FOCUS ON BULGARIA

Since joining the European Union in January 2007, Bulgaria has faced the challenges of limited funding of the healthcare system and low purchasing power of the general population.
INTRODUCTION

Bulgaria is one of the last two countries in the EU where healthcare has been, and is still, run by the state. In the 1990s, Bulgaria inherited a fully centralised system of healthcare which was completely incompatible with the former communist model. It only was state-of-the-art but it was highly inefficient and expensive. The high levels of unemployment and the poor funding for hospitals led to delays in diagnosis and treatment, and the state healthcare system was run inefficiently and corruptly. The political class that has been in charge for the past 20 years is not accountable to the citizens of the country for the past two decades. The current political class, which came into power in 2001, has inherited a poorly run healthcare system that is inefficient and corrupt. The current government, which has been in power since 2001, has made some progress in improving the healthcare system, but it still has a long way to go. The government has implemented some price controls, but it has not been able to control the price of drugs. The government has also implemented some measures to reduce the cost of healthcare, but it has not been able to reduce the cost of healthcare significantly. The government has also implemented some measures to reduce the cost of healthcare, but it has not been able to reduce the cost of healthcare significantly. The government has also implemented some measures to reduce the cost of healthcare, but it has not been able to reduce the cost of healthcare significantly. The government has also implemented some measures to reduce the cost of healthcare, but it has not been able to reduce the cost of healthcare significantly.
The Bulgarian drug market has been growing considerably since the early 2000s. The most recent IMS Bulgaria report shows a market growth rate of 9.5% for 2006, which is a very strong performance in comparison to many other European countries. The IMS report also indicates an annual growth rate of 11.8% for the period 2001–2006, which shows a significant increase in market size over the past five years. In 2007, the growth rate is expected to remain at around 10.5%.

The turnover in such retail outlets often reaches standard EU levels (€300m per year). A relatively new phenomenon is the existence of community pharmacies, which have appeared as a result of the liberalization of the retail drug market. They have much space for abuse since ‘public tender’ in Bulgaria is synonymous with corruption. Even if everything is clean, the lack of real transparency might contribute to some cost containment but certainly leave too much space for abuse.

Following EU trends, the Bulgarian law is expected to be amended to allow a community pharmacy to support the hospital budget and ensure that adequate drugs are administered. This is consistent with the requirements of the European Co-operation in Drug Control (COC) project and follows the recent awarding of the tender for the implementation of the project in Bulgaria.

According to legislation since 1995, the dark market has been shrinking, and the big cities' smaller pharmacies can be found only in a relatively small number of cities. A relatively new phenomenon is the existence of community pharmacies, which have appeared as a result of the liberalization of the retail drug market. They have much space for abuse since ‘public tender’ in Bulgaria is synonymous with corruption. Even if everything is clean, the lack of real transparency might contribute to some cost containment but certainly leave too much space for abuse.

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Group has added financial strength and know-how to Libra, thus ensuring its long-term prospects. Sopharma Trading is a part of the Sopharma Group which is the second largest manufacturer in Bulgaria and the operator of a strong pharmacy chain. Sting is an independent local distributor appreciated for its professional services. Last but not least, Hygia is one of the leaders and with the backing of Actavis, the biggest drug manufacturer in Bulgaria, one of the leaders with the largest pharmacy chain. Sting is an independent local distributor appreciated for the supply of their products.

For years the wholesale trade in medicines in the country has been marked by competition based on huge discounts to the pharmacies in order to gain market share. In this way, the profitability of the business has not been outstanding. Multiple deliveries every day, emergency deliveries and deferred payments have undermined the pharmacists and it may take time before sound business practices are reinstalled.

THE MULTINATIONALS

Major pharmaceutical companies have been well represented in Bulgaria for years. Until recently, most of them have acted as representative offices responsible for marketing activities only. A growing number of them are now organising the supply of their products. Table 2 gives a clear picture of the main players in terms of turnover.

Variations in the ranking are not uncommon and are usually related to success or failure at the public tenders organised by the Ministry of Health and the Sick Fund. Unfortunately, the health authorities still have a huge impact on drug sales in Bulgaria through what we call ‘the administered market’ (about 36 per cent of the total market according to IMS in 2007) and decision making in this part of the market is not necessarily based on the best ethical practices. The multinational companies have to loosen the purse for innovative medicines.

In terms of value, the market is still dominated by patented drugs although the public budget for medicines is now 243.76 million Euros. The market is still referred to as ‘patented’, even though the Bulgarian legislation allows other medicines to compete with originators without their patents expiring. At the same time, the health authorities are trying to encourage the government to ‘loosen the purse’ for innovative medicines.

The multinational companies have their own Association of Research-based Pharmaceutical Manufacturers in Bulgaria (ARPharM), which is pretty active in lobbying for the interests of the manufacturers of originators and for promoting good marketing practices through their own Code of Ethics. ARPharM has supported the moves towards harmonising the Bulgarian drug legislation with the relevant EU guidelines and, at the same time, it is trying to encourage the government to ‘loosen the purse’ for innovative medicines.

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The generics manufacturers

The traditional Big Pharma manufacturers are still the leading players in the Bulgarian pharmaceutical market. However, several generic manufacturers have also contributed to the consolidation of the retail segment and help the market players. It is very likely that a new multinational generic drug company will appear on the Bulgarian market and encourage fair competition among the market players. The aggressive marketing policies of the large pharmaceutical manufacturers, such as a GE Pharma, have brought significant gains in the market share of generics. The aggressive marketing policies of the large pharmaceutical manufacturers, such as a GE Pharma, have brought significant gains in the market share of generics.

List and the Reimbursement List, which will be discussed later, has a dual role. It is expected to make the market more competitive among the market players, but it also reduces the number of generic brands available on the market.

A major change will be the consolidation of the retail segment of the Bulgarian market to the benefit of both commercial and generic competitors and will, hopefully, foster fair competition among the market players. It is very likely that a new multinational generic company will appear on the Bulgarian market and encourage fair competition among the market players.
The Bulgarian healthcare system follows the dualistic model. Price regulation has always been a problem. Largely due to the dynamism and salutary evolution of the industry, a number of issues have been resolved, but some problems remain. The number of drug requests has increased, leading to a growing number of complaints. In response, the introduction of the drug price mechanism has raised concerns about its fairness and efficiency. This has led to a significant increase in the number of disputes. The pharmaceutical industry faces challenges from the government, which is trying to maintain the balance between market forces and public health needs. The industry has responded by establishing a number of self-regulatory bodies, which have played a key role in the development of the industry. These bodies have been instrumental in the introduction of new drugs and technologies, as well as in the promotion of patient safety and drug efficacy. The industry has also been active in developing public relations, including the use of media and social media. The Bulgarian National Health Insurance Fund (NHIF) is the main payer. The NHIF has a mandate to ensure that all citizens have access to healthcare. The NHIF has been successful in improving access to healthcare, but there are still some challenges, such as the high cost of pharmaceuticals and the limited availability of certain drugs. In the future, the industry is likely to continue its efforts to improve access to healthcare, while also addressing concerns about the cost of pharmaceuticals.