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**Competition in the Healthcare Sector – Summaries of contribution**

**- Session II -**

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This document reproduces summaries of contributions submitted under Session II of the Global Forum on Competition to be held to be held on 1-2 December 2025.

More documentation related to this discussion can be found at: [oe.cd/chthc](https://oe.cd/chthc).

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## *Summaries of contributions*

This document contains summaries of the various written contributions received for the discussion on Competition in the Healthcare Sector (Global Forum on Competition to be held on 1-2 December 2025, Session II). When the authors did not submit their own summary, the OECD Competition Division Secretariat summarised the contribution. Summaries by the OECD Secretariat are indicated by an \*.

## *Austria*

The Austrian Federal Competition Authority (AFCA) has examined competition dynamics within Austria’s healthcare sector, recognizing its special societal role and regulatory complexity. While competition can enhance efficiency and innovation, healthcare markets are imperfect due to information asymmetries, regulation, and barriers to entry. AFCA’s four-year market study (2017–2021) analyzed three key areas: public pharmacies, rural healthcare, and the medicine supply chain, aiming to identify distortions of competition and propose corrective measures.

### 1. Structure of the Austrian Healthcare System

Austria’s healthcare is federally regulated, but hospital services are managed by the nine states. The country operates a statutory compulsory insurance system, recently consolidated from 21 to 5 social insurance providers. Despite high expenditure and a dense doctor population, Austria faces a shortage of general practitioners, especially in rural areas, and an aging medical workforce. The system remains hospital-centered, though new primary care centers (106 in 2024, target of 300 by 2030) aim to relieve hospitals.

### 2. Key Findings from the Market Study

- **Rural Healthcare:** Many small municipalities lack general practitioners or pharmacies. Around 38% have neither a pharmacy nor an in-house pharmacy, with rural regions most affected. Strict distance regulations between public and in-house pharmacies limit access. AFCA recommends relaxing these rules to enhance supply security.
- **Medicine Supply:** Austria faces growing medicine shortages—affecting about 30% of patients—due to production bottlenecks, global concentration, and parallel exports. Vertical integration between wholesalers and pharmacies (average wholesaler shareholdings rose from 21% to 33%) may distort competition; AFCA advises capping ownership stakes.

### 3. Hospitals and Healthcare Access

Rural doctor shortages push patients toward hospitals, straining resources. Hospital mergers—both public and private—can improve efficiency but risk reducing accessibility and competition. AFCA’s merger reviews balance these effects, imposing conditions such as non-discrimination commitments to prevent market foreclosure. AFCA supports initiatives that expand regional health centers to alleviate overburdened hospitals.

### 4. Competition Enforcement and Remedies

AFCA has acted against predatory pricing—for example, a dominant producer selling cancer drugs below cost in hospitals to block generics—because such strategies undermine long-term supply and raise overall costs. In merger control, AFCA has imposed remedies to maintain competition, including supporting new entrants, ensuring open procurement, and preventing preferential treatment.

### 5. Conclusion

AFCA’s work demonstrates that even in a regulated sector, competition enforcement is vital to maintaining accessibility, affordability, and innovation. Its studies and cases

underscore persistent rural service gaps, risks from vertical integration, and the need for balanced hospital consolidation. Through targeted recommendations and enforcement, AFCA promotes a competitive, efficient, and equitable Austrian healthcare system.

## *Brazil*

### **Administrative Council for Economic Defense (CADE)**

This contribution explains how merger review and market analysis have been adapted to the institutional realities of Brazil’s mixed public and private health system, treating price, access, quality, and equity as interdependent dimensions of rivalry rather than isolating price effects. It synthesizes recent practice on vertical links and portfolio strategies across hospital care, diagnostics, and procedure-based services, and it explains why competitive conditions should be assessed at granular local levels where patient flows, referral patterns, and network design shape effective choice. Building on this experience, the note proposes a shift from reactive case handling to systematic market governance, including formal cooperation with health authorities, standardized indicators such as referral and origin and destination matrices, travel time elasticities, and network breadth, and structured post merger evaluation embedded in an early warning observatory to anticipate concentration trends, including serial acquisitions below notification thresholds. It also recommends incorporating outcome and access proxies, for example waiting times, readmissions, and occupancy and capacity metrics, directly into screening and remedy calibration, together with transparent disclosure and monitoring templates. The objective is not to expand mandates, rather to consolidate existing tools and inter-agency channels into repeatable processes, with dashboards, alerts, and periodic public syntheses that preserve contestability and support equitable access under predictable oversight. This approach aligns with the prompt to look beyond price and to show how advocacy, cooperation, and technical expertise can improve system level outcomes in both consolidated and fragmented settings.

### **Secretariat for Economic Reforms (SRE)**

This note presents Brazil’s recent advocacy initiatives to enhance competition and regulatory efficiency in the pharmaceutical sector, led by the Secretariat for Economic Reforms (SRE) of the Ministry of Finance. As a permanent member of the Drug Market Regulation Chamber (CMED), SRE occupies a strategic position that allows it to influence more directly the design and implementation of Brazil’s pharmaceutical pricing framework. Brazil’s healthcare expenditure accounts for 9.6% of GDP, with high out-of-pocket spending emphasizing the need for affordable access to medicines. The current pricing framework, governed by the Drug Market Regulation Chamber (CMED), combines external and internal reference pricing, yet remains largely inflation-indexed and lacks mechanisms for downward price revision. SRE’s advocacy within CMED has focused on modernizing Resolution No. 2/2004 to enhance transparency, predictability, and consistency in price regulation, while addressing structural distortions in adjustment mechanisms. Ongoing reforms seek to introduce competition-sensitive methodologies, particularly for high-cost and advanced therapies, and to improve sanctioning and governance procedures. Complementing its institutional role, SRE also applies the Regulatory and Competition Assessment Procedure (PARC) to evaluate the competitive effects of specific regulations. Current PARC studies examine (i) Anvisa’s restrictions on the simplified registration pathway for “clone” drugs, which may raise entry barriers, and (ii) CMED’s price ceiling methodology for new medicines, which may distort market incentives and hinder price discipline. Together, these initiatives illustrate Brazil’s commitment to aligning pharmaceutical regulation with competition principles, fostering affordability, innovation, and transparency. By embedding economic analysis into

regulatory design, Brazil aims to modernize its pricing system and ensure sustainable, equitable access to medicines.

## *Czech Republic*

The Czech Republic's contribution provides a comprehensive overview of competition dynamics in the healthcare sector and the activities of the Office for the Protection of Competition of the Czech Republic (the Office) in this sector. Although healthcare in the Czech Republic is largely financed from public resources and subject to extensive regulation, competition oversight remains essential to protect efficiency, transparency, and patient welfare. The Office highlights that the lack of price rivalry in several areas shifts the focus to vertical integration and merger control.

Persistent challenges include low competitive pressure in public procurement—about half of all tenders are awarded to a sole bidder—and high concentration in the health insurance market and pharmaceutical distribution, where four wholesalers dominate supplies and are closely linked to large pharmacy chains. These structures raise concerns about limited choice and efficiency incentives.

In enforcement practice, the Office has targeted professional associations for imposing restrictions on advertising, pricing, or entry into the pharmacy market, and it has intervened against problematic practices by health insurers. In merger cases, it has often required structural remedies, such as divestitures, to safeguard local competition and patient access.

In 2023, the Office published the results of its sector inquiry into the distribution of prescription medicines, which had been conducted in previous years. The inquiry concluded that direct-to-pharmacy and direct-to-hospital models, mainly used for high-cost or specialized products, do not create shortages and can improve efficiency by optimizing allocation, reducing waste, and limiting re-exports. However, it also identified certain shortcomings, such as risks of discrimination and lack of transparency, leading the Office to issue recommendations for marketing authorization holders, regulators, and patients to strengthen transparency, ensure equal access, and promote the use of generics.

Several recommendations of the Office have already influenced legislative reforms, most notably the 2024 amendment to the Medicinal Products Act, which abolished the protected distribution system, introduced obligations for continuous supply and strategic reserves, prohibited discriminatory delivery practices, reinforced generic substitution and active-substance prescribing, strengthened e-prescriptions and online access, and capped distribution mark-ups. This reflects the Office's ongoing advocacy role in shaping legislation consistent with competition principles.

The overall message of the contribution is that, even in a sector where public health objectives are paramount, competition policy has an indispensable role. By monitoring procurement, mergers, and distribution, and by engaging proactively in the legislative process, the Office seeks to maintain conditions that protect patients, prevent inefficiencies, and secure a balanced relationship between regulation and open competition.

## *Consumers International*

Healthcare markets are among the most complex and heavily regulated of all sectors.

They combine public objectives with market mechanisms and embody tensions between efficiency, equity and ethics.

This paper, prepared for the OECD Global Forum on Competition on behalf of Consumers International, examines how competition and informed choice can enhance consumer welfare within different national health-system structures.

Drawing on the Australian Productivity Commission's *Introducing Competition and Informed User Choice in Human Services* report (2017), Julian Le Grand's *The Other Invisible Hand* (2007), Kenneth Arrow's seminal analysis (1963), and subsequent OECD papers by Allan Fels and Darryl Biggar (2017), and Allan Fels and David Cullen (2024), it proposes a framework in which competition is treated as a carefully governed instrument for achieving quality accountability and consumer empowerment – rather than an ideological end in itself.

## *European Union*

1. The European healthcare sector is facing profound demographic, economic, and strategic challenges. With an ageing population, increasing chronic disease prevalence, and the aftermath of the Covid-19 pandemic, ensuring access to affordable, safe, and innovative healthcare has become a social, economic and political priority. Healthcare expenditure continues to rise across Europe, while scientific progress has not yet translated into equitable access for all patients. In this context, effective competition policy plays a vital role in safeguarding affordability, promoting innovation, and securing supply resilience alongside regulatory and industrial policy measures.
2. The European Commission’s (“EC”) competition enforcement complements broader proposed regulatory reforms such as the *Pharmaceutical Package* (2023) and the *Critical Medicines Act* (2025), which aim to improve accessibility, resilience, and sustainability of the healthcare systems in Europe. The *2009 Pharmaceutical Sector Inquiry* revealed a ‘toolbox’ of exclusionary tactics used by originator firms (including pay-for-delay settlements, strategic patenting, and disparagement of generics) to hinder entry and expansion of potential competitors. Competition enforcement ensures that market participants compete on merit, fostering affordability, innovation, and supply. It also helps prevent practices that may undermine these objectives – such as anti-competitive consolidation, excessive pricing, collusion, or exclusionary conduct – thereby protecting both patients and public healthcare budgets.
3. A key contribution of competition law to affordability has been through antitrust enforcement against practices delaying the entry of cheaper generic or biosimilar medicines. The EC’s antitrust enforcement has also brought forward a prominent ‘pay-for-delay’ line of cases with *Lundbeck* (2013), *Fentanyl* (2013), *Servier* (2014) and *Cephalon* (2020) in which pharmaceutical firms were fined for concluding commercial and (IP) settlement agreements that delayed market entry of generics and thereby prevented healthcare systems to benefit from lower prices for important medicines. Other cases such as *Teva Copaxone* (patent gaming and disparagement), *Aspen* (excessive pricing) and *SNBB* (price fixing in active ingredients) have reaffirmed the EC’s resolve to protect consumers and public health systems from restricted competition and artificial price inflation.
4. Beyond affordability, antitrust enforcement has been increasingly targeting conduct that undermines innovation and quality. Cases like the *Boehringer Ingelheim* investigation into misuse of patent system (2011) and *Vifor* (2024), involving misleading communications about a rival’s innovative product, illustrate how the EC addresses practices that delay and deter technological progress or distort healthcare professionals’ perceptions.
5. Merger control has also played a pivotal preventive role in preserving affordability. Cases such as *Mylan/Upjohn* (2020) and *Cooper/Viatris* (2024) show how the EC intervened, by requiring structural remedies from the parties, to prevent excessive market concentration that could raise prices or limit patient choice. Merger control analysis now also explicitly considers innovation effects, as seen in *AbbVie/Allergan* (2020), *J&J/Tachosil* (2020), and *AstraZeneca/Alexion* (2021), where horizontal overlaps in R&D pipelines risked reducing the diversity of future treatment options and innovation competition. Merger control has also evolved to address innovation suppression in vertical (*Illumina/GRAIL* (2022)) and cross-market contexts (*Novo Holdings/Novo*

*Nordisk/Catalent* (2024)), illustrating a broader shift in policy from protecting existing competition to safeguarding the competitive process that fuels long-term innovation.

6. Capturing acquisitions of innovative companies by larger players with competing products may potentially prove challenging considering that these transactions may not meet the jurisdictional thresholds at EC or Member State level. This was highlighted in the context of the EC's ex post evaluation on EU competition enforcement and acquisitions of innovative competitors in the pharma sector leading to the discontinuation of overlapping drug research and development projects.

7. Finally, recent global events, including the Covid-19 pandemic and Russia's war against Ukraine, have exposed vulnerabilities in the EU's pharmaceutical supply. These events have underscored the importance of having a flexible but principled regulatory and competition framework for ensuring security of supply. While competition enforcement takes into account the pro-competitive aspects of cooperation and consolidation initiatives that enhance security of supplies, further initiatives were developed to mitigate the effects of the pandemic in compliance with EU competition rules. Through the *Temporary Framework* (2020) and comfort letters – such as that issued to Medicines for Europe – the EC allowed cooperation to prevent shortages of critical medicines while maintaining safeguards against collusion. Recent geopolitical circumstances have also informed the forthcoming *Critical Medicines Act*, which is expected to enhance EU manufacturing capacity and diversify supply chains, *inter alia* through mechanisms of government support that are in compliance with EU state aid rules.

## *Finland*

Over the past decade, the Finnish healthcare sector has become increasingly concentrated, with industry-wide Herfindahl-Hirschman Index (HHI) values rising from below 1,000 to over 2,000.

The FCCA hasn't been able to assess all potentially harmful acquisitions in the healthcare market, as many involve small, local clinics whose turnover fall far below the mandatory merger notification threshold.

A recent FCCA study found that small clinics acquired in the dental and physician markets experienced a slight decline in customer visits, no statistically significant change in the range of treatments offered, and a modest effect on the number of specialties available after integration into larger chains.

The FCCA has employed geospatial modelling in its advocacy work to assess the impact of regulatory changes on Finland's pharmacy network—a tool that could be applied more broadly across various industries.

## *Georgia*

8. The Georgian Competition and Consumer Agency (GCCA) emphasized at the OECD Forum the essential role of competition authorities in ensuring fair competition, price transparency, and access to quality healthcare services.

9. The Agency highlighted the need to move beyond traditional enforcement by adopting a more proactive and evidence-based approach that includes policy design, market analysis, regulation of digital health, and data-driven monitoring.

10. Georgia's experience illustrates three major areas of progress:

- **Pharmaceutical Market Reform Initiative** – Introduction of mandatory generic prescriptions, an electronic prescription system, quality standards (GMP/GDP), pricing ceilings, and European-style reference pricing. These reforms improved transparency and reduced medicine prices by 45–70%, generating USD 70–75 million in annual savings for patients.
- **Major Enforcement Case (2023)** – The GCCA uncovered coordinated price-fixing among four pharmaceutical companies in the oncology medicines market, imposing fines totaling GEL 53 million ( $\approx$  EUR 18 million).
- **Abuse of Dominance Investigation (2023–2024)** – Several dominant pharmaceutical undertakings were found to have imposed excessive mark-ups (300–3,000%) on essential medicines. The investigation led to fines and the introduction of a reference pricing system, which improved market discipline and reduced pricing abuses.

11. In conclusion, Georgia's experience demonstrates that a proactive, cooperative, and evidence-based competition policy can significantly enhance transparency, affordability, and fairness in healthcare markets. Strengthened inter-agency collaboration and alignment with international best practices remain key to achieving sustainable progress.

## *Hong Kong, China*

Hong Kong, China's contribution addresses the potential role of price transparency in enhancing competition in its private healthcare sector. This is in the context of an ageing population and the corresponding increasing in demand for health care services. The contribution summarizes the advice the Competition Commission of Hong Kong, China (**HKCC**) has provided to the Health Bureau of the government of Hong Kong, China (**HHB**) regarding their Price Transparency Initiative (**Initiative**) for private healthcare services.

The advice focuses on how to harness the pro-competition potential of the Initiative.

The HKCC emphasizes that for price competition to flourish, patients must have access to clear pricing information *before* choosing healthcare providers. The advice thus suggests that a cultural shift is needed to encourage patients to obtain budget estimates from multiple providers rather than the current norm of obtaining a single estimate *after* selection of provider.

How patients can benefit from greater use of historical fee data at the start of the process of selecting their healthcare provider is also addressed in HKCC's advice. In doing so, the HKCC warns against overwhelming patients with excessive information, suggesting that behavioral economics research could be used to maximize the reach and utilization of such information.

Finally the HKCC highlights the need to integrate quality metrics into the decision-making process, preventing a sole focus on price at the expense of other important considerations.

The HKCC believes that the approach adopted by HHB in its Initiative aligns with core competition principles; can enhance market efficiency; and benefit consumers while addressing the challenges posed by the evolving healthcare landscape in Hong Kong, China.

## *Latvia*

Latvia's pharmaceutical sector is marked by high market concentration and vertical integration, especially at the wholesale and retail levels. A few integrated groups dominate the market, raising concerns about reduced competition and limited consumer choice. The Latvian Competition Council (CC) actively monitors these risks through regulatory mechanisms, market surveillance, and merger control.

Key points include - Vertical integration risks like preferential supply, reduced competition, and higher prices. Regulatory safeguards like price controls, supply obligations, transparency rules, and prescription regulations. Merger example, AB City's acquisition of Olainfarm required divestiture to prevent local market dominance. Challenges like high entry barriers, geographic restrictions, and declining independent pharmacies.

CC recommends support for independent pharmacies, revise licensing criteria, and promote pharmacy competition. Competition Council stresses the need for balanced market structures to ensure affordability and access to medicines in Latvia's pharmaceutical sector.

## *Paraguay*

The contribution from the National Competition Commission of Paraguay (CONACOM) covers its work related to competition in the healthcare sector, specifically focusing on the pharmaceutical industry and pharmacies, referring to:

- **Imedic/Eurotec case:** In 2021, CONACOM investigated two pharmaceutical product bidders for coordinating positions in public procurement processes, which the Board concluded was proven. However, due to common shareholding, they were not penalized as the conduct was needed to prevent infringing the existing legislation to prevent multiple bids from the same agents.
- **Public procurement of pharmaceuticals study:** In 2025, CONACOM published a study on public procurement of pharmaceuticals and medical supplies that covered the period from 2012 to 2022 that found that, while concentration is not high at the "aggregate level," it increases significantly when the market is broken down into more specific submarkets. Out of 33 submarket groups, it found that some submarkets were highly concentrated and further monitoring in more disaggregated levels were needed.
- **Pharmacy regulation:** In 2021, CONACOM issued an opinion against a draft law that would have imposed a 200-meter minimum distance between pharmacies, arguing it would restrict competition by limiting the number of geographically operational pharmacies. The draft law was not approved.

## *Serbia*

The Serbian pharmaceutical market, characterized by strict regulation of maximum prices, maximum margins, and entry conditions, requires a refined approach to competition policy. The Serbian competition authority, Commission for Protection of Competition, has increasingly addressed the restrictive effects of exclusive distribution agreements for prescription medicines, particularly those linked to public procurement.

A key evolution in the Commission's practice has been the clear separation between public procurement markets and non-tender (commercial) markets, considering the significance of public procurement of medicines. For non-tender distribution, the relevant market is generally defined at the ATC3 level, still allowing for a degree of product substitutability. However, in public procurement, where tenders are typically organized as "one lot – one medicine," with detailed specifications, the relevant markets are defined more narrowly — by brand name, INN, or ATC5 classification.

Narrowing the relevant markets in cases concerning individual exemptions has directly influenced the assessment of exclusivity agreements and their potential restrictive effects. The refined approach revealed that exclusive distribution within tender-based markets often leads to market narrowing, reduced (or non-existent) intra-brand and inter-brand competition, and limited participation in tenders, typically resulting in single-bid outcomes at maximum prices.

To address these risks, the Commission has started issuing conditional or negative decisions on exemption requests. Also, to gain detailed perspective of the market, the Commission launched an ongoing Sector Inquiry into the Pharmaceutical Market. This inquiry should provide conclusions regarding the future and particularities of exclusive distribution, and determine whether adjustments in tender design, clarification of MAH obligations, and revisions to wholesale margin caps should be made in order to restore effective competition and ensure continuous medicine supply.

## *Spain*

This contribution by the Spanish National Markets and Competition Commission (CNMC)<sup>1</sup> for the 24th meeting of the OECD Global Forum on Competition addresses the topic of the session on “Competition in the Healthcare Sector” to be held in December 2025<sup>2</sup>. It outlines the recent work of the CNMC in promoting well-functioning and accessible healthcare markets.

The CNMC has recently conducted two market studies. The first, on the [retail distribution of medicines](#) (2015), recommended introducing more flexible criteria to facilitate entry and enhance competition among pharmacies.

The second, on the [wholesale distribution of medicines](#) (2022), recommended introducing efficiency-enhancing and pro-competitive reforms, such as strengthening cost-effectiveness evaluation of medicines, implementing more pro-competitive pricing policies, and fostering consumer choice between brand-name and generics. Some of these recommendations are being introduced into draft regulatory initiatives that the CNMC has also assessed in a report.

The CNMC is also pursuing two ongoing initiatives: the first, a project to assess the implementation and effects of its recommendations in wholesale and retail distribution; the second, a Study on the private health insurance sector, which will be published in the coming months and builds on input received through a public consultation.