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Generic substitution generated nearly €40 million of savings in Finland in six months

Generic substitution and drug price reductions, brought on by price competition, generated €39.8 million of savings in Finland in the first six months of the new procedure.

The patients' share of the savings was €17.5 million and €22.2 million was saved in drug reimbursement payments. The amount saved approximated to 5% of the total cost of all reimbursed medicines.

Generic substitution was introduced in Finland on 1 April 2003. According to the new practice the prescribed medicinal product is substituted in a pharmacy by the cheapest, or close to the cheapest, generic alternative. Both the prescribing physician and the purchasing individual have the power to forbid the substitution. The reimbursement payment, pursuant to the Health Insurance Act, will be based on the price of the dispensed product.

The list of substitutable medicinal products is provided by the National Agency for Medicines (www.nam.fi). The products must be pharmacologically and clinically substitutable, i.e. they must contain the same active substance in the same amount and pharmaceutical form, and they must be biologically equivalent. The substitutable products account for 45% of all reimbursed prescriptions and 35% of the total cost of all reimbursed medicines.

The physician may forbid the exchange of the prescribed product on medical or therapeutic grounds. Only 0.4% of the prescriptions where substitution would have been possible had been marked by the physician to forbid the substitution. Purchasing patients declined the substitution in nearly 11% of the prescriptions. About 14% of all eligible prescriptions generated substitution.

This data is based on the Prescription Register maintained by the Social Insurance Institution of Finland (Kela). The table showing figures relating to the generic substitution and the savings made is updated monthly and is available on the Internet:

www.kela.fi/research.

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