIN	Finland
FRA	France
GBR	United Kingdom
GRC	Greece
HUN	Hungary
IRL	Ireland
ISL	Iceland
ISR	Israel
ITA	Italy
JPN	Japan
KOR	Korea
LUX	Luxembourg

LTU	Lithuania
LVA	Latvia
MEX	Mexico
MLT	Malta
NLD	Netherlands
NOR	Norway
NZL	New Zealand
POL	Poland
PRT	Portugal
ROU	Romania
SVK	Slovak Republic
SVN	Slovenia
SWE	Sweden
TUR	Türkiye
USA	United States

1 Introduction

1. Pharmaceutical markets are increasingly characterised by price opacity, as actual transaction prices paid by purchasers increasingly diverge from official “list” prices. The disconnect between transaction prices and list prices is largely due to the proliferation of confidential agreements between manufacturers and payers (Wenzl and Chapman, 2019^[1]; OECD, 2018^[2]; Barrenho and Lopert, 2022^[3]; Morgan, Vogler and Wagner, 2017^[4]). Payers negotiate confidential discounts and/or rebates with pharmaceutical companies, with the aim to obtain more favourable prices while supporting companies in their strategies to price discriminate between countries. The result, however, is that these agreements hinder scrutinising public expenditure, undermining the accountability of reimbursement and coverage decisions. In addition, at the international level, price opacity jeopardizes external reference pricing (i.e., international price benchmarking), which is used by many OECD countries to regulate medicine prices (Barrenho and Lopert, 2022^[3]).

2. Amidst increasing public demand for coordinated international action on price transparency, the 72nd World Health Assembly (WHA) resolution on “Improving the transparency of markets for medicines, vaccines, and other health products” was adopted in 2019¹. In this resolution, the WHA urged Member States to take appropriate measures to publicly share information of net medicine prices (WHO, 2020^[5]). This push for transparency also motivated the establishment of the Oslo Medicines Initiative (OMI) by the World Health Organization (WHO) and the Norwegian government in 2020². Through dialogue between the public and private sectors, the OMI aims to support equitable and sustainable access to effective, affordable, and quality-assured medicines. Transparency was one of three key pillars of this initiative, as promoting open and transparent decision-making is considered crucial to building mutual trust between stakeholders.

3. Despite a strong collective interest in greater transparency, precisely what should be made more transparent and how greater transparency would affect the functioning of markets, have been poorly characterised. Recent OECD work explored the potential impact of greater price transparency on the dynamics of pharmaceutical markets but found neither consensus about the likely effects nor evidence of transnational effects of greater price transparency on market dynamics (Barrenho and Lopert, 2022^[3]). As a result, the report recommended caution in moving the price transparency agenda forward; several experts consulted during this work advised that coordinated international action on full disclosure of net medicine prices were neither necessarily desirable nor sustainable, highlighting how national interests would likely dominate any possible cooperative initiative.

4. The report also noted that while there is a substantial number of national and international databases and mechanisms established for sharing pricing information, either publicly or among competent authorities, there is little evidence to support the effectiveness of these initiatives in delivering greater price transparency. Some countries (e.g., Belgium, Israel and Slovenia) have established legal provisions mandating the disclosure of pharmaceutical information, while others (e.g., Australia, Chile and Mexico) have created databases or platforms for data sharing between competent authorities. However,

1 72nd World Health Assembly (2019), Improving the transparency of markets for medicines, vaccines, and other health products, World Health Organization, Geneva. At https://apps.who.int/gb/ebwha/pdf_files/WHA72/A72_ACONF2Rev1-en.pdf

2 [The Oslo Medicines Initiative \(who.int\)](#); Vogler S (2022): [Access to information in markets for medicines in the WHO European Region. Oslo Medicines Initiative technical report](#). Copenhagen: World Health Organization, Regional Office for Europe.

despite more than 30 cross-country initiatives that share some sort of information on pharmaceutical policies and/or prices, confidentiality of net medicine prices remains the norm internationally (Barrenho and Lopert, 2022^[3]).

5. The report concluded that future work should attempt to identify more explicitly the type of information that countries seek and are willing to make more transparent. There is a lack of clarity as to the type of information (i.e., which prices, which medicines) to which countries would like access and would be willing to share, the conditions under which they would agree to do so, and the existence of barriers that might impede this. From the literature, only three studies have partially addressed these issues. Riccaboni, Swoboda and Van Dyck (2022^[6]) surveyed ten European countries³ about their interest in obtaining net prices from other European countries and discovered that higher-income countries had little interest in net prices in lower-income countries. Morgan, Vogler and Wagner (2017^[4]) conducted a survey in ten high-income countries about experiences and attitudes towards confidential pharmaceutical price discounts. Respondents indicated restrictions on sharing information on negotiated discounts, including with other payers or regulators in their own country. In the study conducted by Russo et al (2021^[7]), participants from 22 European countries proclaimed that achieving full transparency regarding actual medicine prices and other contractual arrangements is currently unattainable, primarily due to legal constraints prevalent across all countries.

6. To advance the policy debate, the OECD Health Committee proposed exploring the feasibility of sharing information on net medicine prices across countries, to ascertain the information that could readily be shared, and by what mechanisms, taking into account existing legal frameworks and commercial and technical barriers. A country survey was conducted to explore the willingness, expectations, and motives of governments and payers in sharing information on medicine prices (see list of respondent institutions in Table A A.1). The survey was circulated to OECD member countries and EU Member States (total of 43 countries) during the spring of 2022, with a total of 34 respondents (see Table 1.1).

Table 1.1. Responses to the OECD survey on Price Transparency 2022

Overview of the list of recipient and respondent countries for the OECD Survey on Price Transparency 2022

Country	Survey response
Australia	✓
Austria	✓
Belgium	✓
Canada	✓
Chile	
Colombia	✓
Costa Rica	✓
Czechia	✓
Denmark	✓
Estonia	✓
Finland	✓
France	✓
Germany	
Greece	✓
Hungary	
Iceland	✓
Ireland	
Israel	✓

³ France, Germany, Greece, Italy, Netherlands, Poland, Portugal, Spain, Sweden, and the UK.

Italy	✓
Japan	✓
Korea	✓
Latvia	✓
Lithuania	✓
Luxembourg	
Mexico	
Netherlands	✓
New Zealand	✓
Norway	✓
Poland	✓
Portugal	✓
Slovak Republic	
Slovenia	✓
Spain	✓
Sweden	✓
Switzerland	✓
Türkiye	
United Kingdom	✓
United States	✓
Non-OECD countries	
Bulgaria	✓
Croatia	
Cyprus	✓
Malta	✓
Romania	✓
Total (yes: count)	34

Source: Authors based on the OECD survey on Price Transparency, 2022.

7. This report discusses the main findings of the survey (Section 2) and concludes with an assessment of the feasibility of sharing information on net medicine prices among OECD countries (Section 3).

Box 1.1. A taxonomy of types of medicine price information

- **List ex-factory price (manufacturer price, ex-manufacturer price, manufacturer's selling price, manufacturer's list price):** The manufacturer's posted price of a pharmaceutical or other product. This generally excludes any confidential discounts or rebates to payers.
- **Net ex-factory price:** Price actually received by the manufacturer, after subtracting rebates and discounts.
- **Wholesale price (pharmacy purchase price):** The price charged by wholesalers to the retailers (usually community pharmacies). It is based on the ex-factory price together with remuneration for the pharmaceutical wholesaler (e.g., in the form of a wholesale mark-up or margin).
- **Pharmacy retail price (retail price, consumer price):** The price charged by community pharmacies to the general public, usually based on the wholesale price with the addition of pharmacy remuneration in the form of a pharmacy mark-up or margin, and in many cases, a dispensing fee or other additional fees. Consumer prices can include or exclude value-added tax (net and gross retail prices, respectively).
- **Reimbursement amount or price (published reimbursement list price):** The maximum amount of reimbursement paid by a third-party payer (e.g., a health system or insurer) excluding any adjustment for patient co-payment or coinsurance.
- **Maximum regulated price:** The maximum price (if any) set by pricing authorities or by regulation or legislation.

Source: Barrenho and Lopert (2022^[3]), based on the Pharmaceutical Pricing and Reimbursement Network (PPRI) Glossary (<https://ppri.goeg.at/ppri-glossary/R/>)

2 Why sharing net prices currently seems difficult

8. This section examines the current legal frameworks as well as commercial and technical barriers that influence the potential for enhancing price transparency. These insights are derived from the results of the OECD survey on Price Transparency conducted in 2022. The section discusses the main findings of the survey in eliciting the interest, expectations, and motives of countries regarding sharing information on medicine prices with other countries. See Annex A for further information about the survey questions and responses.

2.1. Current pricing mechanisms, as well as legal and contractual barriers, may hinder the ability to know and share actual medicine prices

9. Countries often face legal and contractual constraints that prevent them from disclosing or sharing price information with other countries. The OECD survey on Price Transparency, 2022, sought to gain insight about the existing legal frameworks and commercial barriers that impact price transparency. Alongside legal frameworks that determine the potential to share price information, countries may grapple with contractual restrictions defined by negotiations with suppliers and manufacturers mandating the confidentiality of price information. This section outlines the barriers that impede countries from sharing price information.

Pricing mechanisms and price regulation determine countries' ability to obtain information on list and net prices

10. Medicine prices can be determined by regulation, market transactions or a combination of both. In most countries, the mix of regulation and market dynamics differs across market segments, and depends on the medicine patent status, coverage status and distribution channels (e.g., dispensed in retail pharmacies or administered in hospitals). As a result, both pricing mechanisms and regulation determine the government's ability to obtain (and consequently share) information on net prices or actual transaction prices (see Table 2.1).

11. Most OECD and EU countries regulate medicine prices, at least in some market segments (OECD, 2008^[8]). These regulations often entail establishing list prices, which are often publicly available and can serve as reference points for future pricing decisions. However, the actual transaction or 'net' prices that manufacturers receive for their medicines may differ. Net or actual transaction prices may only be known by parties directly involved in the transactions (when pricing is market-driven) or by parties engaged in contractual agreements since rebates and discounts offered by manufacturers are confidential. In addition, in cases where price is determined through contractual arrangements (e.g., price-volume agreements), the actual net prices may only be known after a period of time, often several months or even years after the initial agreement. Understanding the impact of regulatory measures and market dynamics on the accessibility of information on actual prices is essential for assessing the potential for increasing price transparency in the pharmaceutical sector. Table 2.1 presents different pricing mechanisms, which can co-

exist in distinct market segment, even within a given country. These span from national price regulation to market mechanisms. These systems have consequences on the possibility to get information on net/actual prices.

Table 2.1. Price determination and accessibility of information on list and on net or actual prices

Overview of different price setting mechanisms and how these impact the accessibility of medicine price information.

Competent authorities regulate medicine prices

- **List prices are generally public, and for most products, list prices are the actual transaction prices.**
- Many countries regulate the prices of reimbursed medicines dispensed in retail pharmacies.
- For example:
 - In **France**, where regulation applies to both on-patent and off-patent medicines dispensed in retail pharmacies, list prices are generally equivalent to transaction prices, except for generics, for which manufacturers may consent rebates to retail pharmacies in direct sales. In that case, the actual prices are only known by parties to the transaction.

Competent authorities determine maximum prices and market transactions the actual transaction prices

- **Maximum prices may be public, but transaction prices are not.**
- Transaction prices may be collected and known by competent authorities.
- For example:
 - In **Canada**, the PMPRB reviews actual transaction prices of patented medicines to check whether they are not “excessive” according to their guidelines. Actual transaction prices are known ex-post, only by PMPRB and the manufacturer.
 - In the **United States**, prices paid by Medicaid are regulated by reference to actual transaction prices in the private sector.

Medicine prices result from market transactions through bilateral agreements or tendering

- **Actual transactions prices are most often not known outside parties to the transaction**, and not public.
- In many countries, the prices of medicines directly sold to hospitals and the prices of OTC medicines are not regulated.
- In some countries, the prices of all off-patent medicines result from transaction prices.
- For example:
 - In **Germany** and the **Netherlands**, health insurance funds can negotiate prices below the official list prices, and they do so mainly for generics. The transaction prices are not known outside parties.

Contractual arrangements determine net prices

- **Net prices are generally only known by parties involved in the agreement and cannot be disclosed without MAH's consent.**
- These arrangements can be used by private and public payers.
- Net prices are:
 - known by both parties at the time of the agreement (e.g. flat discounts); or
 - determined ex-post (e.g. volume-based and outcome based agreements).
- For example:
 - Many EU countries use Managed entry agreements (MEAs) with confidential prices for some new products (e.g France, Italy and United Kingdom). The number of products with MEAs varies widely: ranging from 3 in Spain to 70 in Hungary in 2019.

Source: Authors based on (OECD, 2008^[9]; Wenzl and Chapman, 2019^[11]).

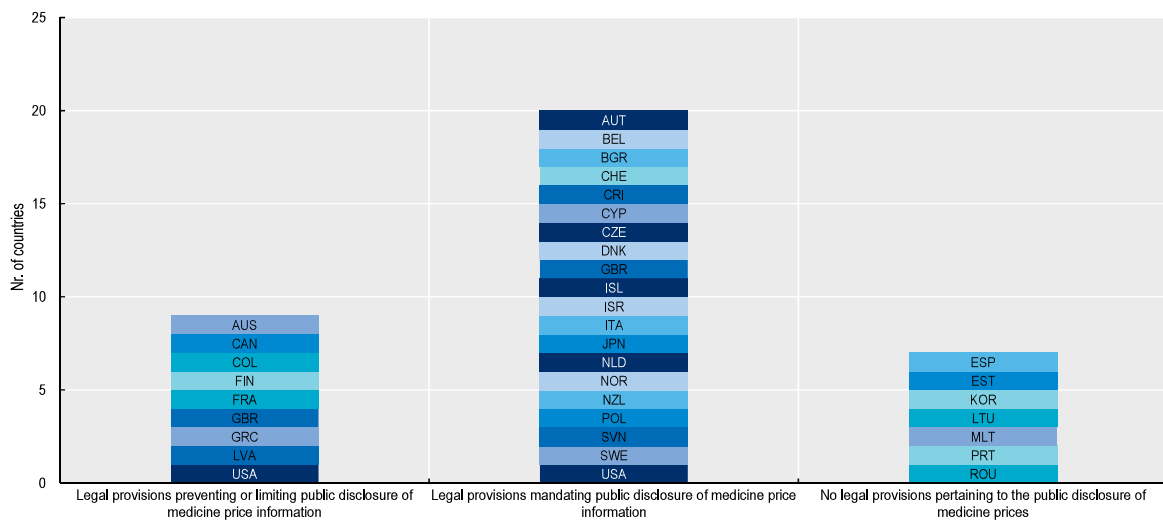
Legal and contractual constraints limit the ability of sharing more transparent price information

The majority of countries require the publication of medicine list prices

12. Several OECD countries have adopted legal provisions intended to promote transparency in pharmaceutical price information. According to responses to the OECD survey on Price Transparency, 2022, 20 of 34 countries have legal provisions mandating the public disclosure of medicine price information (see Figure 2.1 and Box A.A.1 for examples).

Figure 2.1. Legal provisions pertaining to the public disclosure of medicine prices

In 2022, 20 out of 34 respondent countries had legal provisions mandating the public disclosure of medicine prices.



Note: Question A1.2: Are there any legal provisions pertaining to the public disclosure of medicine prices in your country?
 Source: OECD survey on Price Transparency, 2022.

13. However, these legal provisions mandate the disclosure of list prices while net/actual prices may remain confidential. In markets where actual transaction prices may differ from list prices, only 8 countries⁴ (out of 23 respondent countries) mandate the disclosure of ‘actual transaction prices’ within the supply chain (Figure A.A.11). For example:

- In Australia, sponsors of multi-branded medicines are required to disclose their prices to the government and the reimbursed price is adjusted twice per year to reflect the market price⁵;
- In Canada, ex-factory net revenue and units of patented medicines must be reported by manufacturers to the Patented Medicines Pricing Review Board (PMPRB) on a semiannual basis;
- Estonian hospitals are legally obliged to report purchase prices to the Estonian Health Insurance Fund on an annual basis;

⁴ Austria, Canada, Estonia, France, Iceland, Italy, Latvia and the United States.

⁵ <https://www.pbs.gov.au/info/industry/pricing/price-disclosure-spd>

- The Icelandic Medicine Pricing and Reimbursement Committee publicly discloses online⁶ the discounted price (without value-added tax) reflecting the net price; and
- In the United States, there are confidential disclosure requirements to the regulating health bodies, however trade secret laws prohibit the sharing of this data between any internal or external parties to the government.

14. When net prices may differ from list prices as a result of product-specific contracts, the confidentiality of net prices is often supported by legal provisions that prevent or limit the disclosure of this information. In the survey, 9 countries (out of 34 respondent countries) reported to face such legal constraints (Figure 2.1). Additionally, 6 countries⁷ (out of 15 respondent countries) face legal constraints preventing them from sharing price information with other countries (Figure A A.7). For example, in France and the United States, trade secret legislation⁸ prevents the disclosure of commercially sensitive information without the owner's consent, including information on net medicine prices; Latvia has regulation in place stating that net prices can be requested to remain confidential⁹; the Canadian Patent Act prohibits the disclosure of medicine price information without the authorisation of the patent holder; and Australia's National Health Act has secrecy provisions that allow price information to be kept confidential if requested¹⁰. These legal barriers reduce the feasibility of international price sharing and hinder policies aiming to enhance price transparency (see above).

Contractual clauses form a significant barrier to sharing (net) price information

15. Contractual arrangements between competent authorities or purchasers and suppliers that require price information to remain confidential are common in OECD countries and create a significant barrier to price transparency. If confidentiality clauses are breached, purchasers may be held liable for significant damages claims brought by pharmaceutical companies (see Box 2.1). Previous evidence on confidential discounts demonstrated the proliferation of such confidential agreements between manufacturers and health care payers (Morgan, Vogler and Wagner, 2017^[4]; Wenzl and Chapman, 2019^[1]). The OECD survey on Price Transparency, 2022, confirmed that all responding countries - except Colombia and Costa Rica - face contractual constraints that mandate the confidentiality of prices (Figure A A.2), with 13 countries¹¹ (out of 15 respondent countries) stating such constraints prevent sharing price information with other countries (Figure A A.7). For example, in the Netherlands, manufacturers often demand contractually binding confidential price discounts; in New Zealand, community pharmacies and suppliers often enter in confidential pricing arrangements; and, in Norway, reimbursement amounts and wholesale purchase prices (both for generics and on-patent products) as well as tendering prices remain confidential due to specific contractual arrangements.

16. Certain products are more likely to be subject to contractual constraints in all respondent countries, notably on-patent or single-source medicines and/or high unit-cost medicines, orphan and rare disease medicines, or Advanced Therapy Medicinal Products (ATMPs) (Figure 2.2). Vaccines and off-patent or

⁶ [ign.is - Price list \(lyfjastofnun.is\)](http://ign.is)

⁷ France, Korea, Lithuania, Norway, Slovenia, and the United States.

⁸ [Article L162-18 - Code de la sécurité sociale - Légifrance \(legifrance.gouv.fr\)](https://www.legifrance.gouv.fr); [PLAW-104publ294.pdf \(congress.gov\)](https://www.congress.gov)

⁹ [Par Latvijas Republikas Uzņēmumu reģistru \(likumi.lv\)](http://likumi.lv)

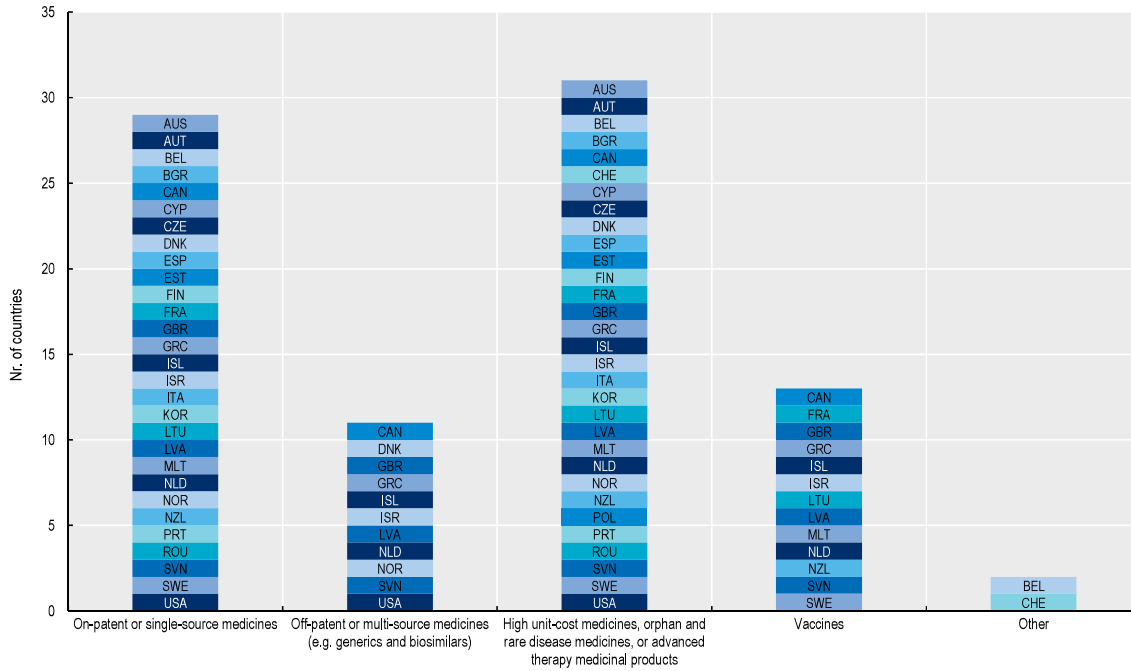
¹⁰ <https://www.legislation.gov.au/Details/C2021C00460>

¹¹ Australia, Estonia, Finland, Iceland, Italy, Japan, Korea, Lithuania, New Zealand, Norway, Slovenia, Spain, and the United Kingdom.

multi-source medicines are to a lesser degree subject to such confidential agreements, even though various countries¹² also report the existence of confidential price discounts for these products (see below).

Figure 2.2. Types of products most likely subject to contractual confidentiality clauses

A majority of countries face contractual constraints preventing price disclosure of on-patent or single-source medicines, and/or high unit-cost medicines, orphan and rare disease medicines, or ATMPs.



Note: Question A1.3.2: If you answered "Yes" to A1.3, which types of products are most likely subject to such contractual arrangements in your country?

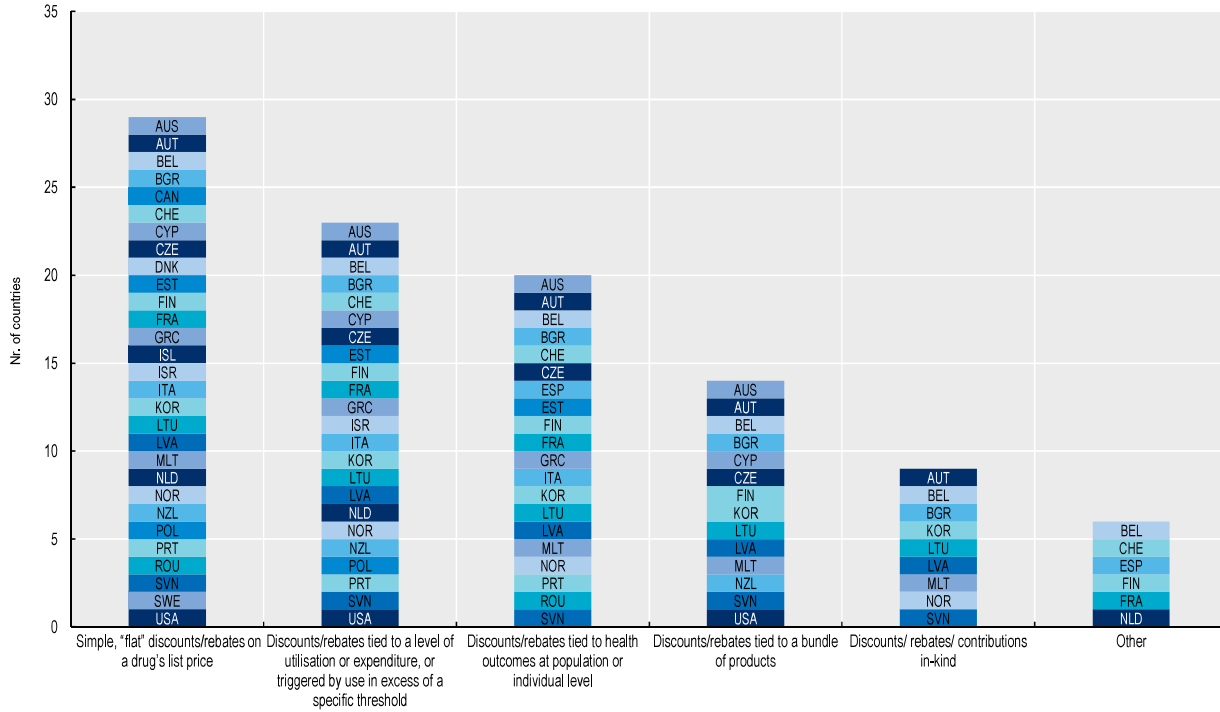
Source: OECD survey on Price Transparency, 2022.

17. Countries usually engage in several types of contractual arrangements (Figure 2.3). According to results from the OECD survey on Price Transparency, 2022, all respondent countries - except Spain - have recently negotiated simple, "flat" discounts/rebates on a medicine's list price. Many countries¹³ (26 out of 30) have also negotiated confidential discounts/rebates that are linked to a level of utilisation or expenditure or triggered by use in excess of a specific threshold, and/or tied to health outcomes at population or individual level. Discounts/rebates tied to a bundle of products and/or discounts/rebates/contributions in-kind are less common (see below).

¹² Canada, Denmark, France, Greece, Iceland, Israel, Latvia, Lithuania, Malta, New Zealand, Norway, Slovenia, Sweden, the Netherlands, the United Kingdom, and the United States.

¹³ Australia, Austria, Belgium, Bulgaria, Cyprus, Czechia, Estonia, Finland, France, Greece, Israel, Italy, Korea, Latvia, Lithuania, Malta, New Zealand, Norway, Poland, Portugal, Romania, Slovenia, Spain, Switzerland, the Netherlands, and the United States.

Figure 2.3. Types of pricing agreements made under the most recent contractual arrangements



Note: Question A1.3.3: If you answered "Yes" to A1.3, which of the following types of pricing agreements have been made in your country under the most recent contractual arrangements?

Source: OECD survey on Price Transparency, 2022.

Box 2.1. Fostering greater price transparency: the role of statutory and contractual confidentiality requirements

Contractual arrangements are often confidential by virtue of either contractual clauses or statutory requirements, each requiring different steps to achieve greater price transparency.

Confidentiality arising from contractual clauses

In most countries, contractual clauses are the main source of current confidentiality requirements. Consequently, these requirements may be specific to each individual managed entry agreement (MEA), as agreed upon between contracting parties. For example,

- In **Italy**, confidential discounts are regularly negotiated between the Italian Medicines Agency and pharmaceutical companies.
- In the **Netherlands**, pharmaceutical companies often request non-disclosure clauses pertaining to the negotiated price discounts.

Failure to comply with a non-disclosure clause may lead to breach of contract and potential liability claims. Sharing price information would require that payers in those countries change their stance in negotiations with firms and no longer accept clauses that make price information confidential. Thus, changes to legislation might not be necessary in most countries to enhance price transparency.

Confidentiality imposed by statutory requirements

In some countries, however, confidential contractual arrangements are based on statutory law. For example:

- In **Belgium**, legislation sets out that the content of MEAs is partially 'public' and partially 'confidential'. MEAs consist of a contract that is public and an annex to the contract that is confidential, which includes the confidential price.
- In **Bulgaria**, Ordinance No. 10 from 2009 mandates that the compensation paid by the marketing authorisation holder will not be made public.

Achieving greater price transparency in these countries would require legislative changes allowing price disclosure. Non-compliance with confidentiality requirements, whether by virtue of contractual clauses or statutory requirements, may lead to legal proceedings against the infringer.

Source: OECD survey on Price Transparency, 2022; Wenzl and Chapman (2019^[1]).

Despite numerous cross-country initiatives, few countries are currently sharing net prices with other countries

18. Following the growing collective interest in greater transparency, numerous countries have undertaken initiatives to increase price transparency. Data from the OECD survey on Price Transparency, 2022, showed that most respondent countries¹⁴ (29 out of 34) currently engage in sharing price information with other countries (Figure A A.3 in annex). Previous OECD work provided a review of the current

¹⁴ Australia, Austria, Belgium, Bulgaria, Canada, Colombia, Costa Rica, Czechia, Denmark, Estonia, France, Finland, Greece, Iceland, Israel, Italy, Latvia, Lithuania, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovenia, Spain, Sweden, Switzerland, and the United Kingdom.

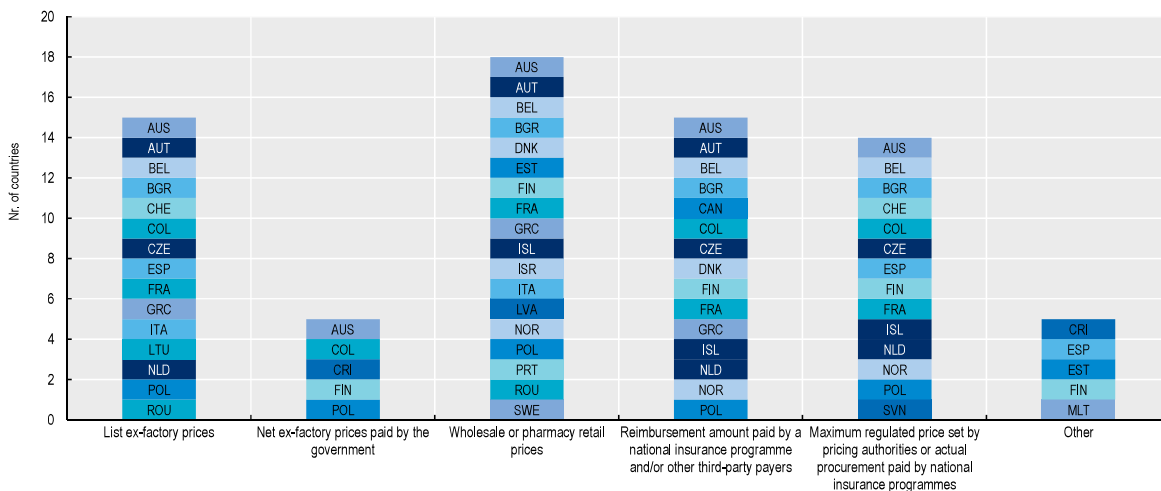
practices and identified 30 cross-country initiatives that share information on policies and/or prices (Barrenho and Lopert, 2022^[3]), including, for example:

- **European Integrated Price Information Database (EURIPID)** is a voluntary and strictly non-profit cooperation between EU member states (except Germany, Luxembourg, Malta and Romania), Switzerland, Norway, Iceland and Israel to establish and maintain a database with standardised information on official list prices of publicly reimbursed (mainly outpatient) medicinal products and pricing regulations.
- **The Fair and Affordable Pricing (FaAP) initiative** is an agreement between Czechia, Hungary, Lithuania, Poland and Slovakia. With this initiative, participating countries want to achieve a common position on certain confidential modalities of pricing of medicinal products through information exchange and the organisation of pilot negotiations.
- **Observatory of Medicines with High Financial Impact (DIME):** Chile, Colombia, Costa Rica and Mexico are members of this observatory, which shares price information, including minimum and maximum public list prices, on approximately 38 high-cost medicines among participating countries¹⁵.

19. The type of information being shared varies across initiatives and countries (Figure A.A.4 and Figure 2.4). For example,

- **Bulgaria** shares prices of multiple types of products with peers, including medicines intended for the treatment of AIDS and infectious diseases, as well as vaccines for obligatory immunisations and re-immunisations, vaccines according to special indications and in extraordinary circumstances, specific serums and immunoglobulins.
- **Spain** shares monthly list prices for hospital medicines and maximum regulated prices for medicines dispensed at pharmacies through EURIPID. Moreover, manufacturer and gross retail prices for reimbursed outpatient medicines, publicly funded vaccines, registered radiopharmaceuticals, and medicines imported through parallel trade, are disclosed on a quarterly basis.

Figure 2.4. Types of prices currently shared with other countries

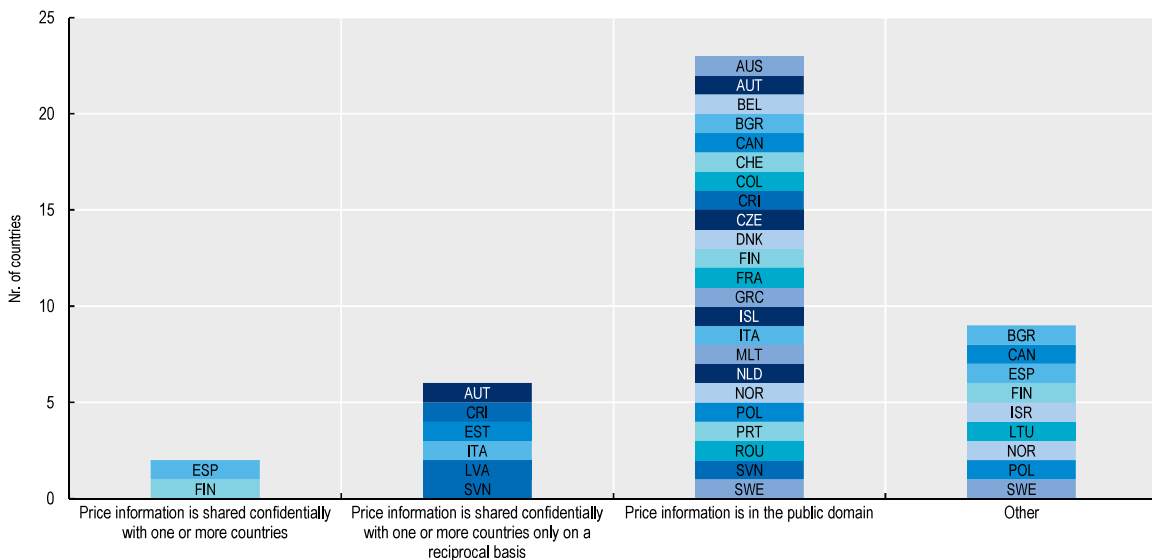


Note: Question A1.4.2: If you answered “Yes” to A1.4, what prices is your country currently sharing with other countries?
 Source: OECD survey on Price Transparency, 2022.

¹⁵ Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Mexico, and Peru.

20. The effectiveness of existing initiatives in promoting price transparency hinges on the extent to which publicly available and detailed price data accurately captures actual transaction prices. While several cross-country initiatives disclose a range of prices, including wholesale, pharmacy retail prices, list ex-factory prices, reimbursement amounts, and maximum regulated prices, only five countries¹⁶ indicated disclosure of actual net prices under such initiatives (see above). In addition, while most respondent countries (23 out of 28) disclose publicly price information, it is recurrent practice for countries to share price information confidentially (Figure 2.5). For instance, in Finland, data sharing conditions differ based on the type of information; for example, price details for reimbursed outpatient medicines are publicly available, whilst price data related to the National Hospital Procurement Team and the National Vaccination Programme is shared confidentially with national stakeholders.

Figure 2.5. Conditions under which price information is currently shared with other countries



Note: Question A1.4.4: If you answered “Yes” to A1.4, who has access and under what conditions is price information currently shared with other countries?
 Source: OECD survey on Price Transparency, 2022.

21. Public disclosure of prices is undoubtedly the most transparent option. In that case, however, the information on prices is provided for country-specific packaging and dosages often in national language. Such information is therefore less conducive to international benchmarking. In contrast, sharing prices for standardised doses and forms, exemplified by EURIPID, simplifies the process, allowing for more convenient and accurate benchmarking for competent authorities in charge of price regulation. Many EU countries disclose prices publicly and share prices with other countries, but only information on list prices.

¹⁶ Australia, Colombia, Costa Rica, Finland, and Poland. In Australia, pricing information, including ex-manufacturer prices for all medicines listed on the Pharmaceutical Benefits Scheme (PBS), is fully available on the PBS website. Where a medicine is subject to a Deed of Special Pricing Arrangement (SPA) between the Commonwealth and a pharmaceutical sponsor, the price available on the PBS website is the ‘published price’ instead of the ‘effective price’ of the medicine: <https://www.pbs.gov.au/info/industry/pricing/ex-manufacturer-price>. In Finland, net ex-factory prices are disclosed for certain national hospital medicine procurement processes.

2.2. Countries would like to gain access to information on net prices but would not necessarily be willing or able to share such information

22. The OECD survey on Price Transparency, 2022, aimed to address the lack of clarity about the specific information that countries seek and are willing to exchange with other countries. This section outlines the preferences concerning the kind of information, specifically which prices and which medicines, to which countries seek access and are willing or able to share with other countries.

Countries want to gain access to medicine price information for a range of products and various types of prices

23. All responding countries expressed interest in gaining access to price information from other countries (Figure A A.5). Their interest in accessing price data relates to a range of products, including on-patent or single-source medicines, off-patent or multi-source medicines, vaccines (with exception of Korea) and orphan and rare disease medicines or ATMPs (Figure A A.6). Additionally, five countries¹⁷ voiced interest in gaining access to pricing information for other types of products as well; for example, Israel reported interest in retail prices and maximum regulated prices for over-the-counter (OTC) products.

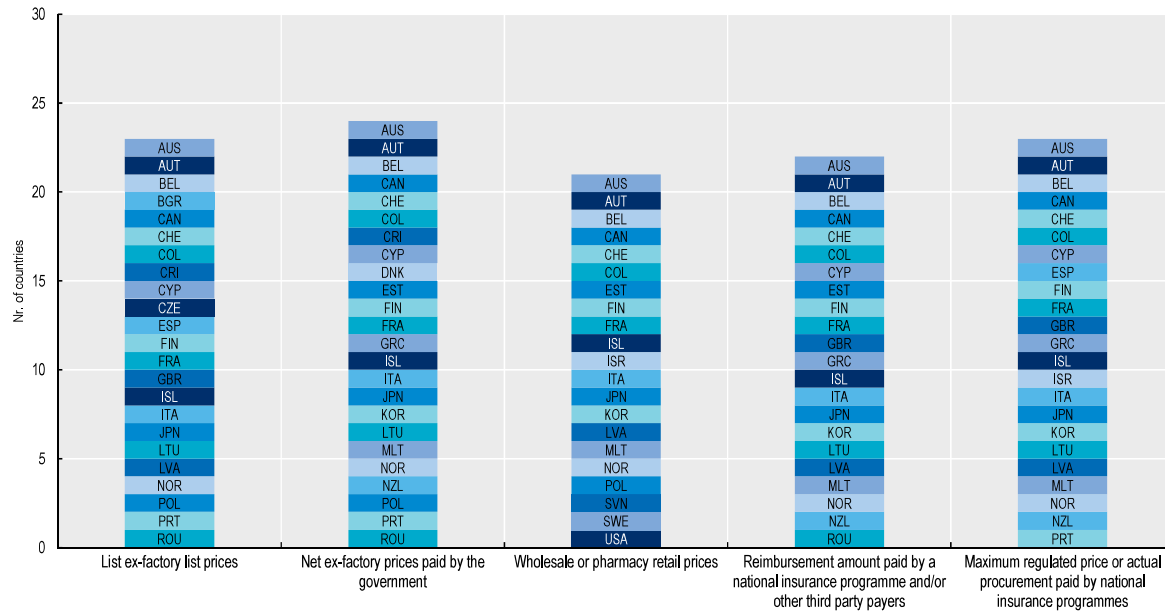
24. When questioned about the type of prices, countries showed interest in obtaining information for several types of prices. Most countries (24 out of 33 countries¹⁸) expressed interest for net ex-factory prices paid by the government. Nevertheless, many countries also have interest in accessing to list ex-factory prices, wholesale or pharmacy retail prices, maximum regulated prices and reimbursement amounts paid by the main health insurance programme (Figure 2.6). Only a small number of countries¹⁹ expressed a preference for a single type of price data: Slovenia, Sweden and the United States expressed exclusive interest in wholesale or pharmacy retail prices, whereas Bulgaria's interest focused on list ex-factory prices.

¹⁷ Iceland, Israel, France, Latvia, and Norway.

¹⁸ Bulgaria, Czechia, Israel, Latvia, Slovenia, Spain, Sweden, the United Kingdom, and the United States did not express interest in gaining access to net ex-factory prices paid by the government.

¹⁹ Bulgaria, Denmark, Slovenia, Sweden, and the United States.

Figure 2.6. Type of prices in which countries are interested in gaining access from other countries



Note: Question A2.1.3: If you answered "Yes" to A2.1, which prices is your country interested in gaining access to information from other countries?

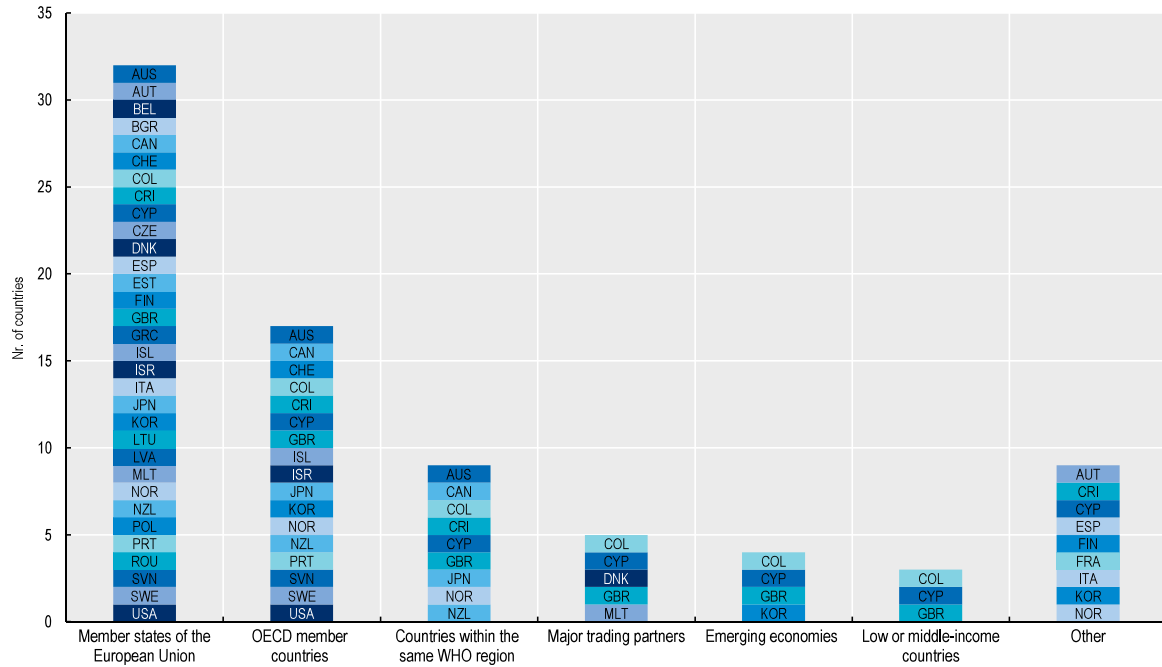
Source: OECD survey on Price Transparency, 2022.

25. When questioned about comparator countries of interest, countries showed consistent interest in gaining access to price information from EU Member States. A recent study by Riccaboni, Swoboda and Van Dyck (2022^[6]) observed that EU Member States with relatively higher income, except Germany, are not interested in accessing transaction price information negotiated by payers of EU Member States with lower income. This pattern aligns to a certain extent with the findings from the OECD Survey on Price Transparency, 2022, since all respondent countries expressed interest in accessing to price information from EU Member States, but few²⁰ exhibited interest in information from emerging economies or low or middle-income (LMICs) countries (see below). Furthermore, 9 out of 33 countries also showed a particular interest in countries within the same WHO region, while 5 countries voiced interest in accessing information from their major trading partners. Some countries revealed interest in receiving price information from specific countries (Figure 2.7), for example:

- **Finland** and **Norway** were particularly interested in information from the other Nordic countries;
- **France** showed interest in information provided by Germany, Italy, Spain and the United Kingdom (i.e., the group of countries used as references for external reference pricing);
- **Italy** expressed interest in price information accessed from the United Kingdom; and,
- **Korea** demonstrated interest in accessing information from countries with a similar economic size, whereas **Cyprus** was interested in information from countries with a similar geographical profile.

²⁰ Only Colombia, Cyprus, Korea, and the United Kingdom expressed interest in obtaining price information from LMICs or emerging economies.

Figure 2.7. From which countries there is interest in obtaining price information



Note: Question A2.1.4: If you answered "Yes" to A2.1, from which countries is your country interested in gaining access to price information?
 Source: OECD survey on Price Transparency, 2022.

However, despite interest and willingness in obtaining price information, several countries are not open and/or able to share medicine price information

26. Despite unanimous interest in gaining access to more transparent price information, many countries are not interested, willing or able to share that information for their own country with others. In 2019, Germany, Hungary and the United Kingdom dissociated themselves from the World Health Assembly resolution in which countries called for sharing net price information (WHO, 2020^[5]). Data from the OECD Survey on Price Transparency, 2022, also revealed reluctance to share price information (see Table 2.2) Japan, Korea, the United Kingdom and the United States reported neither interest nor willingness to share price information with other countries (even though Japan and the United Kingdom stated they would be able to do so), and France voiced interest, but no willingness to share. Moreover, 13 (of 29) countries²¹ reported that they were unable to share price information, despite most of these countries (Australia, Canada, Estonia, Finland, Iceland, Italy, New Zealand, Norway and Slovenia) showing interest and willingness to do so.

Table 2.2. Countries' interest/willingness/ability to share price information with other countries

Country/Objectives	Interested in sharing price information	Willing to share price information	Able to share price information
Australia	✓	✓	✗

²¹ Australia, Canada, Estonia, Finland, France, Iceland, Italy, Korea, Lithuania, New Zealand, Norway, Slovenia and the United States.

Austria	✓	✓	✓
Belgium	✓	✓	✓
Canada	✓	✓	✗
Colombia	✓	✓	✓
Costa Rica	✓	✓	✓
Czechia	✓	✓	✓
Denmark	✓	N/A ¹	N/A
Estonia	✓	✓	✗
Finland	✓	✓	✗
France	✓	✗	✗
Greece	✓	N/A	N/A
Iceland	✓	✓	✗
Israel	✓	✓	✓
Italy	✓	✓	✗
Japan	✗	✗	✓
Latvia	✓	✓	✓
Korea	✗	✗	✗
Lithuania	N/A	N/A	✗
Netherlands	✓	N/A	N/A
New Zealand	✓	✓	✗
Norway	✓	✓	✗
Poland	✓	✓	✓
Romania	N/A	✓	N/A
Slovenia	✓	✓	✗
Spain	✓	✓	✓
Sweden	✓	✓	✓
Switzerland ²	✓	✓	✓
United Kingdom	✗	✗	✓
United States	✗	✗	✗
Non-OECD countries			
Bulgaria	✓	✓	✓
Cyprus	✓	✓	✓
Malta	✓	✓	✓
Total (yes: count)	27	24	16

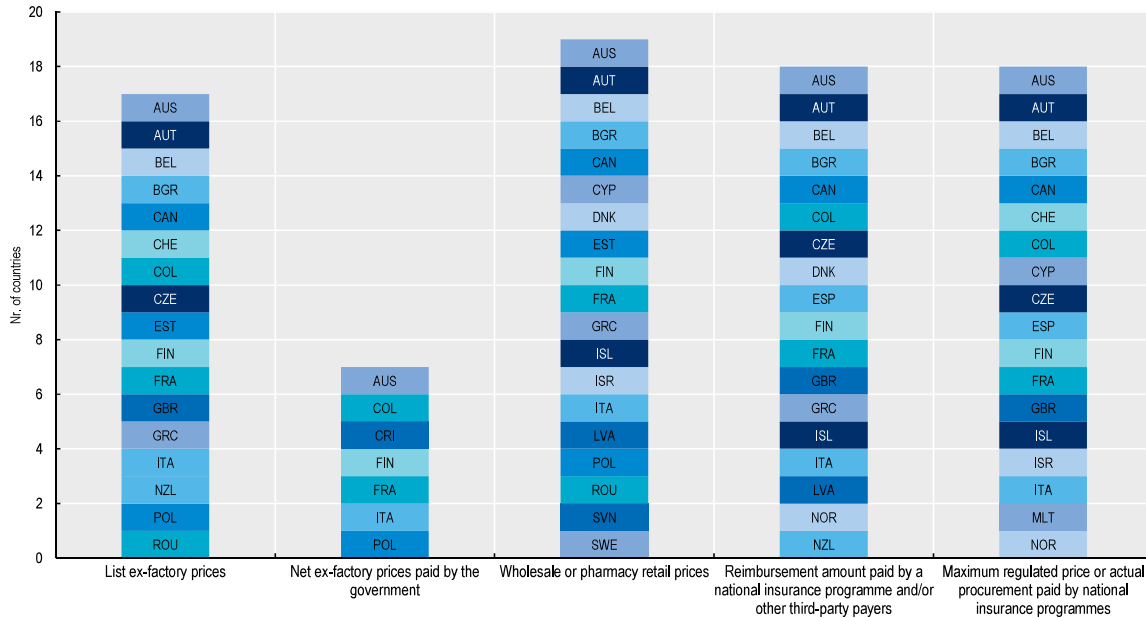
Note: 1. N/A: No answer was provided by the country; 2. Ability to share refers to the general position but might be contingent on the specific product or type of price under consideration.

Source: OECD survey on Price Transparency, 2022.

27. Countries that showed willingness to share price information tended to prefer to do so for a range of products and prices, but not for actual transaction prices. These respondent countries were willing/interested/able to share price information for on-patent or single-sourced medicines, off-patent or multiple-sourced medicines, orphan medicines or ATMPs and vaccines (with only Austria not willing/interested/able to share information for vaccines) (Figure A A.8). In addition, the interest in sharing various types of prices varies across countries. While open to share a range of price information (i.e., list ex-factory prices, wholesale or pharmacy retail prices, maximum reimbursement amounts or maximum regulated price), only seven countries²² voiced interest in wanting to share net-ex factory prices (Figure 2.8).

²² Australia, Colombia, Costa Rica, Finland, France, Italy and Poland.

Figure 2.8. Types of prices for which countries are interested/willing/able to share information



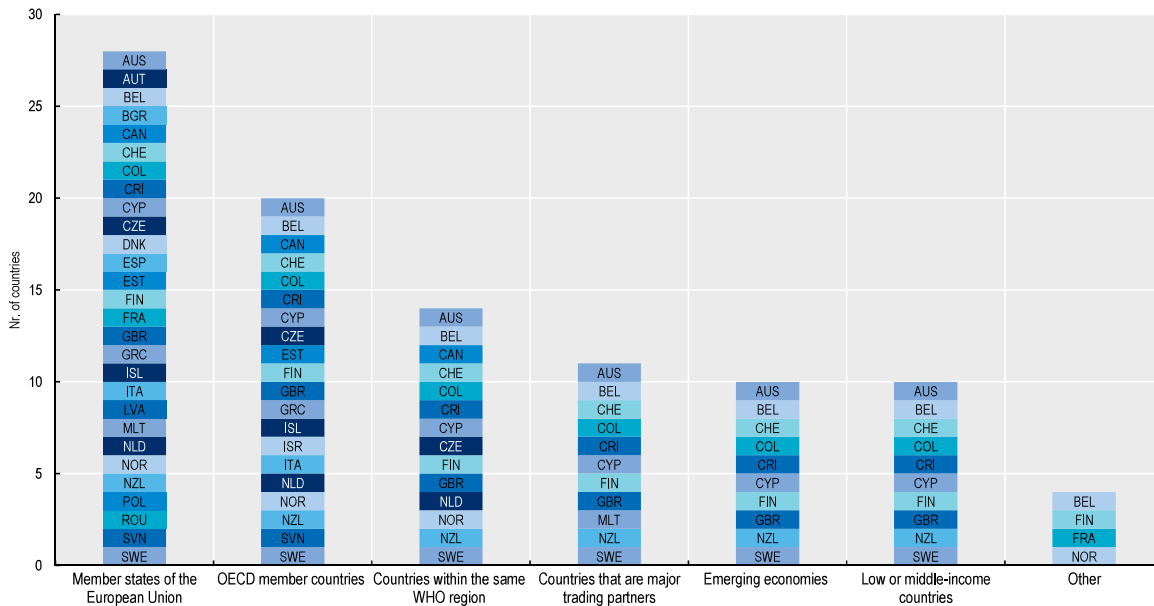
Note: Question A2.2.4: If you answered either “Yes” to interested/willing or “No” to unable in A2.2, which prices is your country interested/willing/able to share information with other countries?

Source: OECD survey on Price Transparency, 2022.

28. Countries exhibited a common preference to share price information with EU Member States but were more reluctant to share information with emerging economies and low- and middle-income countries (LMICs). According to the survey results, all respondent countries interested in sharing price information, except Israel, preferred to do so with EU member states while only 10 (out of 29) countries reported interest in sharing information with emerging economies and LMICs (Figure 2.9). In addition, 14 countries were specifically open to sharing information with countries within the same WHO region and 11 countries listed major trading partners as their preference. It is worth noting, however, that countries showed interest in sharing information with more than one region or group of countries. Belgium, Finland, France, and Norway revealed a preference to share information with specific countries. For example,

- **Finland** preferred to share price information with the Nordic countries;
- **France** favoured to share information with Germany, Italy, Spain and the United Kingdom; and
- **Norway** reported interest in sharing price information with countries that engage in collective price negotiations.

Figure 2.9. Which groups of countries are countries interested/willing/able to share price information with



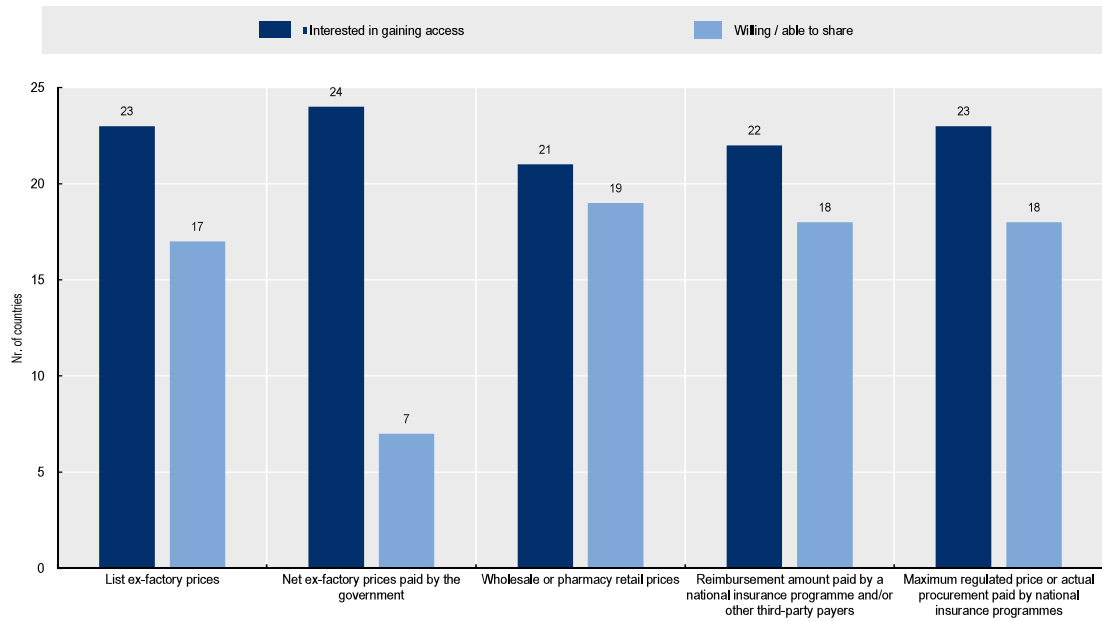
Note: Question A2.2.5: If you answered “Yes” to interested/willing or “No” to unable in A2.2, with which countries is your country interested/willing/able to share price information on medicines?
 Source: OECD survey on Price Transparency, 2022.

Less than one third of countries interested in gaining access to information on net prices would be willing or able to share this information with others

29. Countries who want to gain access to price information are *not* always willing or able to share this information with others, and this disparity is greatest for sharing information on net prices (Figure 2.10). Out of the 24 countries interested in gaining access to net ex-factory prices, only 7 (Australia, Colombia, Costa Rica, France, Finland, Italy, and Poland) indicated being willing or able to share net-ex factory prices. A similar trend is visible for the other types of prices, with a larger number of countries interested in receiving information than in disclosing information (Figure 2.10). The incompatibility of interests undermines the feasibility for sharing price information across countries.

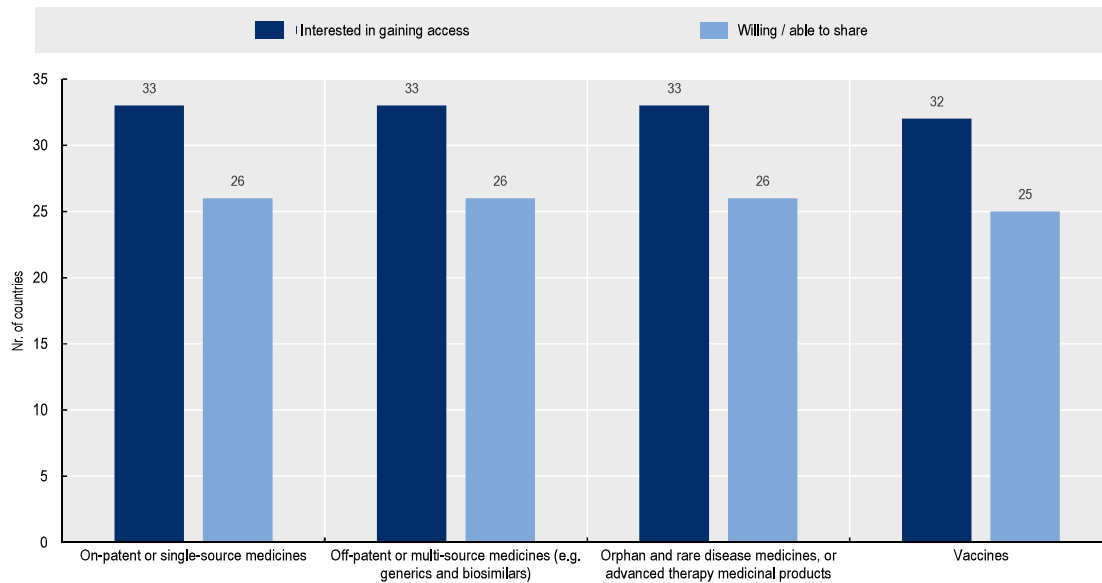
30. Several respondent countries exhibited interest in both accessing and sharing pricing data for a range of products, including on-patent or single-source medicines, off-patent or multi-source medicines, vaccines and orphan and rare disease medicines or advanced therapy medicinal products (Figure 2.11). However, for each type of product, a larger number of countries are interested in gaining access to information than willing or able to share information, which may provide a barrier to international price sharing.

Figure 2.10. Countries' interests and abilities for gaining and sharing information on prices, according to the type of prices



Source: OECD survey on Price Transparency, 2022.

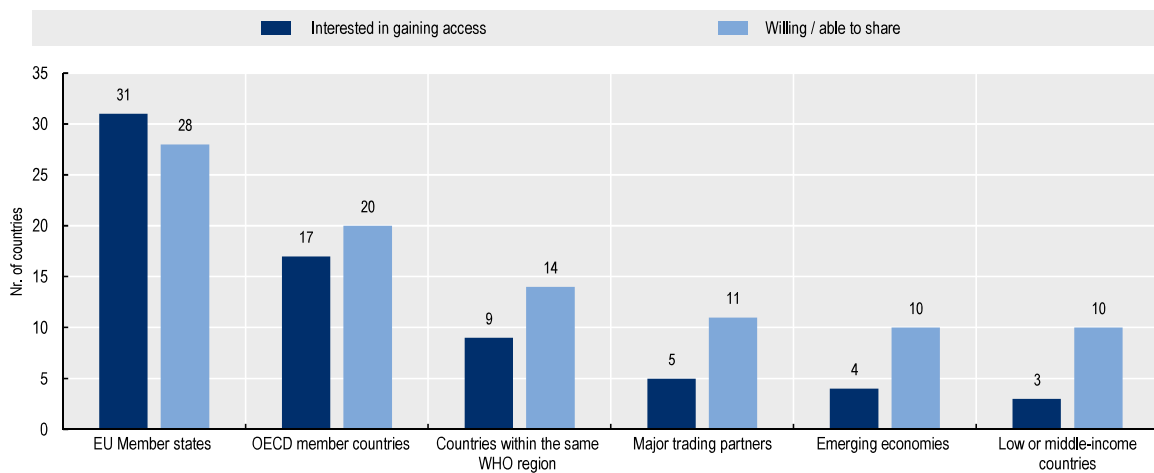
Figure 2.11. Countries' interests and abilities for gaining and sharing information on prices, according to the type of products



Source: OECD survey on Price Transparency, 2022.

31. Countries are interested in sharing price information with largely the same countries as from which they desire access to price information. There are, however, some exceptions. For example, Denmark, Japan and Korea voiced interest in receiving information from major trading partners, as well as countries within the same WHO region and emerging economies, yet these countries are not willing to share information with these same group of countries. Such exceptions may reduce the feasibility of achieving pharmaceutical price transparency. Remarkably, the number of countries that revealed interest in sharing information with countries within the same WHO region, major trading partners, emerging economies and LMICs outweighs the number of countries interested in gaining access to information from these countries/regions (Figure 2.12).

Figure 2.12. Comparison of countries interested in gaining access and those countries willing/interested/able to share price information



Source: OECD survey on Price Transparency, 2022.

2.3. Countries have various objectives in pursuing net price transparency and exhibit differing perspectives regarding the potential outcomes and prerequisites

32. There is currently neither clarity nor consensus among countries and stakeholders about the objectives and motives of greater price transparency. Recent OECD work documented that countries exhibit varying attitudes towards greater price transparency, depending on national wealth; the pharmaceutical market size; the existence of a domestic pharmaceutical industry; and the capacity and negotiating power of national competent authorities (Barrenho and Lopert, 2022^[31]). The results of the OECD survey on Price Transparency, 2022, confirm this lack of consensus about the objectives of price transparency, or which information should be made more transparent as well as disagreement among countries on how greater transparency could impact the functioning of markets.

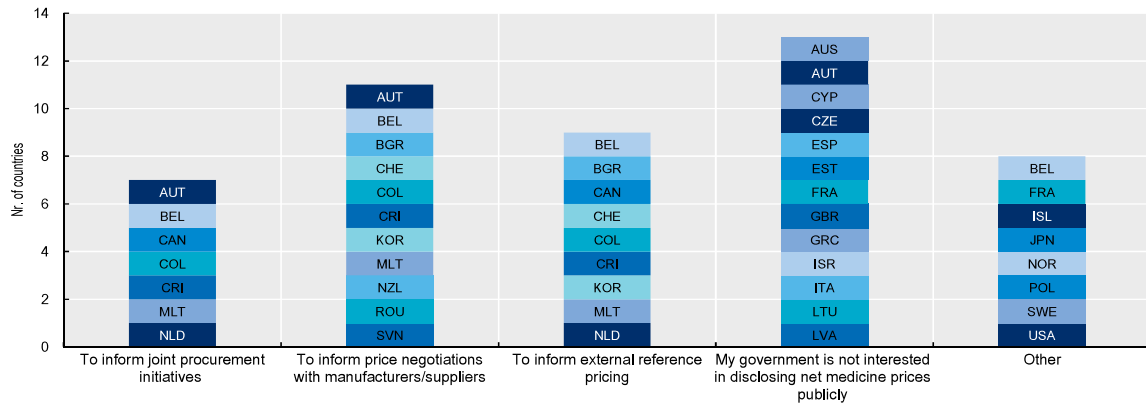
The most common aim of disclosing net prices is typically to inform price negotiations

33. Governments have several motives in disclosing net price information (whether through public disclosure or in a closed network). Recent OECD work noted that countries express a wide list of objectives in seeking greater price transparency, including: strengthening the bargaining power of payers in price negotiations with the industry; enhancing public accountability of governments regarding the outcomes of price negotiations; and assessing budget impact and equity considerations of coverage and

reimbursement decisions (Barrenho and Lopert, 2022^[3]). Results from the OECD survey on Price Transparency, 2022, reveal that the most common objective of disclosing net price information is to inform price negotiations with companies (23 out of 31 respondent countries). Many countries (18 out of 31 respondent countries) also express interest in disclosing net prices to inform joint procurement initiatives and/or external reference pricing mechanisms (Figure 2.13 and Figure 2.14). Notably, enhancing price transparency could improve the relevance of external reference pricing (see Box 2.2).

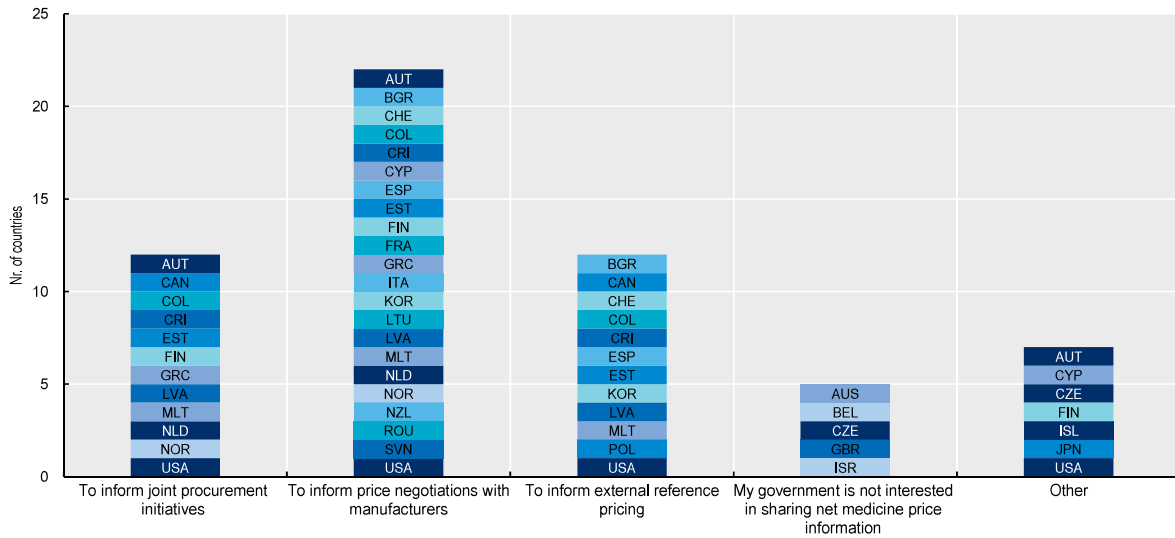
34. Nevertheless, many countries (13 of 31 respondent countries) are not interested in disclosing publicly net ex-factory price information (Figure 2.13), while only 5 do not express interest in sharing prices confidentially with other competent authorities (Figure 2.14).

Figure 2.13. Governments' objectives in disclosing net ex-factory price information publicly



Note: Question A3.2: What would be your governments' objectives in disclosing net ex-factory price information publicly?
 Source: OECD survey on Price Transparency, 2022.

Figure 2.14. Governments' objectives in sharing (without disclosing publicly) net ex-factory price information with other countries



Note: Question A3.3: What would be your governments' objectives in sharing (and NOT disclosing publicly) net ex-factory price information with other countries?
 Source: OECD survey on Price Transparency, 2022.

Box 2.2. The importance of price transparency for external reference pricing

External reference pricing is a widely adopted pricing tool among OECD countries

External reference pricing (ERP) refers to the practice of using the price(s) of a medicine in one or several countries to derive a benchmark or reference price for the purposes of setting or negotiating the price of the product in a given country (Pharmaceutical Pricing and Reimbursement Network, 2023^[9]). This benchmarking mechanism is a pricing tool used to contain cost and ensure that the medicine price paid in a given country remains reasonable compared to the prices paid in other countries (Holtorf et al., 2019^[10]). This tool is widely used across OECD countries. Data from the OECD survey on Price Transparency, 2022, showed that most respondent countries (30 out of 34 respondent countries) use ERP as an instrument to regulate prices or inform price negotiations¹, at least in some market segments, except Australia², Sweden, the United Kingdom and the United States (see Figure 2.15). It can be applied formally or informally to determine prices, either at product launch or periodically throughout the product life cycle.

The selection of countries included in the basket of reference countries can vary significantly among OECD countries. For instance, New Zealand and Colombia reference three countries, while some EU member states such as Belgium, Finland, and Poland consider over 25 countries. Notably, certain countries are more commonly chosen as reference countries than others. For example, Germany and France are considered in ERP by 18 countries (see Figure 2.15). This preference often stems from the similarity in healthcare systems, economic conditions, and/or pricing practices, making these countries more relevant for price comparisons (Holtorf et al., 2019^[10]).

Figure 2.15. Composition of the country baskets used for external reference pricing

Countries	AUS	AUT	BEL	BGR	CAN	CYP	CZE	DEU	DNK	EST	FIN	FRA	GRC	HRV	HUN	IRL	ISL	ITA	JPN	LVA	LTU	LUX	MLT	NLD	NOR	POL	PRT	ROU	SVK	SVN	ESP	SWE	CHE	GBR	USA	COL	Add. Countries	count ries	
AUT																																						25	
BEL																																							26
BGR																																							10
CAN																																							7
CHE																																							9
COL																																						Andean countries (BOL, ECU & PER) LAC countries (ARG, BOL, BRA, CHL, CUB & DOM)	3
CRI																																							6
CYP																																							10
CZE																																							18
DNK																																							9
ESP																																							16
EST																																							3
FIN																																							28
FRA																																							4
GRC																																							18
ISL																																							4
ISR																																							7
ITA																																							24
JPN																																							4
KOR																																							9
LTU																																							8
LVA																																							8
MLT																																							11
NLD																																							4
NOR																																							9
NZL																																							3
POL																																							29
PRT																																							3
ROU																																							12
SVN																																							3
Reference frequency	2	12	15	6	2	8	9	18	11	10	11	18	8	3	11	10	3	15	1	10	11	6	6	12	6	8	10	8	15	10	13	12	2	14	3	1			

Source: OECD survey on Price Transparency, 2022 and (Holtorf et al., 2019^[10]).

Price opacity jeopardizes the reliability and effectiveness of external reference pricing

While ERP is widely adopted across OECD countries, the literature raises concerns regarding the effectiveness and reliability of this pricing mechanism. Payers increasingly negotiate confidential discounts and/or rebates with manufacturers, with the aim to secure more advantageous pricing terms (Wenzl and Chapman, 2019^[11]). However, the proliferation of these confidential agreements has led to a growing disparity between net prices paid by purchasers and official list prices. Since many countries rely on list

prices as the basis for ERP comparisons, the widening chasm with net prices is undermining the effectiveness and reliability of this international benchmarking system, as countries may set prices based on misleading or outdated reference price data.

Note: 1. While most countries use ERP as their main price regulation policy, Belgium, Finland, Italy, New Zealand, Poland, and Spain use ERP as an information tool to support price negotiations. Belgium is, however, contemplating implementing ERP as a main pricing criterion. 2. Prices of medicines in comparable overseas countries may be considered as a factor by the Pricing Section in making a recommendation to the Minister (Pharmaceutical Benefits Scheme (PBS), 2017^[11]).

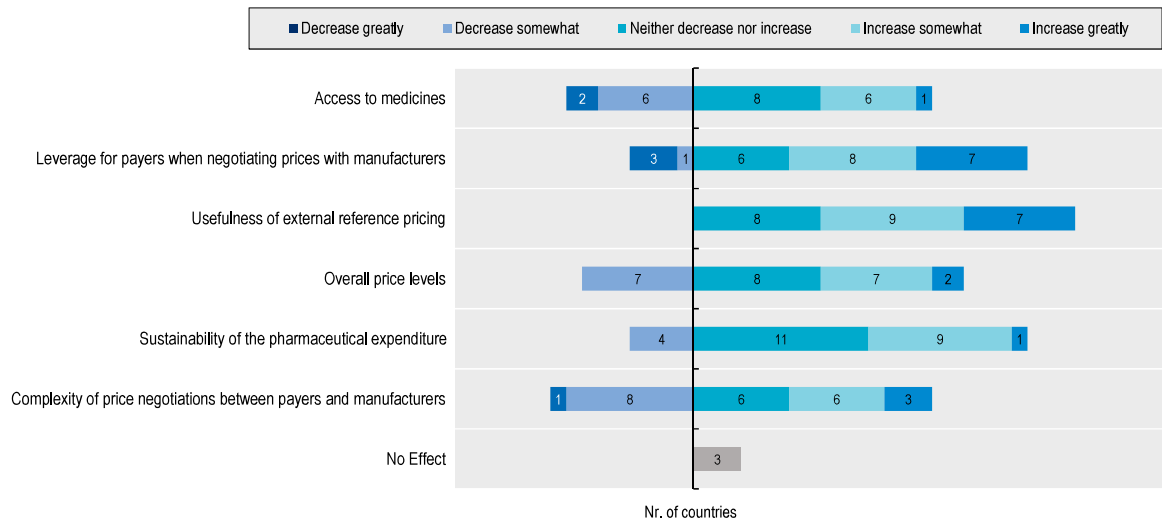
Source: Authors based on the OECD survey on Price Transparency, 2022.

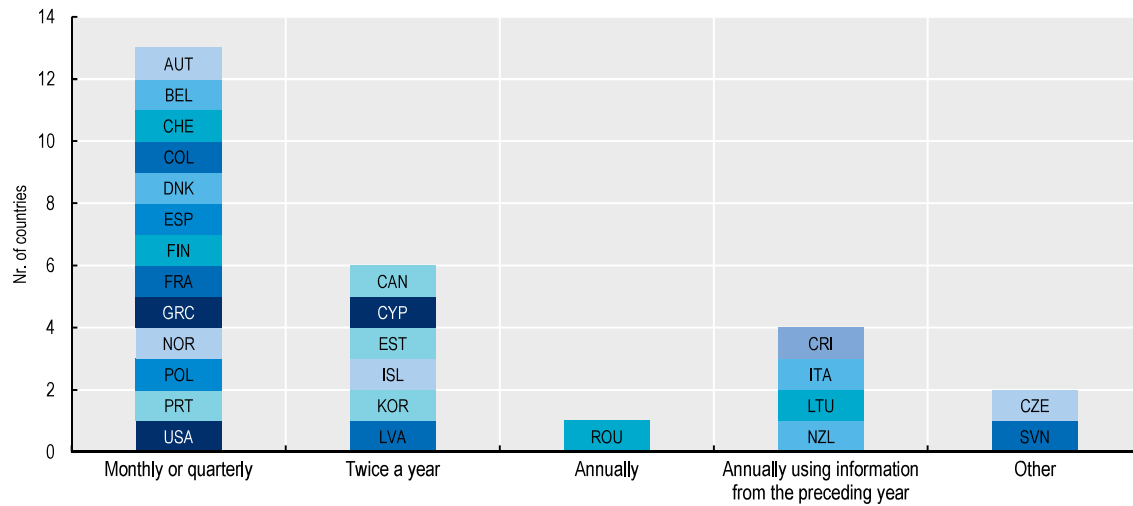
Countries disagree largely on the possible consequences of net price transparency

35. Countries have contrasting views on the likely consequences of greater price transparency, whether this would entail public disclosure or confidential sharing (in a closed network) of net prices (see Figure 2.16). This confirms the lack of evidence and consensus on the transnational effects of greater price transparency on the dynamics of pharmaceutical markets (Barrenho and Lopert, 2022^[3]). Countries disagree on the impact of price disclosure on overall price levels, access to medicines as well as the complexity of price negotiations between payers and manufacturers (Figure 2.16). However, countries generally concur that the negotiating capabilities for payers, the effectiveness of external reference pricing, and the sustainability of pharmaceutical spending are expected to either remain unchanged or increase through information sharing or public disclosure of prices. Few countries (Canada, Costa Rica, Romania, and the United States) do not anticipate any consequences of disclosing net price information, publicly or in a closed network (Figure 2.16).

Figure 2.16. Likely consequences of disclosing net ex-factory price information

Likely consequences of disclosing net ex-factory price information publicly



Likely consequences of sharing (without disclosing publicly) net ex-factory price information with other countries

Note: Question A3.4: What do you see as the likely consequences for your country of disclosing net ex-factory price information publicly?; Question A3.5: What do you see as the likely consequences for your country of sharing (and NOT disclosing publicly) net ex-factory price information with other countries?.

Source: OECD survey on Price Transparency, 2022.

Countries show interest in establishing a pilot mechanism to share net price information but disagree on the practicalities

36. Although several countries are interested in sharing net price information, there is disagreement on the conditions under which this could occur, namely when considering what type of mechanism and how frequently the information should be shared and updated. Eighteen²³ (out of 33) countries showed interest in participating in a pilot to establish a mechanism for sharing net price information with other countries (Figure 2.17), however, countries held different views on the practicalities to establish such a mechanism (Figure A A.9).

37. Out of the 18 countries interested in establishing a pilot, 13 have chosen their preferred option from the three proposed scenarios (Figure A A.9):

- Six countries²⁴ out of 13 indicated a preference for a mechanism supporting the sharing of information on a confidential and reciprocal basis between competent authorities in a closed network;
- Five countries²⁵ out of 13 favoured a clearing-house mechanism, wherein a third party gathers confidential pricing information and shares aggregated and anonymised data among participating countries;
- Two countries (Colombia and Costa Rica) expressed preference for a clearing-house mechanism in which a third party collects confidential pricing information, and *publicly* shares it in an aggregated anonymised format.

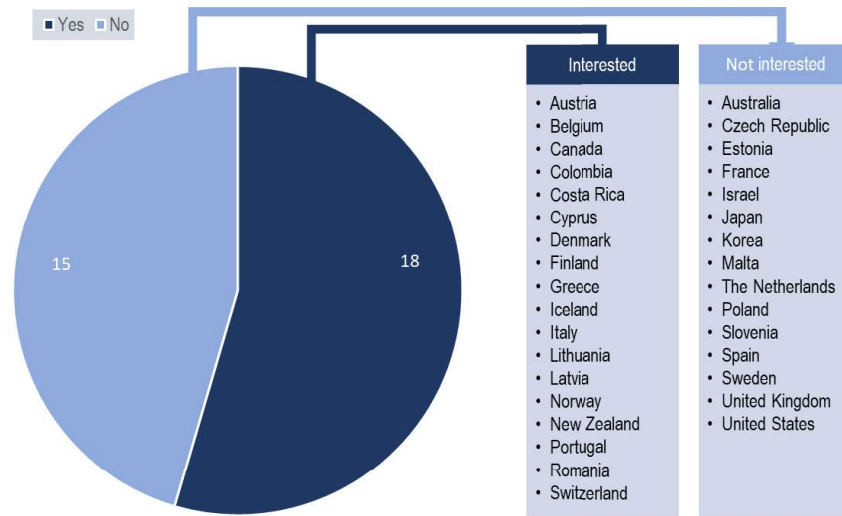
²³ Austria, Belgium, Canada, Colombia, Costa Rica, Cyprus, Denmark, Finland, Greece, Iceland Italy, Latvia, Lithuania, New Zealand, Norway, Portugal, Romania, and Switzerland.

²⁴ Cyprus, Iceland, Latvia, Lithuania, Romania, and Switzerland.

²⁵ Belgium, Canada, Greece, Italy, and New Zealand.

38. In addition, there was disagreement among countries on how frequently the net price information should be shared and updated (Figure A A.10), with preferences ranging from monthly to an annual basis. Moreover, some countries²⁶ expressed concerns regarding the challenges associated with establishing a mechanism to share net prices. These concerns were reinforced by divergent views on the practicalities of implementing such a mechanism. Austria specifically cited a previous unsuccessful attempt to establish a clearing-house mechanism for sharing net ex-factory pricing, which failed due to legal constraints and stakeholders’ opposition. If a net price sharing mechanism were to be established, most countries (16 out of 23 respondent countries)²⁷ agreed that a third party should host the mechanism. Thirteen countries suggested OECD, European Integrated Price Information Database (EURIPID), World Health Organization (WHO) and/or the European Commission (EC) as possible hosts.

Figure 2.17. Interest in participating in a pilot to establish a mechanism for sharing net-ex-factory prices



Note: Question A2.3.1: Would your country be interested in participating in a pilot to establish a mechanism for sharing net ex-factory prices with other countries?

Source: OECD survey on Price Transparency, 2022.

39. Most countries (20 out of 24 respondent countries to this question) were not able to anticipate the national costs and resources needed to establish and contribute to such a mechanism. However, some countries (Latvia, Norway, Portugal and Switzerland) noted that costs and resources could be bearable if existing mechanisms (e.g., EURIPID) could be used.

²⁶ Austria, Finland, Norway, and Portugal.

²⁷ Austria, Belgium, Colombia, Cyprus, Estonia, Finland, Italy, Korea, Latvia, Lithuania, New Zealand, Portugal, Romania, Spain, Switzerland, and the United States.

3 Conclusions

40. The main findings from this feasibility study are:

- **While twenty countries require the publication of list prices, countries often face legal and contractual constraints that prevent them from sharing net price information.** Results from the OECD survey on Price Transparency, 2022, reveal that 9 countries, face legal provisions prohibiting or limiting the public disclosure of net price information, while 6 countries face legal constraints preventing them from sharing net price information with other countries. Additionally, 32 countries mention the existence of contractual clauses that limit competent authorities and/or purchasers from sharing information without the consent of the marketing authorisation holder. This current landscape presents substantial barriers to achieving net price transparency, whose removal would require policy action.
- **All responding countries express interest in gaining information on prices paid by their counterparts.** Their interest spans a wide range of products, including on- and off-patent medicines and medicines for rare diseases, as well as several types of prices. Specifically, 24 respondent countries indicated a desire to obtain net ex-factory prices, and there is also a substantial demand (23 countries) for list prices, reimbursement amounts and maximum regulated prices. Each respondent indicated a preference to obtain this price information from EU Member States. Notably, most countries (29 out of 34) are already part of a price-sharing initiative, often sharing wholesale, pharmacy retail prices and list ex-factory prices.
- **While 24 countries declare interest in gaining information on net prices, only 7 would be willing or able to share such information.** In addition, some countries selected a different set of products to gain price information about compared to the set of products they would be willing or able to share price information on. Additionally, the set of countries for whom they want to gain information differs to some extent from the set of countries they would be willing or able to share such information with. These divergent interests compromise the feasibility of sharing net price information among countries.
- **Countries believe that sharing information in a closed network would better suit their objectives than public disclosure.** While 5 countries stated no interest in sharing net price information in a closed network, 22 countries aim to use it for informing price negotiations and 12 countries for informing external reference pricing and joint procurement initiatives. When it comes to disclosing net prices publicly, 13 countries indicated that they are not interested. Conversely, 11 countries mention supporting price negotiations with manufacturers/suppliers as an objective (for 11 of 31 respondent countries), 9 countries mention external reference pricing and seven countries list joint procurement initiatives.
- **Countries have different views on the potential consequences of disclosing net price information, either publicly or in a closed network.** There is a broad consensus among countries that disclosing net prices would increase or not affect the negotiation powers for payers, the usefulness of external reference pricing, and the sustainability of pharmaceutical spending. However, countries expressed substantial disagreement regarding the impact of greater price transparency on overall price levels, access to medicines, and the intricacy of price negotiations between payers and manufacturers. Only four countries do not foresee any type of impact of disclosing net price information, whether

publicly or in a closed network. These findings show that countries' objectives and anticipated consequences of greater price transparency are not fully aligned.

- **Eighteen countries are interested in participating in a pilot mechanism for sharing net price information with other countries.** However, the interested countries do not agree on the conditions under which such mechanism could be implemented. For instance, six countries favour a mechanism supporting the sharing of information on a confidential and reciprocal basis between competent authorities in a closed network. In contrast, seven countries favour establishing a clearing-house mechanism where a third party collects confidential price information and shares the aggregated and anonymised data with participating countries. Most countries (16) support the idea that a third-party should host the mechanism.

41. These key findings confirm that a significant number of OECD countries would like to share information on net prices of pharmaceuticals with other countries, with a preference for doing so in a closed network. The majority of respondent countries expressed interest in participating in a pilot mechanism for sharing net prices with their peers. Achieving this objective, however, would necessitate legislative and contractual adjustments in several countries. Looking ahead, the OECD proposes collaborating with interested countries to address these barriers to greater price transparency. For example, this collaboration could involve investigating confidentiality requirements to gain a better understanding of the limits and extent of confidentiality coverage, such as the scope and duration of confidentiality clauses, across OECD countries.

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Annex A. Policy Questionnaire and Survey results



OECD survey on Price Transparency Questionnaire 2022

The OECD survey circulated in Spring 2022 initially aimed to inform two different projects: one on competition in on-patent markets and one on price transparency. Only questions related to the second project are presented below.

Description

This OECD survey is intended to gather information to support the stream of work on Price Transparency, which falls under the overarching theme of *Increasing Transparency in Pharmaceutical Markets to Inform Policy*. The project description can be accessed via the following link: [DELSA/HEA/PHMD\(2021\)2](#).

Module A: Price Transparency. This part of the survey explores the feasibility and likely impact of sharing information on prices across countries. The questions are organised in three parts:

- **Part 1** collects contextual information about medicine pricing mechanisms;
- **Part 2** explores the type of information to which countries would seek access, are willing to share, and how the sharing could be made feasible; and
- **Part 3** seeks to identify the objectives and likely consequences of net price transparency.

Please complete this questionnaire in **LimeSurvey** (using the URL link sent by email) by **April 11th 2022**. This **PDF document** provides an overall outline of the survey questions, but is intended for reference only, to help plan your responses and coordinate with colleagues / other respondents.

In case of questions, please contact Eliana Barrenho (Eliana.Barrenho@oecd.org) for questions regarding *price transparency*.

Please note that we request **one survey submission per country**. We recognise that, given the range of topics covered, responses to this survey may require input from several sources. However, we encourage collaboration with the relevant parties, and the submission of a unitary response. Please indicate the names of all contributors and corresponding institutions involved in answering this survey, in case we need to seek clarification.

Contact information

Please provide the name(s), affiliation(s), and email address(es) of the **person(s) responsible for the completion of this questionnaire**.

Country:	
Name:	
Job Title:	
Organisation:	
E-mail address:	

The OECD may follow up with the identified contact person(s) if clarification is required.

Instructions

- The questionnaire should take about 45 minutes to complete. Please use the URL link sent by email to complete this questionnaire in LimeSurvey by **April 11th 2022**. The online questionnaire tool allows respondents to start and stop the questionnaire at your convenience (answers can be saved by clicking the "Resume later" button), and to share the responsibility of responding with other officials/experts by forwarding and accessing the URL link sent by email (please make sure not to access the survey tool simultaneously).
- Please answer the questions with information as current as at end of February 2022.
- Please answer the questions in the order in which they are presented. Depending on the responses given, some additional and related questions may follow.
- Definitions of words that are underlined may be found in the glossary below.

Glossary of terms used in this questionnaire

Term	Definition
Activity based payment	The base or unit of activity on which medicine prices are set. Common activity-based payments include fee-for-service, diagnosis related groups, per diem, and capitation, for example.
Bundled payment	A single payment covering a bundle of distinct medications required for the treatment of a given medical condition based on clinical practice guidelines.
Clearing-house mechanism	A mechanism (e.g. a web platform run by a trusted third party) that collects price information from different (national/cross-country) payers. Data are shared anonymously and in aggregated form (e.g. a range, minimum, maximum, average, median, etc.).
Co-payment or insurance	Cost-sharing requirement whereby the insured person pays a fixed amount (co-payment) or proportion (co-insurance) of the cost of the medication.
Cost-effectiveness	Cost-effectiveness analysis is an analytical technique that compares the net monetary costs of a treatment with a measure of effectiveness (e.g. a clinical or quality of life outcome) resulting from the treatment. Costs are measured in monetary units and effectiveness is measured in outcome units (e.g., years of life saved).
Differential pricing	A pricing strategy (also known as tiered pricing or price discrimination) in which a company sets different prices for the same product, or different therapeutic indications of the same product, on the basis of varying willingness (or capacity) to pay, customer type, geographical market, time of purchase, etc.
Discounts and Rebates	Discounts: Reductions in list ex-factory prices granted upfront or contingent on meeting an utilisation threshold (a price/volume discount). Discounts are often confidential, so that the net price paid remains undisclosed. Rebates: Cash or in-kind payment returned to a payer ex-post. Rebates, like discounts, are often confidential so that the net price

	paid remains undisclosed.
Effectiveness	The degree to which a therapeutic outcome from a medical intervention is achieved in a general population under actual or average conditions of use.
External reference pricing	A mechanism of pricing that uses the price of a pharmaceutical product (usually ex-manufacturer prices) in one or several countries to derive a benchmark or reference price for the purposes of setting or negotiating the price of a product. Also known as international reference pricing.
Formulary management mechanisms	<p>Formulary management mechanisms: approaches to managing a list of covered medications that encourage use of preferred products and discourage use of less preferred products.</p> <p>Tiered benefits/co-payments: a benefit design in which co-payment tiers are based on the status of a medication in a given formulary. An example of a 3-tier formulary might be generic medications (lowest tier), preferred brands (middle tier), non-preferred brands (highest tier). The composition of the tiers is intended to balance the need for payers to control spending, while not limiting access.</p> <p>Fail-first protocols: also known as step-therapy policies, these protocols restrict coverage of expensive (or less cost effective) therapies to patients who have previously failed or are intolerant to treatment with a lower-cost (or more cost effective) alternative.</p> <p>Treatment algorithms: where a formulary incorporates considerations of cost or cost-effectiveness in determining the order in which treatments are utilised for a given condition.</p> <p>Prior authorisation: the formulary rules require prescribing physicians to obtain advance approval to prescribe, or pharmacist to dispense, a medication. This is usually intended to ensure that the patient meets any special eligibility conditions (e.g. prior treatment, confirmed diagnosis, concomitant treatment, etc.)</p>
Gain-sharing arrangements	Gain-sharing arrangements include a potentially wide range of arrangements in which prescribers (e.g., physicians and hospitals) agree to work together and share in cost savings achieved from implementing quality improvements and achieving efficiencies by choosing cheaper products.
Medicine Prices	<p>List ex-factory price (manufacturer price, ex-manufacturer price, manufacturer's selling price, manufacturer's list price): The manufacturer's posted price of a pharmaceutical or other product. This generally excludes any confidential discounts or rebates to payers.</p> <p>Net ex-factory prices: price actually received by the supply chain actors (i.e. manufacturer, wholesale, pharmacy retail), after subtracting rebates and discounts.</p> <p>Wholesale price (pharmacy purchase price): The price charged by wholesalers to the retailers (usually community pharmacies). It is based on the ex-factory price together with remuneration for the pharmaceutical wholesaler (e.g. in the form of a wholesale mark-up or margin).</p> <p>Pharmacy retail price (retail price, consumer price): The price charged by community pharmacies to the general public, usually based on the wholesale price with the addition of pharmacy remuneration in the form of a pharmacy mark-up or margin, and in many cases, a dispensing fee or other additional fees. Consumer prices can include or exclude value-added tax (net and gross retail prices, respectively).</p> <p>Therapeutic reference pricing: Under this approach, the amount paid by the insurer is limited to the cheapest (or rarely, the average) price of any medicine within a defined therapeutic cluster in which the medicines are deemed to be therapeutic alternatives for a specific indication. A cluster may contain both on and off-patent medicines.</p> <p>Reimbursement amount or price (reimbursement list price): The maximum amount of reimbursement to pharmacy paid by a third-party payer (e.g. a health system or insurer) excluding any adjustment for patient co-payment or coinsurance.</p> <p>Maximum regulated price: The maximum price (if any) set by pricing authorities or by regulation or legislation.</p>
Parallel trade	Parallel trade occurs when products produced under the protection of a patent, trademark, or copyright in one market are subsequently exported to a second market and sold there without the consent of the intellectual property (IP) rights holder. Some countries permit this, others do not. Parallel trade is legal within the European Union.
Price transparency	Sharing, disclosure, and dissemination of information related to prices of pharmaceutical products to relevant parties and the general public. Full price transparency includes the publication of prices of all price types (e.g. ex-factory prices, pharmacy retail prices), and

	the disclosure of net transaction prices between suppliers (e.g. manufacturers, service providers) and the payers/purchasers (governments, insurers, consumers).
Product types	<p>On-patent or single-source medicines: medicines that are protected by patent or data exclusivity or for which there is only one supplier in the market.</p> <p>Off-patent or multi-source medicines: medicines for which patent protection has expired and are subject to generic or biosimilar competition, or are marketed by more than one manufacturer. [N.B. Off-patent medicines may be single source if there is only one supplier].</p> <p>Orphan medicines: medicines used to treat rare conditions that meet the definition of an orphan disease or orphan indication. In the European Union, orphan diseases are defined as those conditions affecting not more than five people in 10,000. Other countries define orphan diseases using different thresholds.</p> <p>Advanced therapy medicinal products (ATMPs): medicines for human use that are based on genes, tissues or cells offering new opportunities for the treatment of disease or injury (e.g. gene therapy medicines, somatic-cell therapy medicines and tissue-engineered medicines).</p>
Public disclosure	Act of making information or data readily accessible in the public domain including, for example, publication in an official bulletin, report or website. In the context of price transparency in pharmaceutical markets, public disclosure relates to placement in the public domain of the pricing methodology, including a description of the rationale and magnitude of reimbursement rates, and price components (e.g. production costs, R&D costs, mark-ups). It also relates to publication of the details of pricing arrangements such as managed-entry agreements and licensing arrangements.

Module A: Price Transparency

Part 1: Contextual information about medicine prices in your country

A1.1	<p>Is external reference pricing used as a pricing mechanism in your country or in a specific national insurance programme and/or other third-party payers?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
A1.2	<p>Are there any legal provisions pertaining to the public disclosure of medicine prices in your country?</p> <p><input type="checkbox"/> Yes, there are legal provisions <i>preventing or limiting public disclosure</i> of medicine price information</p> <p><input type="checkbox"/> Yes, there are legal provisions <i>mandating public disclosure</i> of medicine price information</p> <p><input type="checkbox"/> No, there are no legal provisions <i>pertaining to the public disclosure</i> of medicine prices</p> <p><input type="checkbox"/> No, but my country is contemplating legal provisions <i>pertaining to the public disclosure</i> of medicine prices</p>	<p>Please use this box to describe the use of external reference pricing in your country and provide links to any relevant documents.</p>
A1.3	<p>Are there any contractual arrangements with suppliers/manufacturers that require price information to remain confidential?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	<p>Please use this box to provide further information regarding the nature of these contractual arrangements and provide links to any relevant documents.</p>
	<p>If you answered “Yes” to A1.3, which types of products are most <i>likely</i> subject to such contractual arrangements in your country?</p>	<p><i>Please, select all options that apply for any of the following types of products.</i></p> <p><input type="checkbox"/> On-patent or single-source medicines</p> <p><input type="checkbox"/> Off-patent or multi-source medicines (e.g. generics and biosimilars)</p> <p><input type="checkbox"/> High unit-cost medicines, <u>orphan</u> and rare disease medicines, or <u>advanced therapy medicinal products</u></p> <p><input type="checkbox"/> Vaccines</p> <p><input type="checkbox"/> Other. <i>Please, describe below.</i></p> <p><i>If you answered “Other”, please describe.</i></p>
	<p>If you answered “Yes” to A1.3, which of the following types of pricing agreements have been made in your country under the most recent</p>	<p><i>Please, select all options that apply.</i></p> <p><input type="checkbox"/> Simple, “flat” <u>discounts/rebates</u> on a drug’s list price</p> <p><input type="checkbox"/> <u>Discounts/rebates</u> tied to a level of utilisation or expenditure, or triggered by use in excess of a specific threshold</p>

	<p>contractual arrangements?</p>	<p><input type="checkbox"/> <u>Discounts/rebates</u> tied to health outcomes at population or individual level</p> <p><input type="checkbox"/> <u>Discounts/rebates</u> tied to a bundle of products</p> <p><input type="checkbox"/> <u>Discounts/rebates/contributions in-kind</u> (e.g., where a manufacturer pays for the cost of other goods or services associated with the use of a particular product)</p> <p><input type="checkbox"/> Other. <i>Please, describe below.</i></p> <p style="background-color: #e0e0e0;">If you answered "Other", please describe.</p>
<p>A1.4</p>	<p>Is your country <i>currently</i> sharing price information with one or more other countries?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	<p><i>Please, select all options that apply.</i></p> <p><input type="checkbox"/> <u>List ex-factory prices</u></p> <p><input type="checkbox"/> <u>Net ex-factory prices</u> paid by the government</p> <p><input type="checkbox"/> <u>Wholesale or pharmacy retail prices</u></p> <p><input type="checkbox"/> <u>Reimbursement amount</u> paid by a national insurance programme and/or other third-party payers</p> <p><input type="checkbox"/> <u>Maximum regulated price</u> (if any) set by pricing authorities or actual procurement paid by national insurance programmes</p> <p><input type="checkbox"/> Other. <i>Please, describe below.</i></p> <p style="background-color: #e0e0e0;">If you answered "Other", please describe.</p>
	<p>If you answered "Yes" to A1.4, what prices is your country <i>currently</i> sharing with other countries?</p>	<p><i>Please, select all categories that apply to at least one product.</i></p> <p><input type="checkbox"/> <u>On-patent or single-source</u> medicines</p> <p><input type="checkbox"/> <u>Off-patent or multi-source</u> medicines (e.g. generics and biosimilars)</p> <p><input type="checkbox"/> <u>Orphan</u> and rare disease medicines, or <u>advanced therapy medicinal products</u></p> <p><input type="checkbox"/> Vaccines</p> <p><input type="checkbox"/> Other. <i>Please, describe below.</i></p> <p style="background-color: #e0e0e0;">If you answered "Other", please describe.</p>
	<p>If you answered "Yes" to A1.4, who has access and under what conditions is price information <i>currently</i> shared with other countries?</p>	<p><i>Please, select all options that apply.</i></p> <p><input type="checkbox"/> Price information is shared <i>confidentially</i> with one or more countries</p> <p><input type="checkbox"/> Price information is shared <i>confidentially</i> with one or more countries <i>only on a reciprocal basis</i></p> <p><input type="checkbox"/> Price information is in the <i>public domain</i></p> <p><input type="checkbox"/> Other. <i>Please, describe below.</i></p> <p style="background-color: #e0e0e0;">If you answered "Other", please describe.</p>

Part 2: Feasibility of sharing price information across countries

A2.1	<p>Is your country interested in gaining access to price information from other countries?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>																																													
<p>If you answered “Yes” to A2.1, which prices and for which types of products is your country interested in gaining access to information from other countries? <i>Please, select all combinations of prices/products that apply in the table below.</i></p>																																														
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A2.2	<p>Is your country interested/willing/able to share price information with other countries? <i>Please respond to all three statements.</i></p> <p>My country is interested in sharing price information with other countries <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>My country is willing to share price information with other countries <input type="checkbox"/> Yes <input type="checkbox"/> No</p>																																													

My country is unable (either legally or logistically) to share price information with other countries <input type="checkbox"/> Yes <input type="checkbox"/> No																																														
If you answered either “No” to interested/willing or “Yes” to unable in A2.2, what are the barriers or constraints to the sharing of price information with other countries?	Please, select all options that apply. <input type="checkbox"/> Legal/regulatory constraints <input type="checkbox"/> Contractual constraints <input type="checkbox"/> Resource constraints <input type="checkbox"/> Political constraints <input type="checkbox"/> Other. <i>Please, describe below.</i>																																													
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If you answered “Yes” to interested/willing or “No” to unable in A2.2, with which countries is your country interested/willing/able to share price information on medicines? Please note that other questions below ask about the conditions (e.g. data privacy) under which this information may be shared.	Please, select all options that apply. <input type="checkbox"/> Member states of the European Union <input type="checkbox"/> OECD member countries <input type="checkbox"/> Countries within the same WHO region (e.g., EMRO, SEARO, WPRO, etc.) <input type="checkbox"/> Countries that are major trading partners <input type="checkbox"/> Emerging economies (e.g. Brazil, Russia, India and China) <input type="checkbox"/> Low or middle-income countries <input type="checkbox"/> Other. <i>Please describe below.</i>																																													
If you answered “Other”, please describe.																																														

<p>A2.3</p>	<p>Would your country be <i>interested</i> in participating in a pilot to establish a mechanism for sharing <u>net ex-factory prices with other countries</u>?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
	<p>If you answered “Yes” to A2.3, under what conditions should this mechanism be established for sharing <u>net ex-factory prices with other countries</u>?</p> <p><i>Please, select one option.</i></p> <p><input type="checkbox"/> A mechanism for sharing confidential pricing information on a <i>reciprocal basis</i> between competent authorities in a closed network</p> <p><input type="checkbox"/> A <u>clearing-house mechanism</u> where a third party collects confidential pricing information and shares this in an <i>aggregated, anonymised format with participating countries</i></p> <p><input type="checkbox"/> A <u>clearing-house mechanism</u> where a third party collects confidential pricing information, and shares this in an <i>aggregated anonymised format publicly</i></p> <p><input type="checkbox"/> Other. <i>Please describe below.</i></p> <p style="background-color: #e0e0e0;"><i>If you answered “Other”, please describe.</i></p>
<p>A2.4</p>	<p>If a mechanism as described in A2.3 were to be established, can you anticipate any costs and resources needed in your country to contribute to this mechanism? <i>Please describe below.</i></p>
<p>A2.5</p>	<p>If a mechanism as described in A2.3 were to be established, who should host it? <i>Please describe below.</i></p>
<p>A2.6</p>	<p>If a mechanism as described in A2.3 were to be established, how frequently should the information be updated?</p> <p><input type="checkbox"/> Monthly or quarterly</p> <p><input type="checkbox"/> Twice a year</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Annually using information from the preceding year</p> <p><input type="checkbox"/> Other. <i>Please, describe below.</i></p> <p style="background-color: #e0e0e0;"><i>If you answered “Other”, please describe.</i></p>

Part 3: Objectives and consequences of net price transparency

A3.1	<p>What do stakeholders in your country see as the objectives and benefits of public disclosure of net ex-factory price information? <i>Please, select all options that apply.</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> To improve access and coverage of medicines through reduced prices <input type="checkbox"/> To improve public accountability in pharmaceutical coverage decisions <input type="checkbox"/> To improve informed decisions regarding the purchase of medicines <input type="checkbox"/> To increase leverage of institutional payers in price negotiations with manufacturers/suppliers <input type="checkbox"/> To improve sustainability of the pharmaceutical budget through reduced prices <input type="checkbox"/> To facilitate <u>differential pricing</u> <input type="checkbox"/> To reduce <u>parallel trade</u> <input type="checkbox"/> There are no benefits in disclosing net price information publicly <input type="checkbox"/> Other. <i>Please describe below.</i> 																		
	<i>If you answered "Other", please describe.</i>																		
A3.2	<p>What would be your governments' objectives in disclosing net ex-factory price information publicly? <i>Please, select all options that apply.</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> To inform joint procurement initiatives <input type="checkbox"/> To inform price negotiations with manufacturers/suppliers <input type="checkbox"/> To inform <u>external reference pricing</u> <input type="checkbox"/> My government is not interested in disclosing net medicine prices publicly <input type="checkbox"/> Other. <i>Please, describe below.</i> 																		
	<i>If you answered "Other", please describe.</i>																		
A3.3	<p>What would be your governments' objectives in sharing (and NOT disclosing publicly) net ex-factory price information with other countries? <i>Please, select all options that apply.</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> To inform joint procurement initiatives <input type="checkbox"/> To inform price negotiations with manufacturers <input type="checkbox"/> To inform <u>external reference pricing</u> <input type="checkbox"/> My government is not interested in sharing net medicine price information with other countries <input type="checkbox"/> Other. <i>Please, describe below.</i> 																		
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A3.4	<p>What do you see as the likely consequences for your country of disclosing net ex-factory price information publicly? <i>Please, check all options that apply.</i></p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #d9e1f2;"> <th style="width: 40%;"></th> <th style="width: 12.5%;">Decrease greatly</th> <th style="width: 12.5%;">Decrease somewhat</th> <th style="width: 12.5%;">Neither decrease nor increase</th> <th style="width: 12.5%;">Increase somewhat</th> <th style="width: 12.5%;">Increase greatly</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Access to medicines</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="padding: 5px;">Leverage for payers when negotiating prices with manufacturers</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table>		Decrease greatly	Decrease somewhat	Neither decrease nor increase	Increase somewhat	Increase greatly	Access to medicines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Leverage for payers when negotiating prices with manufacturers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Leverage for payers when negotiating prices with manufacturers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>														

	Usefulness of <u>external reference pricing</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Overall price levels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Sustainability of the pharmaceutical expenditure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Complexity of price negotiations between payers and manufacturers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Other (Please, describe in the box below.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No effect	<input type="checkbox"/>				
If you answered "Other", please describe.						
A3.5	What do you see as the likely consequences for your country of sharing (and NOT disclosing publicly) net ex-factory price information with other countries? Please, check all options that apply.					
		Decrease greatly	Decrease somewhat	Neither decrease nor increase	Increase somewhat	Increase greatly
	Access to medicines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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	Usefulness of <u>external reference pricing</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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	No effect	<input type="checkbox"/>				
If you answered "Other", please describe.						

Thank you for completing the survey. We kindly request responses by **April 11th 2022**.

Results of the OECD survey on Price Transparency 2022

Table A A.1. List of national institutions that responded to the policy questionnaire

Country	Organisation
Australia	Ministry of Health - Australian Government Department of Health
Austria	Federal Ministry of Social Affairs, Health, Care and Consumer Protection
Belgium	National Institute for Health and Disability Insurance (NIHDI)
Bulgaria	National Council on Prices and Reimbursement of Medicinal Products (NCPR/Council)
Canada	Health Canada
Colombia	Ministry of Health (Ministerio de Salud y Protección Social)
Costa Rica	Ministry of Health (Ministerio de Salud)
Cyprus	Health Insurance Organisation
Czechia	Ministry of Health
Denmark	The Danish Medicines Agency
Estonia	Estonian Health Insurance Fund
Finland	Pharmaceuticals Pricing Board, Ministry of Social Affairs and Health
France	Ministry of Health
Greece	National Organisation for Healthcare Services Provision (EOPYY), National Drug Organisation (EOF)
Iceland	Icelandic Medicines Agency
Israel	Ministry of Health
Italy	Italian Medicines Agency (AIFA, Agenzia Italiana del Farmaco)
Japan	Ministry of Health, Labour and Welfare
Korea	Health Insurance Review and Assessment service
Latvia	Ministry of Health
Lithuania	Ministry of Health, National Health Insurance Fund
Malta	Directorate Pharmaceutical Affairs
Netherlands	Ministry of Health, Welfare and Sport
New Zealand	Pharmaceutical Management Agency (Pharmac)
Norway	The Norwegian Medicines Agency
Poland	Ministry of Health - Department of Drug Policy and Pharmacy
Portugal	National Authority of Medicines and Health Products (INFARMED)
Romania	Ministry of Health
Slovenia	Ministry of Health
Spain	General Director for Common NHS Services Portfolio and Pharmacy
Sweden	The Dental and Pharmaceutical Benefits Agency (TLV)
Switzerland	Swiss Federal Office of Public Health
United Kingdom	Department of Health and Social Care
United States	Department of Health and Human Services, Office of the Secretary

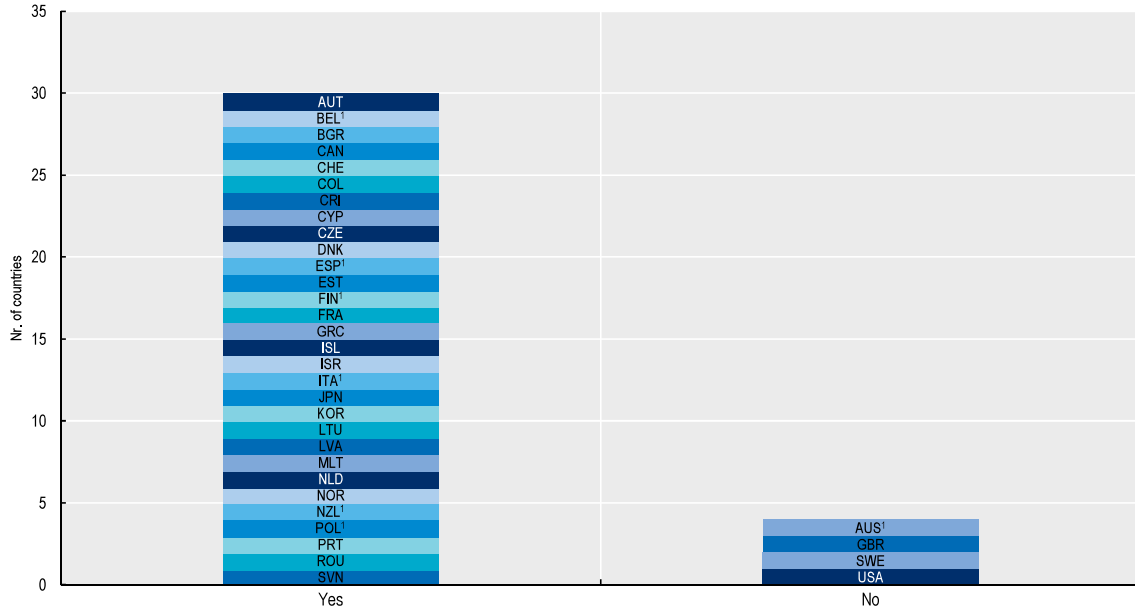
Source: OECD survey on Price Transparency, 2022.

Box A A.1. Non-exhaustive list of national legal provisions mandating public disclosure of pharmaceutical price information

- **Austria** adopted the Price Transparency Act (1992) that demands public disclosure (via internet) of the prices of medicines that were subject to price increases (Austrian Parliament, 1992^[12]);
- In **Belgium**, reimbursement conditions and maximum prices of all reimbursed medicines are publicly available online as required by the Royal Decree of 1 February 2018 (INAMI, 2023^[13]; Belgian Parliament, 2018^[14]);
- In **Bulgaria**, legal provisions mandating the public disclosure of medicine prices are included in the Law for Medicinal Products in Human Medicine, in force since 13 April 2007 (Bulgarian Parliament, 2007^[15]);
- In **Czechia**, national legal provisions require the list of all maximum ex-factory and reimbursement prices of all reimbursed products to be published monthly on the State Institute for Drug Control (SUKL) website (SUKL, 2023^[16]; SUKL, 2018^[17]);
- In **Denmark**, legislation requires consumer prices of all outpatient medicines in the Danish market to be made publicly available online by the Danish Medicines Agency (Danish Ministry of Health, 2015^[18]; Danish Medicines Agency, 2023^[19]);
- In **Italy**, the list prices of all reimbursed medicines are published. Net prices of the 5% or 5%+5% discount imposed by national law are also published (AIFA, 2023^[20]). However, net ex-factory prices remain confidential if a confidential agreement has been signed between the Italian Medicines Agency AIFA (Agenzia Italiana del Farmaco) and manufacturers. Moreover, there are legal provisions mandating public disclosure of medicine price information obtained through public tenders at local level;
- In **Israel**, legislation imposes the public disclosure of the prices of prescription medicines and over-the-counter medicines (Israeli Ministry of Health, 2023^[21]; Israeli Ministry of Health, 2020^[22]);
- In **Slovenia**, national legislation (2018^[23])¹ mandates the disclosure of maximum prices and exceptional high prices, as determined by the Agency for Medicinal Products and Medical Devices of the Republic of Slovenia (JAZMP) on their website.

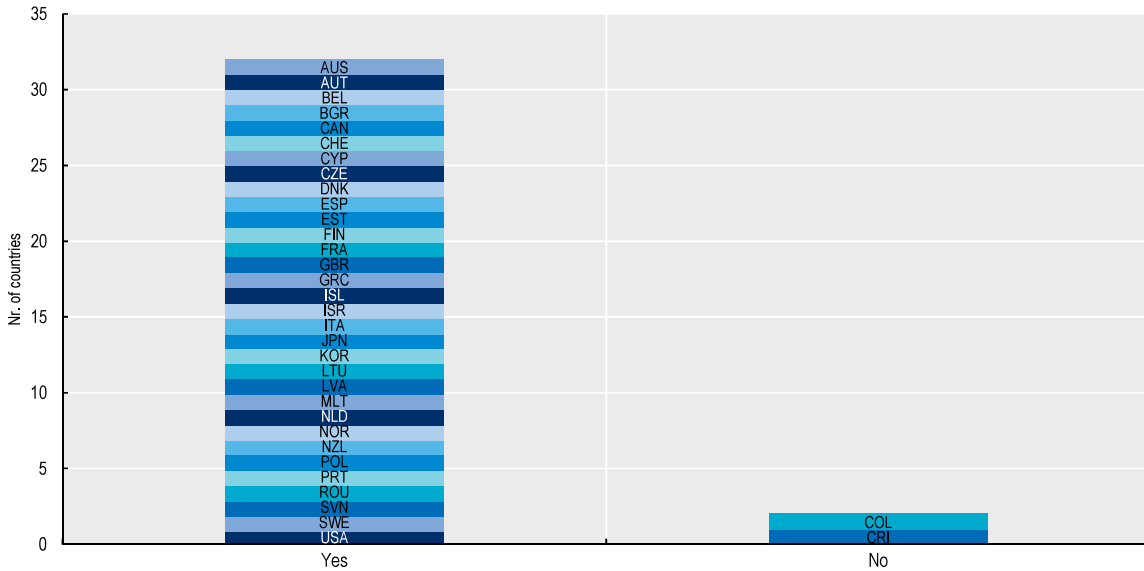
Source: Authors based on the OECD survey on Price Transparency, 2022.

Figure A A.1. External reference pricing used as a pricing mechanism



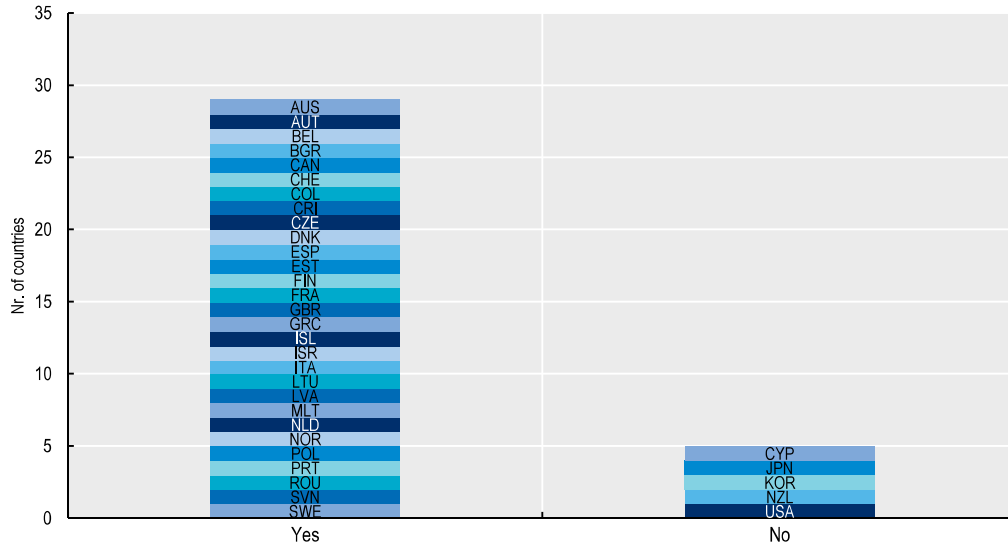
Note: Question A1.1: Is external reference pricing used as a pricing mechanism in your country or in a specific national insurance programme and/or other third-party payers?; 1. External reference pricing may be used as supportive information.
 Source: OECD survey on Price Transparency, 2022.

Figure A A.2. Contractual arrangements with suppliers/manufacturers that require price information to remain confidential



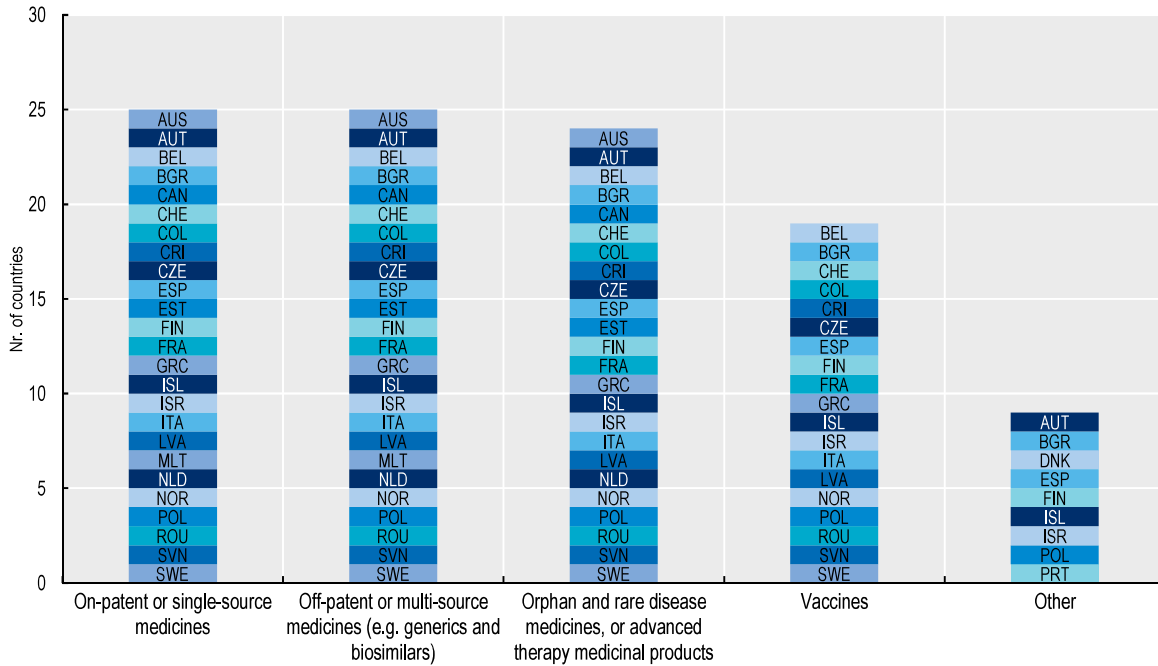
Note: Question A1.3.1: Are there any contractual arrangements with suppliers/manufacturers that require price information to remain confidential?
 Source: OECD survey on Price Transparency, 2022.

Figure A.A.3. Countries currently sharing prices with other countries



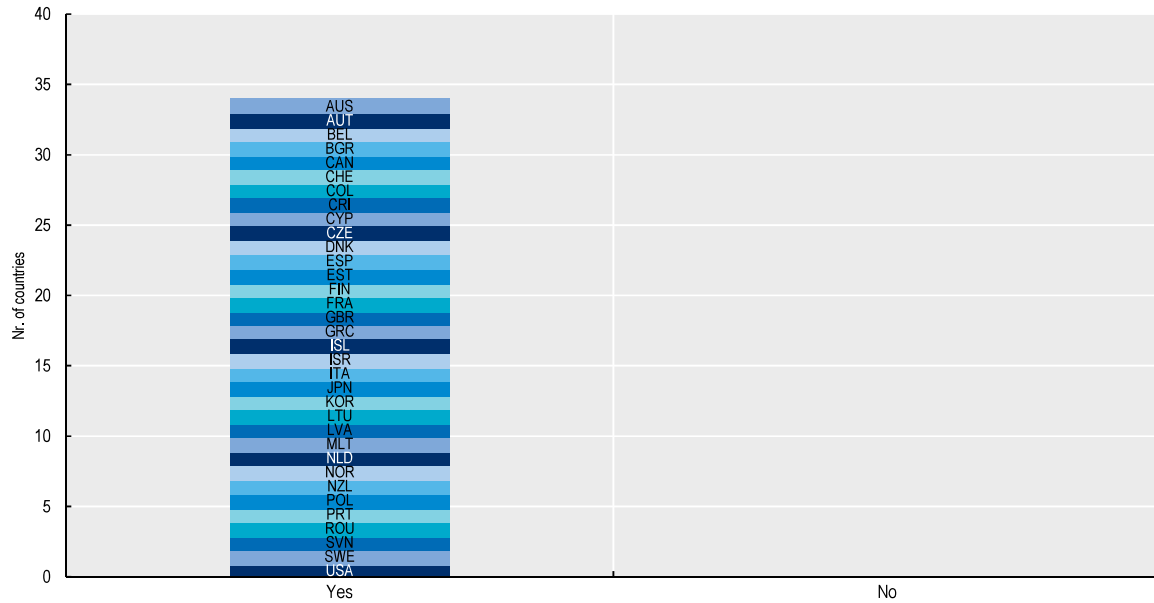
Note: Question A1.4.1: Is your country currently sharing price information with one or more other countries?
 Source: OECD survey on Price Transparency, 2022.

Figure A.A.4. Types of products for which price information is shared with other countries



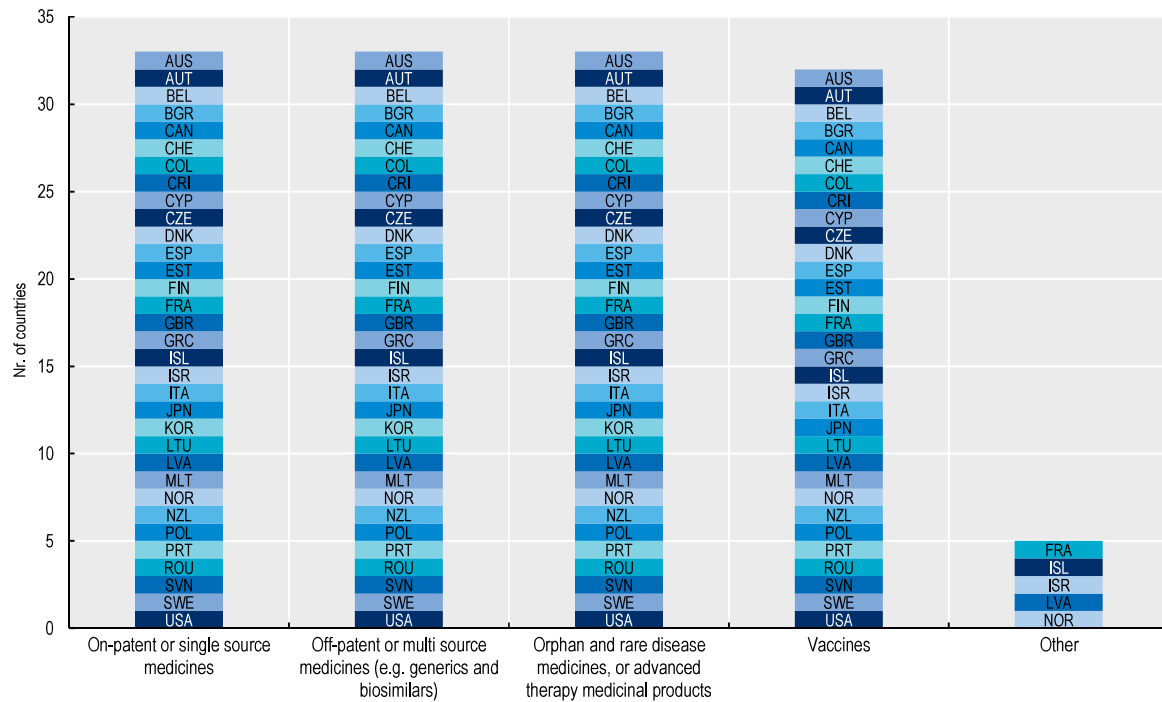
Note: Question A1.4.3: If you answered "Yes" to A1.4, for which types of products is your country currently sharing price information with other countries?
 Source: OECD survey on Price Transparency, 2022.

Figure A A.5. Countries with interest in gaining access to price information from other countries



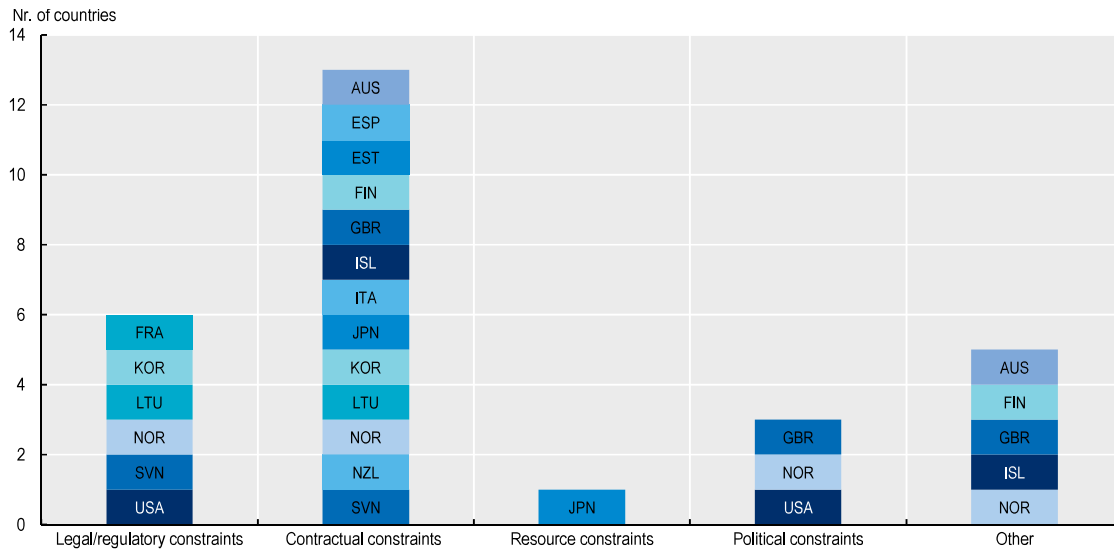
Note: Question A2.1.1: Is your country interested in gaining access to price information from other countries?
 Source: OECD survey on Price Transparency, 2022.

Figure A A.6. Types of products for which countries are interested in gaining access to information



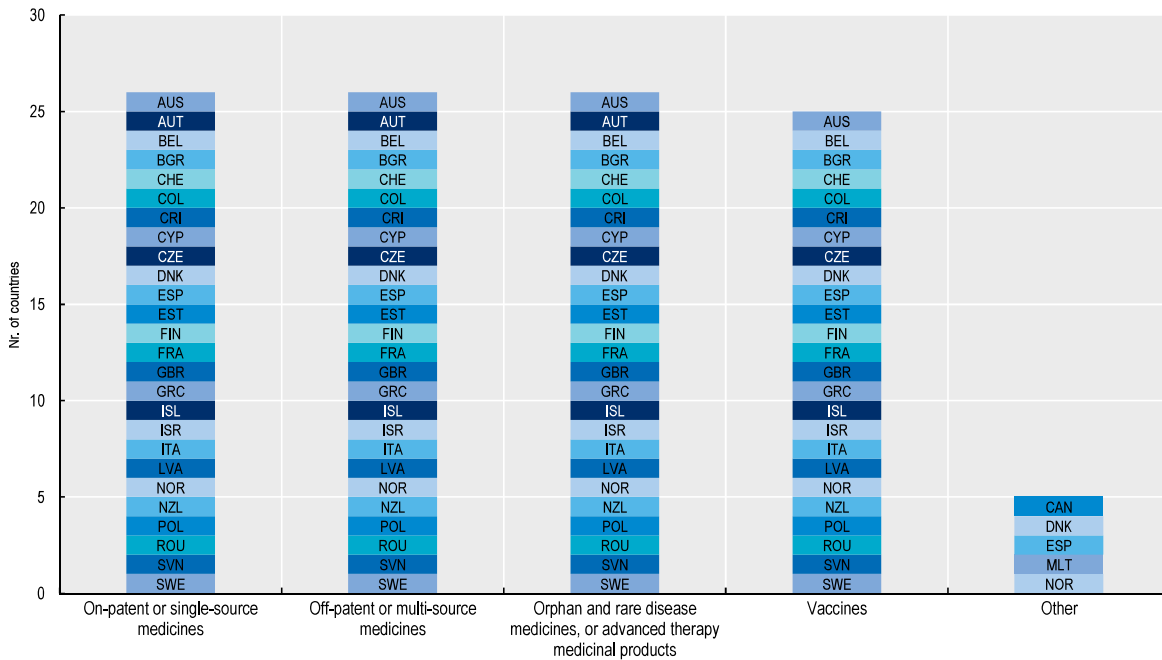
Note: Question A2.1.2: If you answered "Yes" to A2.1, for which types of products is your country interested in gaining access to information from other countries?
 Source: OECD survey on Price Transparency, 2022.

Figure A A.7. Barriers or constraints to sharing price information with other countries



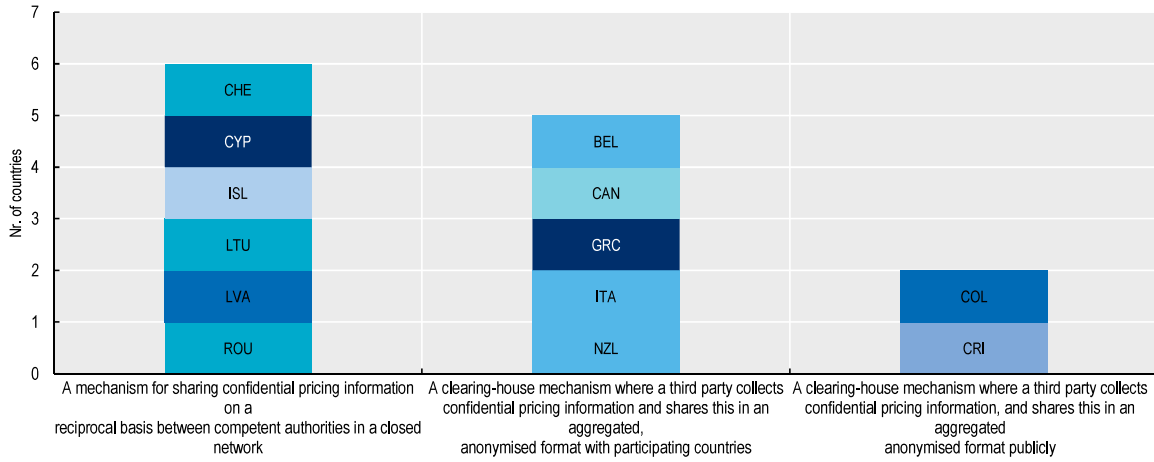
Note: Question A2.2.2: If you answered either “No” to interested/willing or “Yes” to unable in A2.2, what are the barriers or constraints to the sharing of price information with other countries?
 Source: OECD survey on Price Transparency, 2022.

Figure A A.8. Types of products for which countries are interested/willing/able to share information



Note: Question A2.2.3: If you answered either “Yes” to interested/willing or “No” to unable in A2.2, for which types of products is your country interested/willing/able to share information with other countries?
 Source: OECD survey on Price Transparency, 2022.

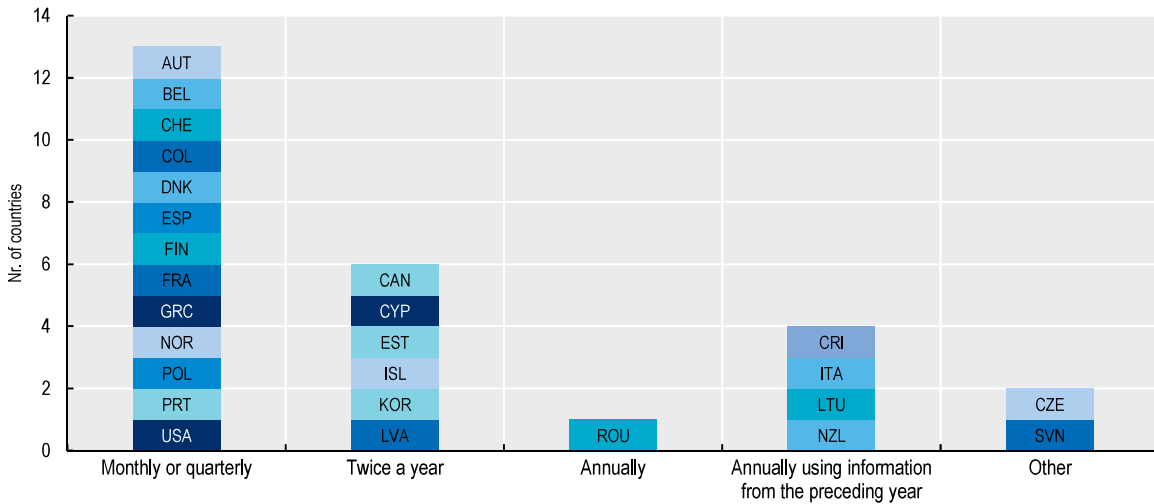
Figure A A.9. Conditions under which the pilot should be established for sharing net ex-factory prices



Note: Question A2.3.2: If you answered “Yes” to A2.3, under what conditions should this mechanism be established for sharing net ex-factory prices with other countries?

Source: OECD survey on Price Transparency, 2022.

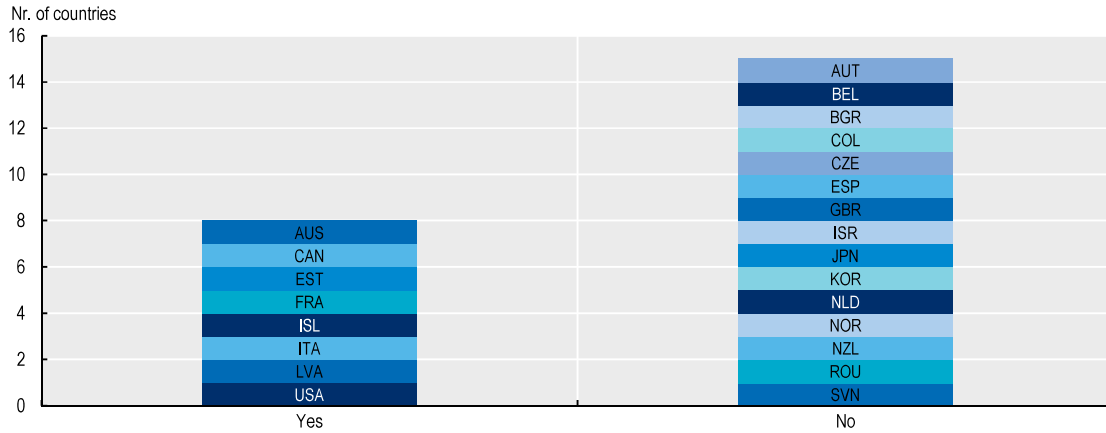
Figure A A.10. Frequency to update information in pilot mechanism



Note: Question A2.6: If a mechanism as described in A2.3 were to be established, how frequently should the information be updated?

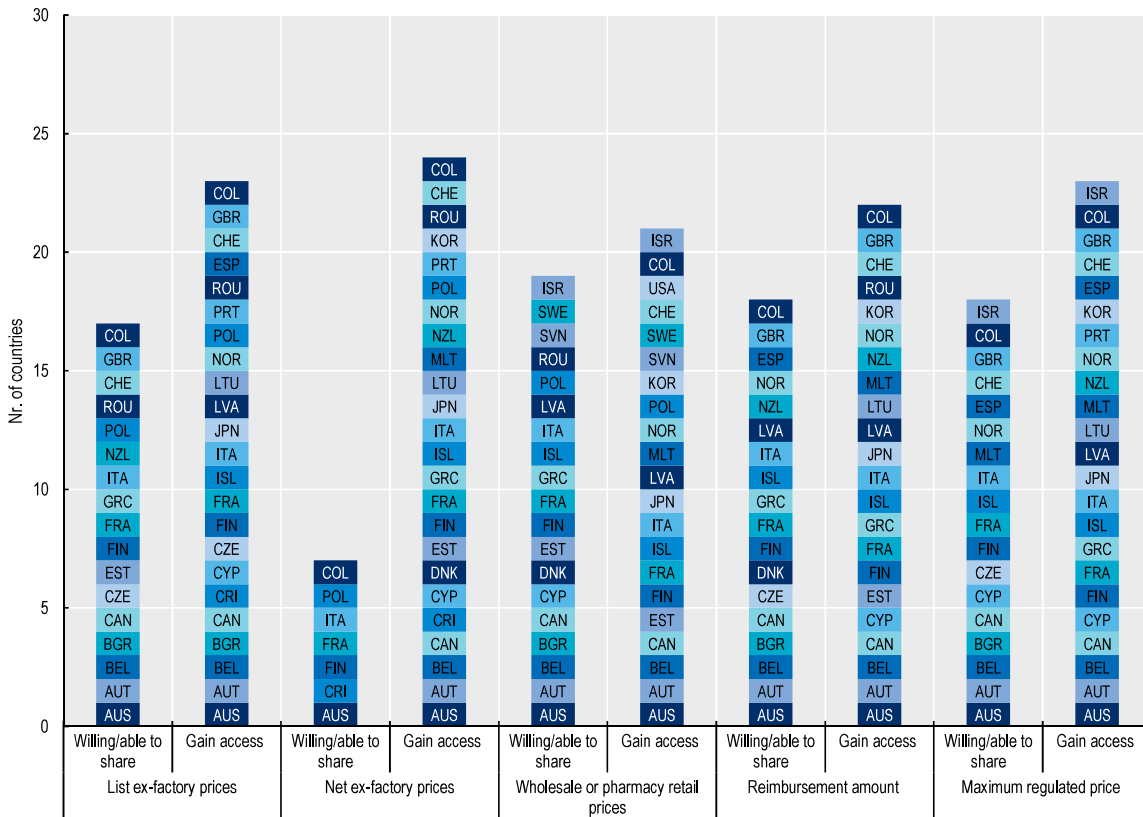
Source: OECD survey on Price Transparency, 2022.

Figure A A.11. Legal requirements for the disclosure of actual transaction prices



Note: Question B7.3: If you answered that “transaction prices in the supply chain can deviate from regulated prices” in B7, please answer the following question. Are there any requirements for the disclosure of actual transaction prices within the supply chain?
 Source: OECD survey on Price Transparency, 2022.

Figure A A.12. Comparison of the types of price information countries are willing or able to share versus those they seek access to



Source: OECD survey on Price Transparency, 2022.

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