

President Mr. Gitanas Nausėda
Speaker of the Parliament Mrs. Viktorija Čmilytė-Nielsen
Prime Minister Ms. Ingrida Šimonytė
Minister of Health Mr. Arūnas Dulkys
Minister of Economy and Innovation Ms. Aušrinė Armonaitė

Brussels, July 10, 2023

Subject: Medicines for Europe concern on security of supply of medicines in Lithuania

Dear President Mr. Gitanas Nausėda,
Dear Speaker of the Parliament Mrs. Viktorija Čmilytė-Nielsen,
Dear Prime Minister Ms. Ingrida Šimonytė,
Dear Minister of Health Mr. Arūnas Dulkys,
Dear Minister of Economy and Innovation Ms. Aušrinė Armonaitė,

We thank you for your letter dated June 13, 2023, from the Committee of Health Affairs of the Parliament of Lithuania regarding the impact of external reference pricing (ERP) on the supply and availability of medicines for patients.

We reiterate our concern on how the Lithuanian government is intending to mitigate the continuous downward spiral of medicine prices due to the application of External Reference Pricing (ERP). We understand the importance of stimulating competition in the pharmaceutical market for budget sustainability. However, EURIPID and other authorities have clearly indicated that ERP should not be applied in combination with generic reference pricing policies because this distorts the market and undermines the commercial viability of supplying the market.

Previous experiences with External Reference Pricing policies across Europe over the last 10 years have shown that these policies are not sustainable and will harm patient access to medicines in Lithuania. By applying this policy, Lithuania multiplies the number of price cuts on off-patent medicines, makes the pricing unpredictable for marketing authorization holders and therefore reluctant to invest in smaller markets like Lithuania and finally make Lithuania dependent on the pricing policies of other countries with operate with very different volumes than Lithuania.

In addition to this, there are additional arguments that strengthen our concern. The Commissioner for health and food safety, Stella Kyriakides, in her keynote speech at the Medicines for Europe annual Conference that took place in Malta in June 16, 2023, highlighted that the EU pharmaceutical reform includes concrete actions to ensure equal and timely access for patients to more medicines, especially for the Central and Eastern European region, with faster availability of more affordable generic and biosimilar medicines, more sustainable healthcare costs for Member States and patients, fewer shortages of medicines and increased security of supply of medicines. With the current policies that are in place in Lithuania, it is not possible to guarantee equal and timely access to medicines in

Lithuania and the sustainability of the pharmaceutical market is jeopardized seriously increasing the risk of shortage of medicines for Lithuanian patients.

We would be happy to work with Lithuania to improve access to off-patent medicines and we are committed to finding policy solutions that can encourage more availability and supply in the context of your small market. We have many proposals of policies that could be jointly supported by our industry and by Lithuania that could solve many of the challenges in your country. We believe that a meeting would be the best way forward to align our perspectives on best policy practice.

Medicines for Europe is committed to patient access and security of supply of medicines in all European countries, **in that light, we want to kindly ask for a meeting with you to discuss how to improve the security of supply of medicines for Lithuanian patients.**

Sincerely,



Adrian van den Hoven
Director General
Medicines for Europe