

Hungarian legislation reform related to centralised procurement for institutional pharmacies

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The governmental decree published on 22 February (No. 33/2024 (II. 22.)) sets forth the establishment of a new project company to manage the provision of inpatient pharmaceuticals in all public hospitals, as well as those private hospitals that choose to join the initiative. The Decree is a follow up to the amendments in the Medicines Thrift Act (Act XCVIII of 2006) from July 2023, which stipulated the basic conditions for a "unified institutional pharmacy service" for public hospitals. The project company shall be operational from January 2025.

The Minister responsible for general political coordination, with the assistance of the National Concession Office, is authorised to conduct the concession procedure for selecting the project company. The project company, as concession holder, will be obligated to pay a concession fee.

Pursuant to the Decree, the project company, as part of the unified institutional pharmacy service:

- performs the procurement, storage, warehousing, control and delivery tasks required for the specialised activities of the departments providing direct, prescription only medicines and related pharmaceutical services to the general public;
- may carry out wholesale activities;
- must carry out the necessary improvements to the uniform image of the departments providing direct, prescription only medicines and related pharmaceutical services;
- supplies the stockpiling, maintenance, monitoring, and dispensing of medicinal products related to the basic tasks of the institutional pharmacy, as well as coordination and logistical duties;
- must be given the opportunity to provide the basic and specialised tasks through another healthcare provider;
- must implement and operate individual medication dispensing systems; and
- is obligated to develop an IT system that the institutional pharmacies can use.

According to the Decree, from 1 January 2025, the procurement of medicinal products by the project company will be exempted from the specific rules on public procurement of medicinal products and medical devices. In terms of the costs of procured medicinal products, the project company will invoice the National Health Insurance Fund of Hungary (NEAK) separately from traditional hospital financing, since it will contract directly with NEAK for settlement.

The Decree further ensures that only the project company will be entitled to operate institutional pharmacies in public hospitals. In this context, the Decree allows several exemptions for the project company under geographic, demographic and material requirements.

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In addition to the above, the Decree will allow the project company to engage in wholesale activities, even though there is currently a statutory prohibition on wholesale ownership in retail pharmacies.

Finally, it seems that the employment relationship of institutional pharmacy staff will change only slightly under the Decree since the majority of employer rights continue to be exercised by the management of public hospitals. In certain cases, however, the holder of the employer's rights will be the project company.

For further information on the Hungarian pharmaceutical industry, contact your dedicated Wolf Theiss advisor or local Wolf Theiss experts.

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For more information, please contact:



Miriam Fuchs
Senior Associate

E Miriam.Fuchs@wolftheiss.com
T +36 3 0204 5720



Bence András Király
Associate

E Bence.Kiraly@wolftheiss.com
T +36 1 4848 826

Disclaimer: Associates appearing under the professional supervision of their relevant partners at Wolf Theiss.

