External price referencing system - Implementation in Albania and consequences

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External Price Referencing was introduced in Albania during 2012 as a system that would contribute towards the principle of macroeconomic efficiency by exerting pressure on price. It was a fact that prices in Albania were far higher that the prices in the neighbor countries so this reform was an important step to a better price control.

Provisions concerning regulatory changes that were made in order to implement this system, can be found in the Decision No. 62 of 1 February 2012 on the Way of Functioning of the Drug Pricing Commission and Order No 185/1 by the Minister of Health of 4 June 2012 on Approval of the Regulation on Methodology of Determination of Drug Prices and Administration Way of Price Declarations in the Republic of Albania. According to the Decision No. 62, CIF prices in Albania are compared to CIF prices of three reference countries: Italy, Greece and Macedonia.

Implementation of External Price Referencing started after Price declarations for 2013. Price declarations were followed by negotiation meetings at the Ministry of Health of Albania, where the pharmaceutical companies were informed on products that exceeded the prices in the Reference Countries and were advised to lower prices according to the legislative demands.

After the presentation of the regulatory framework and in practice application a simple analysis on tendency of prices over the years will follow in order to reflect the practical consequences of this reform in Albania.

Biography

Ledia Cikopana has completed her M.Pharm. at the age of 23 years from Tirana University, Faculty of Medicine, Department of Pharmacy and at the age 30 years the MBA from Tirana University, Faculty of Economics. She is the Regulatory associate and the responsible person for Quality and Pharmacovigilance at the Representative office in Albania of Krka, a well known generic pharmaceutical company.

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