PHP23

A COMPARATIVE ANALYSIS OF THE FINANCING, PRICING AND REIMBURSEMENT SYSTEMS FOR PRESCRIPTION DRUGS IN THE NORDIC COUNTRIES

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OBJECTIVES: To elicit similarities and differences in the policies and practices for financing, pricing and reimbursing prescription drugs in the often perceived similar Nordic countries of Denmark (D), Finland (F), Norway (N) and Sweden (S). **METHODS:** A review of the four countries' authorities' stated policies and practices on the matter were performed through a search of the literature and of the respective authorities' homepages. The information was validated through interviews with key personnel of the reimbursement agencies in each country, and the final study reports for the respective countries were reviewed by the same persons. **RESULTS:** All countries have a national health care system financed by taxation. There are differences in the reliance upon patient co-payment (N 13%, others 22–37%) and whether financing is a county (S) or national (others) responsibility. All have regulated prices for reimbursed drugs; based either upon international comparisons (N, D) or country-specific decisions (S, F). The criteria used for deciding to reimburse a drug vary between the countries, and reimbursement is practiced differently in several other dimensions: mandatory requirement for pharmacoeconomic analysis (F, N, S), the existence of patient-specific reimbursement systems (D, F, N), product- (S) or indication-based (others) reimbursement, use of graded (F), conditional (N, S) or temporary (S) reimbursement, use of reimbursement contracts (N), and different processes for handling disagreement about decisions. **CONCLUSION:** The Nordic countries all have a national health care system financed by taxation and encompassing prescription drugs, but differ in a number of other dimensions with respect to financing, pricing and reimbursing such drugs.

PHP24

A SYSTEMATIC REVIEW OF THE EUROPEAN PHARMACEUTICAL MARKET AND THE IMPACT OF EUROPEAN UNION REGULATION AND JURISDICTION

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OBJECTIVES: To examine the impact of the increasing role of the European Union (EU) on the European pharmaceutical market, focusing on industry and national policies. To give a systematic overview of the current state of the European pharmaceutical market as a whole. **METHODS:** Systematic literature review for the years 1965–2005, including "grey" sources of information, online databases, European Commission documents and European Court of Justice rulings, relevant journals and systematically tracing back relevant references. **RESULTS:** The EU attempts to liberalise the pharmaceutical market and the realisation of a Single European Market (SEM) came to a standstill, after some considerable achievements (e.g. marketing authorisation). Instead, the EU seems to concentrate on coordination of results through the adoption of the so-called G10 recommendations. EU Member States successfully—and intentionally—kept control on the issues of pricing, reimbursement, pharmacies and prescribing. Over the last 25 years they adapted increasingly convergent measures to cope with rising pharmaceutical expenditures, without long-lasting cost containment effects. However, recent European case law might prove to have far reaching consequences on the provision of medicines. The European pharmaceutical industry—although profitable—is underperforming compared to the USA, which is blamed on restrictive regulatory frameworks in the Member States. **CONCLUSIONS:** The future of the actors in the European pharmaceutical market is not clear. Will it bring more European influence or a strengthening of national influence? In the short term, major change towards a SEM seems unlikely, but in the longer term European history showed that major change is possible. It seems clear that much depends on the attitude of Member States towards the new approach and the interpretation and influence of European case law. For the European industry, adoption and implementation of G10 recommendations is of great importance for future competition with US-based companies.

PHP25

USING AN ITALIAN POPULATION DATABASE TO PROFILE PREVALENCE AND COSTS OF CHRONIC CONDITIONS

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OBJECTIVE: Individuals with chronic medical illness may have multiple health problems, and are often costly and difficult to manage. This study identifies those with highly prevalent chronic conditions and assesses related health service use and costs in the population of Emilia Romagna (RER), a large northern Italian region. **METHODS:** Pharmaceutical, hospital, and demographic data from 2000 and 2001 have been assembled for the entire population of RER (4 million). Pharmaceutical and hospital tariffs were a proxy for costs. Pharmacy and hospital records were used to identify individual morbidity. Data included demographic and geographic information, encounter dates, diagnosis/procedure codes, pharmaceutical information, and health care costs. Individuals were classified as having a chronic condition in 2000, and we examined pharmacy and hospital use/costs in 2001. Descriptive analyses compared mean and total costs, as well as proportions within the population. **RESULTS:** We identified five highly prevalent chronic conditions: cardiovascular diseases (N = 824,190, 20.8% of the population); rheumatologic conditions (N = 172,402, 4.4%); gastric acid disorders (N = 142,191, 3.6%); chronic respiratory illnesses (N = 154,601, 3.9%); and psychiatric disorders (94,140, 2.4%). 27.3% of the population had one or more of these five chronic conditions, and these individuals accounted for 72.8% of the pharmacy costs and 58.9% of the hospital costs in the following year. For persons with these five conditions, we also described use and costs by age and gender, residence, and income. **CONCLUSIONS:** Interestingly, one-fourth of the population with selected chronic conditions accounted for large proportions of cost and use of health services. The ability to identify those with chronic conditions would help planners and governmental agencies to address health care needs, increase quality of care, avoid unnecessary hospitalizations, and save costs. These types of data can be used to estimate health care financing and risk adjustment models, and profile specific clinical, demographic or geographic sub-groups.

PHP26

ADHERENCE INDEX OF PERFORMANCE—A NEW METHOD AND TOOL FOR ONGOING EVALUATION OF MEDICATION ADHERENCE IMPROVEMENT INITIATIVES

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OBJECTIVES: To develop a standardized means for measuring the impact of medication adherence improvement initiatives in disparate pharmacy claims databases over sequentially overlapping periods of time. **METHODS:** The Adherence Index of