

The main price reductions in medicines that are part of the **Ricarte Soto Law** occur when new suppliers enter the market due to the **end of patents.**

1. The Problem

Providers must submit official price offers as part of the process of evaluation and prioritization of health technologies of The Financial Protection System for High Cost Diagnoses and Treatments (**Ricarte Soto Law – RSL**).

Once technologies are incorporated into the RSL, their purchases are centrally managed by the Supply Center of the National Health System (**CENABAST**).

Therefore, a decrease in the cost of these technologies is expected once they are incorporated into the system.

The goal of this research is to quantify the evolution of the annual public cost per patient of health technologies included in RSL.

2. Methods

It is a descriptive approach that compares prices and the annual cost per patient, before and after the entry year of the pharmaceutical products in the RSL (see **Figure 1**).

For the calculation of annual cost per patient, we use the doses that a representative patient would need, and the purchase price of the public health sector. For the period before LRS, prices correspond to purchases made by CENABAST or health services, while for period after LRS, we use CENABAST purchases in the context of LRS.

In addition, there is an estimate of total costs saved by price decreasing, according to the number of patients who actually used each pharmaceutical product in 2018.

Figures are expressed in Chilean pesos of 2018 using CPI and analysis refers to real variations.

3. Results

There is a drop in the price of medicines under RSL. The entry of a new supplier to the market due to the end of patents explains the most relevant price decreases: Bosentan (-94%), Nitisinone (-87%) and Fingolimod (-72%).

There is evidence of improvement over time in the offers' submitting process, based on the greater discount in prices achieved in recent evaluation processes.

In terms of annual costs per patient, stands out the decrease in Nitisinone (Tyrosinemia type I) (-464 MM per patient).

Furthermore, it is estimated that the impact on the RSL fund is a saving of approximately CH\$ 27.000 MM, due to changes in prices, highlighting the savings in Nitisinone and Fingolimod.

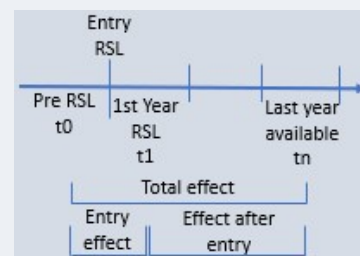
4. Conclusion

Main savings from price decreases occur when new suppliers enter the market due to the end of patents.

Another relevant element is the improvement over time of the negotiation of prices through the reception of offers during the evaluation process.

A challenge for the public manager is a better management of prices of valid patent medicines. In this regard, proactive solutions are required, such as exploring the use of risk sharing agreements.

Figure 1. Comparison periods



Additional information

Overview of Ricarte Soto Law

shorturl.at/deQX9



About the CENABAST

shorturl.at/npq34



Process of evaluation of Ricarte Soto Law


shorturl.at/nsBNT




shorturl.at/iJQT1



Evolution of the public cost of treatments included in the Ricarte Soto Law.

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 Take a picture to get detailed tables of price and cost variations by pharmaceutical product.

