

# RECOMMENDATIONS TO NATIONAL AUTHORITIES ON THE USE OF EXTERNAL REFERENCE PRICING

The updated EURIPID Guidance Document on External Reference Pricing is developed with contributions from several competent public authorities and is a best practice guideline for implementation of ERP. Its purpose is not to promote ERP as a policy tool, but to ensure that, where it is used, it is applied in a more predictable and methodologically sound way.

## RECOMMENDATIONS

(Based on #n EURIPID principle)



- #5 ERP should NOT be applied to products with competition (generics and biosimilars).
- #9 ERP should allow upward price correction.
- #1 ERP should NOT be used as an isolated, unilateral measure to reduce prices.
- #2 Off Patent medicines driven by tenders may not benefit from additional pricing provisions (ERP).



## ADDITIONAL RECOMMENDATIONS

- ERP should rely on clearly defined and official (published price) primary data sources on a case-by-case basis. Non-official or unpublished prices should NOT be used as reference.



- #6 Products which are not available in the reference market should NOT be in scope for ERP.
- #8 ERP should happen between medicines with identical product characteristics (API, strength, form and pack size).
- #8 Pack size and pharmaceutical form differences should be considered.
- #5 Other factors (as market availability) can support decision of product eligibility for ERP.
- #9 Procedures to account for outliers in the ERP formula should be considered.

- Comparison should be made only between products from the same manufacturer and MAH.
- Consistency in price types across countries should be ensured (e.g. avoid referencing ex-factory prices where not available).
- Lowest price formula should be avoided, an average of the three or more lowest prices is more reasonable.



- #4 Countries in the reference basket should have similar comparable economic development.
- #12 ERP activities should have pre-determined timelines.
- #4 A smaller basket of countries can result in similar outcomes as a larger basket and requires less effort.

- Referenced prices should NOT be adjusted solely due to Exchange rate (FX) fluctuations; preferably, the average exchange rate of the previous 12 months from the European Central Bank should be used.
- During ERP price revisions, it may also be appropriate to ignore FX fluctuations and compare local-currency prices.
- ERP reviews should NOT be more frequent than once per year to improve planning, predictability, and avoid unnecessary workload.