

A close-up portrait of a woman with light brown hair and green eyes, looking slightly to the right with a gentle smile. She is wearing a blue top and a thin necklace. The background is a soft, out-of-focus grey.

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PAST
YEAR

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UNIQUE NATIONAL SET-UP

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IN MY VIEW, THIS
PROJECT IS TRULY
GROUND-BREAKING

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WE HAVE
CREATED A
UNIQUE
NATIONAL
SET-UP

Many stakeholders are keen to see new drugs enter the Danish market as quickly as possible. This not only holds true for patients, but also for the five regions of Denmark and suppliers.

Amgros is the partner who can facilitate quick and smooth introduction of new drugs on the Danish market. The Medicine Council is a new piece in this great puzzle, and, once all the pieces have fallen into place, the council will contribute to ensuring patients get the right medicine. At the right time and at the right price.

In the year that has passed, the new Medicine Council has been keeping us busy here at Amgros. We supported the political process that resulted in the Danish Regions' decision to establish an independent council in the spring of 2016. The council is tasked with assessing pharmaceuticals based on their beneficial effects on patients. Amgros played a crucial role in developing general and healthcare-economic methods for evaluating new drugs and therapy areas.

We are now ready to present the results of our economic assessments to the Medicine Council. We are ready to become a central player in the healthcare sector in relation to predicting and managing expenditure on pharmaceuticals. And, based on this, we are ready to provide the conditions for more cost-effective health solutions.

But we are not starting from scratch. Together with our partners, we have created a unique national set-up, which has attracted attention from abroad. This set-up begins with the preparation of treatment guidelines. These were originally prepared by the former Danish Council for the Use of Expensive Hospital Medicines (RADS), but are now prepared by the Medicine Council. Then follows the tendering procedure conducted by Amgros. And, as the final step, the regions and hospitals follow suit by implementing the treatment guidelines and by taking the new drugs into use. All this to the benefit of patients throughout Denmark.

Thanks in part to this set-up, in 2016 we saved hundreds of millions DKK on the introduction of new, biosimilar drugs. This

is one of the reasons why we have been able to achieve historically large savings. And it explains why 2016 saw the lowest growth rate of pharmaceuticals expenditure in the last five years. Naturally, we are very pleased and proud of these achievements. However, Amgros would not be Amgros if we stopped here. We constantly need to ask ourselves if we can perform even better? And how?

The answer is that we must look abroad and continue our work in the Nordic Pharmaceuticals Forum (Nordisk Lægemedelforum), which now enjoys the support of the Danish Government as well as the Nordic Council of Ministers. Moreover, we must assume responsibility, promote dialogue and make constructive contributions to the legislative process when the Danish Parliament and the EU pass new Acts within our area. Finally, we must develop our tools and test new types of tendering procedures and contracts.

However, we should also be aware that there may be a limit to our success.

Our task is to foster competition. But we are also responsible for safeguarding the supply of drugs to hospital pharmacies. We cannot live up to this responsibility if we allow the competition to become so fierce that suppliers drive each other out of the market for traditional and essential drugs expected to be available. Eventually, this might lead to an undesirable situation where the Danish market is no longer attractive for the suppliers.

Striking this balance between fostering competition and safeguarding the supply depends on several factors. Therefore, it is also important that we listen and keep an open line of communication with our suppliers at all times. That way, we can cooperate to ensure that the 'traditional and essential' drugs stay on the market, and that new medicine quickly becomes available on the Danish market.

Flemming Sonne
CEO

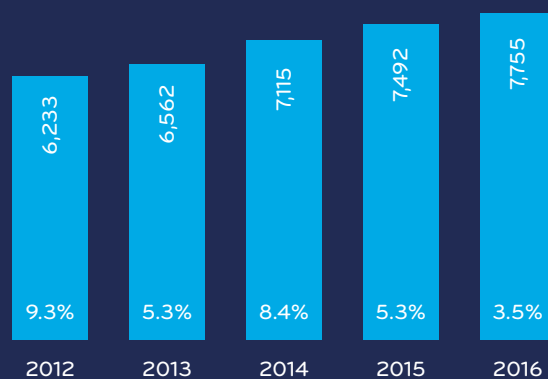
POSITIVE FIGURES

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2.8

DKK BILLION
OF TOTAL SAVINGS

Amgros' mission is to provide the conditions for better health. By making procurements through Amgros' contracts, the Danish regions saved DKK 2.8 billion in 2016 - compared to DKK 2.4 billion in 2015. Total savings increased by 18% from 2015 to 2016. The regions can invest these savings in other areas of the healthcare sector.



3.5

PER CENT, THE LOWEST GROWTH
RATE IN FIVE YEARS


Even though the expenditure for procurement of drugs continues to grow, in 2016 we saw the lowest growth rate in five years: 3.5%. The turnover on pharmaceuticals amounted to approx. DKK 7.8 billion in 2016, compared to approx. DKK 7.5 billion in 2015. Over the past five years, turnover has increased by 6.5% on average every year. The increase in 2016 is thus considerably below the average in the period 2012-2016.

Turnover (DKK million)

YOU'VE BEEN LISTENING TO US



Nicolai Bendtsen, Market Access Director, AbbVie



Considerably lower prices on one of the very expensive, but unique drugs. This is the result of close dialogue with our suppliers, who have contributed to developing new types of tendering procedures.

Is it possible to almost halve the price of one of the expensive Hepatitis C treatments? In just two years?

Yes it is.

This is precisely what we have accomplished. We did this in close collaboration with our suppliers. We invited them to help us find solutions for developing our terms and conditions as well as tendering procedures that benefit everyone involved: Amgros, the suppliers and not least the patients. The figures speak for themselves. In 2014, treating a Hepatitis C patient cost more than DKK 500,000. Today, the average cost per patient is DKK 280,000.

The achievement of these substantial savings cannot be attributed to one single factor. The former RADS (which has now been replaced by the Medicine Council) has no doubt played a crucial role by clearly recommending which drugs should be the hospitals' first choice. However, our development of new types of tendering procedures has been another decisive factor. As part of these new procedures, in addition to ensuring confidential pricing, we also negotiate discounts based on the number of treatments actually purchased by hospital pharmacies. Or in other words: tendering procedures based on volume.

"By developing new types of tendering procedures, Amgros has exceeded the narrow framework of price per package. By including volume as a parameter, Amgros has provided us, as suppliers, with a higher degree of predictability. Our point of departure is that we all share the same wish of giving as many patients as possible access to new and effective treatment. And thanks to our joint efforts, I believe we have succeeded

AMGROS IS LOOKING FOR NEW SOLUTIONS TO INCREASE PROCUREMENT SAVINGS ON DRUGS.

in this," said Nicolai Bendtsen, market access director, AbbVie.

Like a partnership

AbbVie is one of the companies who was part of the discussions and who contributed input on how to develop and optimise the supply of drugs to Danish hospital pharmacies.

"Amgros' approach of inviting all stakeholders to join the discussions and to contribute input prior to the tendering procedure has been very interesting. We in the industry have been consulted. It's been like a partnership, which has been an interesting experience for us. And definitely a positive one. Because when you look at the input provided by us and others, it's evident that our input has been taken into account in the tendering procedure. Amgros has had the courage to try out an alternative solution. The last piece in this puzzle is then for the clinical practitioners to render their support and ensure patients' access to treatment." Although we see things from different perspectives in our daily lives, Nicolaj Bendtsen finds that we have all had a good understanding of the other party's business and organisation.

"In my experience, we have a positive and constructive dialogue where the focus is on finding viable solutions. Although negotiations have sometimes been tough, we have shared the joint goal of making things happen, and we have drawn inspiration from each other to find new ways ahead to the benefit of everyone involved," said Nicolai Bendtsen. He continued,

"We're looking forward to continuing the positive dialogue and developing alternative models under the Medicine Council."

People who suffer from cancer or need to undergo lengthy treatment of an infection often prefer to be treated at home. The challenge here is that some drugs, such as antibiotics, need to be prepared before being given to the patient. But the question is, once the medicine has been mixed, how soon after must the patient take the medicine? Or in other words, what is the shelf life of the medicine once mixed?

“We prepare drugs supplied by the pharmaceutical industry, and the suppliers provide indications about the shelf life of drugs once they have been mixed. The pharmaceutical companies don’t always have sufficient documentation for shelf life, because they expect the medicine to be used immediately after preparation,” said Lisbeth Muurholm, hospital pharmacist at the Hospital Pharmacy of Funen (Sygehusapotek Fyn).

Lisbeth Muurholm was part of the pilot project that we decided to launch last year in collaboration with the hospital pharmacies. When asked about the value of the national drug stability testing laboratory, her response is clear:

“It’s for the benefit of the patients. The purpose of these shelf-life experiments is that the patients can be treated at home. I have talked to several nurses who work with cancer patients, and they say that being allowed to stay at home in familiar surroundings together with ones’ relatives is of great value to the patients. For example, one patient explained how much she

enjoyed sleeping at home next to her husband instead of being hospitalised.”

Less waste

Knowing about the shelf life of a drug after it has been mixed also presents other advantages. One of them is patient safety, which is improved, according to Lisbeth Muurholm. Another benefit is that the hospital pharmacies can optimise their use of robots. And yet another advantage is that hospital pharmacies can standardise their production because they can also produce for stock. But what are the financial aspects? Is there money to be saved?

“With respect to treatment at home, at this point, we don’t know how much money we can save us, because we haven’t analysed this aspect yet. However, the assessment is that the hospitals will save money by sending patients home, thereby reducing the number of admission days. Yet, we must remember that when patients are at home, they are still the hospital’s responsibility. Therefore, they must be in regular contact with the patients,” said Lisbeth Muurholm. She added that another cost saver is that the entire content of a capped vial can now be used, instead of having to dispose of the final drops of an expensive medicine.”

According to Lisbeth Muurholm, Amgros played a central role throughout the project, by digging into the literature on shelf life, by setting standards for shelf life, and by providing reports and documentation. Furthermore, Amgros contributed financially to establishing the laboratory.

“You have been professional and committed, as always. And you have been acting strategically, consulting your Board and asking for their support and advice. In my view, this is very positive. Designing quality standards is a huge challenge, because the hospital pharmacists may have different opinions. However, in our opinion we have to carry out this project across all Danish regions. But, of course, all beginnings are difficult.”

We have now taken the first steps. And it seems that we are a first-mover in this area. “In my view, this is truly ground-breaking,” said Lisbeth Muurholm.

Hospitals now have better opportunities to treat patients with antibiotics at home. This is because, in collaboration with the hospital pharmacies, we are now investigating and documenting the shelf life of selected drugs in a new national ‘drugs stability testing laboratory’.

.....i.....

Package inserts indicate the shelf life of a drug, also after the package has been opened and the drug has been mixed. But often we need the shelf life to be longer than what is documented. In cooperation with hospital pharmacists, we are establishing a new national drug stability testing laboratory where we investigate and document the shelf life of selected drugs.



AMGROS HELPS
ENSURE QUALITY,
SAFETY AND
DOCUMENTATION
IN RELATION TO
HOSPITAL PHARMACY
ACTIVITIES

IN MY VIEW,
THIS IS TRULY
GROUND-BREAKING



THESE
INITIATIVES
MAKE THINGS
SMOOTHER
FOR US

Ellen Vesterlund, Head of Nordic Hospital Tender Management, Sandoz

In order to safeguard the supply of drugs to a small market such as Denmark, in collaboration with the suppliers, we have developed tendering procedures that aim at making bidding more attractive. This is a positive step in the right direction according to Sandoz, a generic pharmaceutical company.

AMGROS OPTIMISES THE SUPPLY OF DRUGS FROM SUPPLIERS TO HOSPITAL PHARMACIES.

Globalisation has made an impact on the production of pharmaceuticals. Pharmaceutical companies are growing bigger. And factories are declining in number. This means that things can go wrong in more links in the global pharmaceutical production chain. Therefore Amgros are constantly focusing on how we can optimise the supply of drugs from suppliers to hospital pharmacies. One way of doing this is to alter the tendering procedure so that suppliers continue to find the Danish market attractive.

Moreover, in cooperation with our suppliers, we have developed tendering procedures in which we commit ourselves to purchase a certain volume of drugs. We have capped the suppliers' compensation liability if they have trouble meeting their obligation to deliver, and two suppliers can win the same tender. We have now evaluated these new initiatives.

So far, it does not seem that we have received more bids, nor does it seem that the initiatives have consistently resulted in fewer back orders. A possible explanation could be that other factors govern whether suppliers make a bid. These factors include the size of the market and the supplier's own risk of back orders. However, according to the suppliers themselves, if tenders are associated with an obligation to buy, this may influence the suppliers' interest in bidding.

"Generally, if there is an obligation to buy, of course this has a positive effect on our willingness to make a bid. Introducing such obligations has been one of our requests for new tendering procedures. If we don't know whether the products we take into stock to meet our obligation to deliver will actually be purchased, it may stop us from making a bid. When there are no guarantees, winning a tender involves a financial risk, but also a waste of resources at the factories, which could instead be producing drugs for other countries in need of the products. And finally, having to destroy and dispose of drugs that are never used also carries an environmental impact. Therefore, introducing an obligation to buy is an essential factor," said Ellen Vesterlund, Head Nordic Hospital Tender Management, Sandoz.

Smaller than Greater Hamburg

Do you think these tenders will lead to fewer back orders and more bids in the future?

"It's hard to give a general and clear answer to that question, because the area is highly diversified, and because the suppliers are so different. Probably, we will see a larger effect for some product categories than for others. I generally think we should follow a path of providing more flexibility to the suppliers, while at the same ensuring appropriate conditions for the hospitals. So overall, I find these initiatives to be very positive. And if the efforts on maintaining a dialogue with suppliers continue, I believe that more new types of tendering procedure could be designed and adapted to different product categories. This would benefit everyone involved," said Ellen Vesterlund.

According to Ellen Vesterlund, in addition to the obligation to buy, another factor influencing the suppliers' interest in making a bid is cap on compensation liability.

"With all these initiatives, taking part in tenders becomes more interesting for us, and the process becomes smoother. Amgros' aim of reducing the compensation risk is seen as a very positive feature. We often plan production several years ahead, and it may be difficult to make changes at short notice. Consequently, there is no doubt that limiting the financial compensation risk affects the willingness to accept the overall risk involved in making a bid for a tender."

What would you recommend for Amgros' primary area of focus going forward?

"To safeguard future supply, it is essential to keep an eye on the attractiveness of the market and on flexibility, and to focus on generating a continued interest in bidding. The markets of the Nordic countries are small. Combined, they are not larger than the market of Greater Hamburg. So, when we visit a factory producing pharmaceuticals for the whole world, we are not necessarily first in line.

But Amgros is positive and takes pride in learning and developing. These initiatives are steps in the right direction," said Ellen Vesterlund.

THE FACES BEHIND AMGROS

Gitte Hamborg,
medical secretary

My job is to check that pharmaceutical companies document compliance with a number of EU requirements. It takes time to learn exactly what we want. But I like working on the more 'nerdy' tasks, where you have to look more closely at things and the systems behind them.

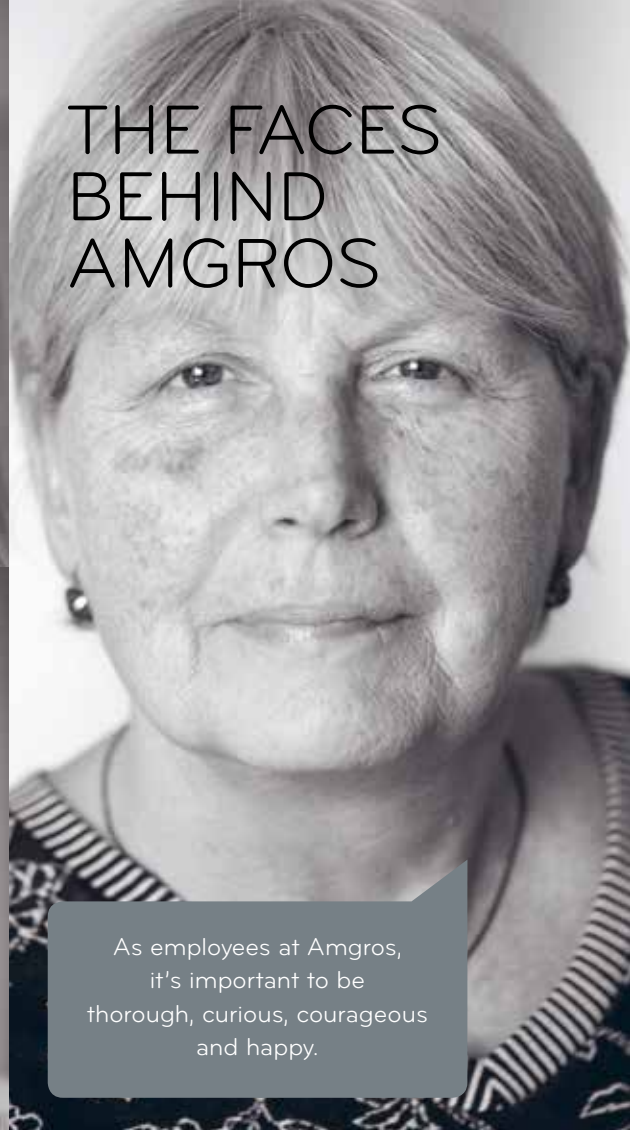


Helle Bräuner,
project manager, CBA

I explore and research to find out more. I show an interest and ask questions. This is my approach. My job demands it. I'm always happy to think out of the box and go in new directions.



As employees at Amgros, it's important to be thorough, curious, courageous and happy.



Lars Munck,
engineer and BCom

I've got an old sailboat. There's a lot to get ready and check before I take my kids out sailing. I have to check the wind and weather. Everyone has to know their role. But being thorough is not enough. You'll just end up staying in the harbour. It takes courage to sail out of the harbour.

Eva Paaske, pharmaconomist

I think I'm being brave when I stand in front of an audience. Many years ago, I was somewhat shy. I had the answers in my head, but no one knew I had them. Now, I have the courage to ask people questions.



Ismail Nayef Khdeir,
pharmacist

When a new drug arrives, I'm curious to find out what kind of product it is, how it'll cope on the market, and what it'll do for patients. And whether we can negotiate with the suppliers for better prices.



Andreas Pagh Rasmussen,
Master of Science (MSc) in Biomedical Engineering

If being at work is fun, you get the courage to throw ideas at your colleagues that you would otherwise not have. Then you might get some answers that push you in another direction – and ultimately give a better result.

Tom Petersen, Master of Science (MSc) in Economics & Business Administration
I'm being courageous when I face my fear of failure or rejection. This is a risk that you sometimes have to take. And I really have to pull myself together.



Mette Marie Maare Pedersen, pharmacist
I'm from a small village on south Zealand, where curiosity is as common as the smell of manure. Everybody knows everybody and looks after each other. It's like one big family. At Amgros, we're also like one big family. We know one another.

Henrik Kjer, Master of Science (MSc) in Pharmacology and Cert Clin Pharm.
I become curious when something's different. So, for the past ten years I've been a voluntary visitor for prison inmates. You have all these ideas about what other people are like. But they're very different when you meet them.

Kirstine Uldall Vistesén, pharmacist
I like to finish what I've started, because I'm a meticulous and structured person. I thrive when I'm doing things thoroughly and carefully – both when I work on tenders and when I do the gardening.



Sara Maria Friis Steine, cand.jur.
The learning curve at Amgros is steep. I'm not afraid to embark on new and complex tasks. That suits me well. This is how you develop. Personally as well as professionally.

WE GET AN EXCELLENT OVERVIEW

What new drugs are entering the market, and when can we expect them to arrive? This is important knowledge when the new Medicine Council is to plan its work. And when the regions are to forecast pharmaceuticals expenditure. With Horizon Scanning, we have now given them a very useful tool.

Horizon Scanning is one of the new words at Amgros. We have long kept ourselves up-to-date about future drugs and new indications. But never in such a structured and systematic manner as we are now. Now suppliers, the Medicine Council, regions as well as others interested in future drugs can visit our website and look in our 'Overviews and Summaries' about future drugs, extensions of indication and pharmaceutical forms.

You can read about how far in the process the new drugs have come in terms of being approved by the European Medicines Agency (EMA). On this basis, we assess when the supplier can contact the new Medicine Council for an initial meeting on taking the drug into use on the Danish market. Moreover, we assess when Amgros can start calculating the costs of the new drug. The Medicine Council will include this calculation in its assessment of whether the new drug should be taken into use in Denmark.

"I think it's good that we gain a more systematic overview of what the various pharmaceutical companies have in the pipeline within the different indication areas. For many years, we have been concentrating on the entire pharmaceuticals area. However, in order to gain a more complete picture of the opportunities and challenges we're facing, we also need to know what's likely to happen in the next few years," said Steen Werner Hansen, chairman of the Medicine Council and medical director of Herlev and Hvidovre Hospital. He continued:

"When I read your website, I can see that there are a great many drugs in the various processes. I can also see that not all the drugs on your website are likely to enter the market. However, the website provides a good overview of what's coming up and what therapy areas are in focus. The overview's presented clearly and transparently."

The design fits

Steen Werner Hansen believes that the information in the new Horizon Scanning database will be valuable for the Medicine Council.



Steen Werner Hansen, chairman of the Medicine Council and Medical Director of Herlev and Hvidovre Hospital

"In connection with the Medicine Council, the database can be used when planning which areas of therapy to launch. Experience shows that the former Danish Council for the Use of Expensive Hospital Medicines (RADS) prepared treatment guidelines that were almost obsolete before work commenced, because of the many new drugs emerging within a specific area."

However, the information will also be valuable to hospital drug committees:

"In the regions, we also focus on what drugs are available and when, and whether special precautions should be taken when planning. This is to ensure the best treatment at the best price at all times. Hospital drug committees are an experience-exchange forum, and we already tell a drug committee about what we know if it is planning to take a new drug into use. Then we share this information with other hospital drug committees which may not have been aware of the information. So I definitely believe that we'll be able to use the knowledge that we'll be receiving from Horizon Scanning."

However, according to Steen Werner Hansen, the trick is to share the right amount of information. Not too much. Not too little.

"It all comes down to how much information we actually need and how early in the process. For instance, we often see that pharmaceutical companies have to give up drug development in phase III clinical trials. I think that the Horizon Scanning list currently has more than enough information to consider. There are other places to view clinical studies and trials. However, you provide an overview of the drugs that are on their way to the European Medicines Agency (EMA) or are already in the EMA system. As regards the Medicine Council, this is when we need the information. I think it's difficult to use the information any earlier in the process. So the design fits," said Steen Werner Hansen.

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Horizon Scanning means that Amgros now scans the market systematically for future drugs and indications two to three years before the pharmaceutical companies place them on the Danish market. We gather this knowledge in a database which we update regularly.

AMGROS CONTRIBUTES ANALYSES AND A BASIS FOR DECISIONS THAT STRENGTHEN OUR STAKEHOLDERS AND CREATE VALUE FOR THEM

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Elastomeric pumps are used to dose drugs. They are used for cancer, antibiotics and pain treatment.

Morten Palle Christensen, head of the Centre of Management, Finances and Coherence (Center for styring, økonomi og sammenhæng) at Danish Regions.

AMGROS IS A
FORWARD-LOOKING
PARTNER, WHICH BOTH
CHALLENGES US AND
SUPPORTS US

YOU KEEP CHALLENGING US

There is great potential in letting Amgros carry out national joint tendering procedures for medical devices. Financially, yes. But also by looking across the regions and keeping asking whether this can be done differently according to Danish Regions.

Together with the regions, Amgros has managed to save 68% of costs in a regional joint tendering procedure for infusion pumps.

"This is impressive," said Morten Palle Christensen, head of the Centre of Management, Finances and Coherence (Center for styring, økonomi og sammenhæng), Danish Regions.

The tendering procedure for the elastomeric pumps is the fifth procedure for medical devices carried out by Amgros since we expanded our business in 2014. Now we do not only carry out procedures for medical devices and hearing aids, we also carry out procedures within medical devices.

How has this turned out?

"Amgros has gained positive experience, even though both Amgros and the regions have had to pay a price. I know it's been challenging to get all regions onboard some of the tendering procedures. However, now I think that it's clear to all regions that there are advantages in joining a tendering procedure.

I believe that gathering the five regions in this area has great potential. Amgros has accepted to participate on equal terms with the other parties. This means that six procurement departments are involved. We're very pleased and positive about this."

New inspiration

Work on the joint procedures for elastomeric pumps was carried out in close collaboration with the regions. Not least via the user group, which consisted of pharmacists from hospital pharmacies and nurses. Together we have identified needs and defined requirements for the tendering procedure.

"Centralising procedures poses a challenge. You end up getting further away from clinical practice and the people who know how things work in everyday life. It means a lot that the products we procure suit everyday clinical practice, and fortunately, Amgros has been good at ensuring this. Experience shows that we can maintain a close relationship."

Morten Palle Christensen considers collaboration with Amgros a huge advantage, because, in his words, we are good at thinking strategically, and because we are a "sixth" region that considers all of Denmark.

"You have a different view on things that is much more general and more cross-cutting. I think this is a healthy view. You keep challenging us to make us think more strategically. Amgros is designed as a procurement organisation, and this adds another perspective. You also challenge our workflows and ways of doing things. Why does it have to be like that? Is there another way of doing things? It's very positive to have Amgros around the table. It's inspirational."

The regions have already saved about DKK 1 billion through joint procurement. Initially, the regions have been harvesting the low-hanging fruit. However, they need to save another DKK 1.5 billion on procurement of goods and services by 2020. The regions' procurement body (Regionernes Fælles Indkøb) has asked Amgros to help achieve this goal by developing and carrying out joint tendering procedures for medical devices that are naturally related to drugs.

"We'd like Amgros to join us, and luckily you've said yes. We hope that you'll take over in even more procedures. We've started in one place, and now we're moving forward. We're definitely interested in continuing our collaboration with Amgros," said Morten Palle Christensen.

Flemming Sonne: “There are many actors in the health area. And we all want to achieve good results. Regardless of where in the system you are, it all comes down to understanding the reality of clinical practice and the organisational and budgetary conditions by which we’re governed. On this basis, we need to find out how we can create ground-breaking developments together.

Amgros plays an active role in developing the health service within the pharmaceutical area, and in this context dialogue is our strongest tool. None of us are able to do this on our own, but at Amgros we want to take on the role as a partner that gets things to work successfully. We need to understand where the other partners are coming from. We need to look for inspiration from one another. We need to listen to everyone with an interest in making this work in everyday life. This doesn’t only apply to hospital pharmacies and suppliers, but also to hearing clinics, ministries, agencies, patient organisations, etc.”

Lise Grove: “Many actors have to play together, if we are to ensure the right treatment for the right patient at the right price. These include everyone from the Medicine Council, suppliers and the regions to hospital pharmacies, hospitals and others. Each actor makes a number of decisions and performs actions that are important to create common values. Therefore, it’s so important that we are good at sharing knowledge, coordinating and collaborating. We all need to involve all our partners, so that we learn from one another and improve understanding of our different areas of responsibility. This’ll allow us to adapt and adjust so that things work better for the benefit of patients.”

We need a holistic approach

A holistic approach will allow us to optimise the supply chain and ensure that, ultimately, the necessary drugs are available for doctors when they treat patients. There is no point in each of us sub-optimising our own link. We have to relate to the entire chain.

Trine Kart: “We must keep in mind that we’re dealing with a differentiated pharmaceuticals market, where we consider the new, expensive drugs as well as the more established drugs. Even though the established drugs account for 80% of the drugs sold, the new and expensive drugs account for almost 80% of our turnover and drive the growth in pharmaceuticals expenditure.”

Flemming Sonne: “We’re therefore extremely interested in the pricing of the new drugs. So, when we talk about increasing prices, we actually mean increasing introductory prices of new drugs. We appreciate that the pharmaceuticals industry has to make money. However, as the regions’ pharmaceuticals organisation, we must ensure that we get more health for the money we spend. In other words, it’s about finding an appropriate balance between price and effect. We think that it’s only fair that an additional price comes with an additional value. Pricing should be fair.”

Anette Dyhrberg: “Through the Medicine Council we’ve established a set-up that can provide us with a more subtle view on the relationship between price and effect. Furthermore, we need to consider the costs from the beginning to the end of a treatment course rather than the costs of the drug itself. If not, this will create a distorted picture, and new, innovative treatments will not be shown to the best advantage. The healthcare economic analyses that we carry out for the Medicine Council are the first step in this development. However, we need to take baby steps.”

The Executive Board of Amgros is looking ahead and is setting the stage for even closer dialogue with our partners. Moreover, the Executive Board encourages a more subtle view of pharmaceuticals expenditure.



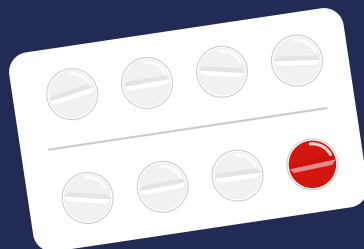
Amgros is constantly taking joint responsibility for developing the health service. This means that we help provide the conditions for better health solutions.

TOGETHER, WE'RE ACHIEVING STRONGER RESULTS



*Flemming Sonne, CEO
Trine Kart, Vice CEO
Anette Dyhrberg, CFO
Lise Grove, director of Strategic Procurement and Supply of Pharmaceuticals*

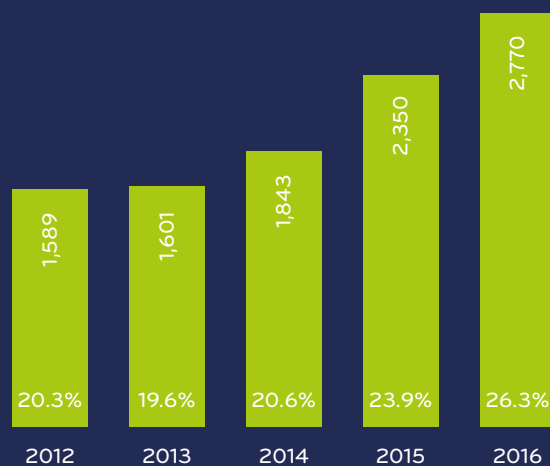
MORE POSITIVE FIGURES



223

DKK MILLION
SAVED BY BIOSIMILAR
INTRODUCTIONS

The regions have saved DKK 223 million by introducing new, biosimilar infliximab and etanercept drugs. Biosimilar drugs have been a major contribution to our achievement of historically large discounts in 2016. We would not have obtained such large savings without treatment guidelines from the now disbanded Danish Council for the Use of Expensive Hospital Medicines (RADS). Short tendering procedures adjusted to the new drugs. Quick introduction at hospitals in the regions.



26.3

DISCOUNT IS HISTORICALLY LARGE

Amgros is constantly looking for new approaches and solutions regarding procurement of pharmaceuticals.

In 2016, we obtained historically large discounts.

On average, our discounts amounted to 26.3% compared with official list prices. This corresponds to 2.4 percentage points above the percentage discount in 2015 at 23.9%. And a total of 4.2 percentage points above the average percentage discount in the past five years.

Discount (DKK million)

IN 2016, WE OBTAINED
HISTORICALLY LARGE
SAVINGS. NATURALLY,
WE ARE VERY
PLEASED AND PROUD
OF THESE ACHIEVE-
MENTS. HOWEVER,
AMGROS WOULD NOT
BE AMGROS IF WE
STOPPED HERE.