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Competition and Regulation in the Healthcare Sector – Summaries of contributions

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Table of contents

Argentina

This article analyses the interaction between competition and regulation in the Argentine healthcare sector, which is organised into three subsystems—public subsystem, social security subsystem and private subsystem—characterised by high levels of concentration and information asymmetries that justify state intervention, but which may at the same time be distorted by regulatory frameworks that limit competition between stakeholders.

Firstly, the structure of the Argentine healthcare system and its main institutional players are described. Next, the reform introduced by Decree No. 70/2023 is examined; this reform expanded members' freedom of choice, incorporated private health insurance companies as agents within the social security system, and deregulated the pricing structure. It then analyses the case of alleged anti-competitive conduct in the private health insurance market, in which the then National Commission for the Defence of Competition (CNDC) identified evidence of price coordination among the sector's leading companies and imposed a preliminary injunction. Finally, the market investigation into medical oxygen is examined, which revealed a highly concentrated structure—with three companies controlling 90% of the market—and regulatory barriers that prevented the adoption of alternative production technologies (PSA method), in contrast to current international standards.

The cases analysed illustrate the need to design regulatory policies that reconcile health protection objectives with the promotion of competition, and highlight the key role that the competition authority can play in reviewing sector-specific regulations and in preventing anti-competitive behaviour in markets with structural conditions conducive to coordination.

Brazil

Brazil's pharmaceutical sector offers a compelling illustration of how economic regulation and competition policy interact in practice. In 2024, the sector generated BRL 160.7 billion in revenues, with more than half concentrated in markets where HHI values exceed 2,500 — a level associated with oligopolistic or monopolistic market structures — and where CMED's price-cap regulation remains the primary instrument for constraining market power and broadening access. At the same time, competition plays an indispensable complementary role: over half of all medicines were sold at discounts exceeding 50% below regulated ceilings between 2021 and 2023, while large-scale centralized procurement has further reduced prices through volume-driven bargaining effects.

Against this backdrop, this note presents Brazil's recent competition advocacy initiatives in the pharmaceutical sector, led by the Secretariat for Economic Reforms (SRE) of the Ministry of Finance. It highlights two key policy developments in pharmaceutical regulation. First, Resolution CM/CMED No. 3/2025 introduced the most significant reform to the pricing framework in over two decades, expanding the international reference basket, revising pricing rules for generics and incrementally innovative medicines, and establishing a unified pricing mechanism for biosimilars and reference biologicals. Second, Law No. 15,357/2026 liberalized pharmaceutical retail by authorizing the installation of pharmacies within supermarket premises, removing a regulatory barrier that had shielded incumbent pharmacy chains from potential competitors. Several of these reforms were directly informed by competition advocacy conducted by the SRE through PARC, the Pro-Competitive Agenda for Reforms, a structured regulatory and competition assessment procedure that illustrates the concrete policy impact systematic competition analysis can produce when embedded within the regulatory process. Finally, it details the market studies conducted under the Regulatory and Competition Assessment Procedure (PARC), presenting the findings and recommendations of completed investigations and outlining the two new cases recently selected for in-depth assessment: registration, importation, and quality control of radiopharmaceuticals and online dispensing of medicines.

Brazil's experience demonstrates that the most effective gains in pharmaceutical affordability and access arise not from price regulation or competition policy pursued in isolation, but from institutional arrangements that enable both to be designed and applied in a mutually reinforcing manner. The SRE's dual role, as CMED member and PARC market study lead, has been central to translating this principle into practice.

Chile

This contribution examines Chile’s experience applying competition policy in healthcare, with particular emphasis on pharmaceuticals. It reviews the main regulatory and policy developments affecting competition in the sector, the analytical work carried out by the Fiscalía Nacional Económica (“FNE”), and the impact of selected interventions and advocacy efforts.

while healthcare markets are characterised by significant market failures that make regulation indispensable, the design of that regulation can either enable or hinder competition. The FNE has therefore pursued a strategy that combines enforcement with market studies and advocacy aimed at identifying how regulation, incentives and market structure interact to shape competitive outcomes.

The FNE's *Market Study on Pharmaceuticals* (2020) is the central analytical intervention in the sector. It found that competition in Chile's off-patent pharmaceutical market was not taking place primarily on price, but instead along brand-based dimensions driven by prescribing habits, agency problems and misaligned pharmacy incentives. The study produced fifteen recommendations covering entry, substitution, pharmacy incentives and public procurement, several of which have since influenced regulatory reform.

Enforcement has also generated measurable results. The *Celecoxib* case, resolved through a 2016 settlement, offers the clearest illustration: after competition was restored, public procurement prices fell by approximately 96%, with cumulative savings estimated between USD 208 million and USD 546 million.

Chile's experience confirms that the most important contribution a competition authority can make in healthcare often lies not in sanctioning unlawful conduct alone, but in identifying and addressing the structural and regulatory frictions that prevent competitive pressure from translating into lower prices and better outcomes for consumers.

Greece

The right to health care is provided for and protected by the Greek Constitution as a fundamental human right and a parameter of growth and welfare. In Greece, all of the population is covered for a core set of services and Greece spends approx. 8% of GDP per capita on health. The regulatory framework for the provision of healthcare services is complex and in some cases in need of rationalization. This complexity is attenuated by the fact that it concerns markets shaped by various characteristics such as increased quality concerns, information asymmetry and inelastic demand. It is also directly related to health insurance markets.

The Hellenic Competition Commission has advocated for a procompetitive design in the healthcare sector through a sector inquiry completed in 2025 on the provision of private health services and related insurance services[1].

The Sector Inquiry found that the regulatory framework for the operation and establishment of private clinics is overly complex and may hinder capacity increase. Existing provisions concerning the obligation of private clinics to publish on their website a price list of their services is certainly beneficial to consumers and necessary at a time of increase in the cost of living, including the cost of health care services. However, the HCC proposes that the services/products of the price lists should be codified/standardized, in order to enhance transparency and consumer awareness and further facilitate the consumers in comparing prices.

Further, indexes have been introduced on the permissible level of increase in insurance fees, initially in , an index which was replaced by a new index in 2025 and which may create competition concerns. We stressed the need for caution in the design and application of all indexes because of concerns relating to the transparency of contractual terms as well as to the objectivity, relevance, verifiability, and accessibility of the different factors that will be taken into account in developing the index —namely, factors that primarily relate to consumer protection, for which it is uncertain whether they can be effectively addressed by the new regulation. Further there is a need to improve the regulatory framework on the operation of private clinics as an asymmetry was observed between the framework applying to new and existing clinics and this review is necessary in order to facilitate an increase in their capacity to meet the growing demand for private healthcare services.

Moreover, in the last few years there has been a significant change in the healthcare sector regulation: the implementation of a reimbursement system for hospital services based on the DRG system and not other reimbursement models such as the fee-for-service reimbursement model. The HCC examined the possibility of expanding the implementation of this DRG-based system to private clinics (as it currently applies only to public hospitals) and evaluated the possible risks deriving from this implementation. In this context, the HCC pointed out that the implementation of this system on private clinics necessitates caution and careful planning so that the potential negative effects can be avoided.

[1] For more information on the Sector Inquiry see https://www.epant.gr/en/information/sector-inquiries/health.html. For the Final Report of the Sector Inquiry see https://www.epant.gr/files/2025/teliki_ekthesi_health_2025.pdf

Hungary

In recent years, the Hungarian Competition Authority (Gazdasági Versenyhivatal – GVH) has addressed competition-related issues within the healthcare sector in the context of two accelerated sector inquiries. The first inquiry, conducted in 2022, focused on Covid-19 antigen rapid self-tests and aimed to identify the reasons of their relatively high prices in Hungary.

Based on these findings, the GVH recommended reducing the length of the supply chain by allowing drugstores, retail chains, and petrol stations to sell these products. An almost immediate legislative change permitted the sale of Covid-19 antigen rapid self-tests through retail chains, drugstores, and petrol stations. The government's action, following the GVH's proposal, led to a sharp increase in the number of outlets and a reduction of the retail price of antigen rapid self-tests. After the pandemic faded away, the government reestablished the original regulatory entry barriers effective from the beginning of 2024.

Later, the GVH produced a rough estimate of the consumer savings from the temporary liberalisation of retail sales in 2022-2023, showing that the amount of consumer savings was comparable to those achieved in major enforcement cases of the GVH. This simplified calculation also showed that the consumer savings could have been more than twice as much, had the retail of the rapid self-tests been liberalised from the outset.

The second inquiry, conducted in 2025, examined medical imaging devices to understand the reasons of the prevalence of single-bid tenders among Hungarian public procurements. The GVH identified quite high concentration on this market, with a few suppliers dominating contracts.

The inquiry identified three main factors contributing to limited competition. First, the use of "package tenders," where specialised medical equipment is bundled with other goods or services, discouraged participation of smaller or less well-capitalized suppliers. Second, information asymmetries between buyers and suppliers reduced participation, as firms faced uncertainty when deciding to submit a bid. Finally, tenders were often overly restrictive in their technical specifications – sometimes unintentionally, due to lack of market knowledge or reliance on existing equipment descriptions.

To address these issues, the GVH recommended separating complex procurements into smaller components or allowing partial bids, improving pre-tender consultations, and generally adopting more flexible and inclusive technical specifications. Stronger supervision by the public procurement regularity authority is also necessary to ensure compliance with procurement rules.

Earlier, the GVH investigated several cartels involving suppliers of various medical inputs – such as medicines, devices, and equipment – to hospitals and other healthcare service providers. Beyond bid rigging by suppliers (which falls outside of the scope of this note), these cases also revealed that tenders in the healthcare sector are sometimes not designed to minimise the risk of bid rigging and to facilitate competition – a theme that was also evident in the accelerated sector inquiry on the public procurement of medical imaging devices.

In addition, in 2019 the GVH encountered an allegation of exploitative refusal to deal by a monopolistic supplier of a crucial pharmaceutical substance, highlighting the potential of market forces, regulation, and competition law enforcement, as well as their interplay, in healthcare "emergency".

Kazakhstan

This paper outlines Kazakhstan's experience with the gradual deregulation of pharmaceutical prices as part of a broader effort to promote competition, improve market efficiency, and enhance access to medicines. The reform was initiated in response to concerns that extensive state price regulation reduced market attractiveness, limited the introduction of new pharmaceutical products, and contributed to medicine shortages and market exits.

In 2022, the Agency for Protection and Development of Competition, together with the Ministry of Healthcare, adopted a roadmap for competition development in the healthcare sector, which included the phased removal of price controls in the commercial pharmaceutical segment. The first stage, launched in 2023, covered selected over-the-counter medicines and was followed by additional rounds of deregulation in 2025. Monitoring results indicate that while some products experienced price increases, a substantial number of medicines became cheaper under competitive market conditions, suggesting that market-based pricing mechanisms can contribute to greater efficiency and consumer benefits.

The ongoing reform seeks to balance the interests of patients, the state, and market participants while ensuring uninterrupted access to medicines. The final stage, expected to be completed by 2027, will extend deregulation to selected prescription medicines. Overall, the initiative aims to simplify market entry, encourage the introduction of new pharmaceutical products, optimize public procurement expenditures, reduce business costs, and strengthen competition in the pharmaceutical sector, ultimately contributing to more sustainable pricing and improved availability of medicines.

Korea

Healthcare services are of significantly greater importance than general products and services, as they can directly affect public health and welfare. Accordingly, it is essential to ensure that consumers are provided with high-quality healthcare services. To this end, it is necessary to promote competition among medical service providers in the healthcare market and foster a fair market environment.

The domestic healthcare service market is subject to a high level of regulation to ensure the stable provision and development of healthcare services and to enhance public health. In addition, the interests of various market participants—including medical personnel and pharmaceutical companies—are closely intertwined in a highly complex manner.

While regulations in the healthcare service market are generally introduced to ensure the safety and reliability of medical services and may generate certain benefits, they may also, in some cases, restrict competition in the relevant market. Accordingly, it is crucial to take a balanced approach to healthcare-related regulations. In this regard, the Korea Fair Trade Commission (KFTC) has closely examined and analyzed relevant regulations and proposed measures to improve competition-restrictive regulations. In 2023, in particular, the KFTC implemented regulatory improvements to allow consumers to freely post reviews after receiving specific healthcare services.

Meanwhile, competitive dynamics in the healthcare service market may give rise to anticompetitive practices aimed at excluding competitors. The KFTC has taken strict enforcement actions against such conduct in order to restore effective competition in the market. At the same time, the KFTC operates various systems to prevent the occurrence of anticompetitive practices, including the Fair Competition Code Approval System, which enables pharmaceutical companies to conduct their business activities smoothly within the scope of the law.

Through these regulatory improvement and market monitoring activities, the KFTC promotes competition in the healthcare service market and supports consumers in accessing high-quality healthcare services. Furthermore, through the sharing of experiences and the establishment of cooperative frameworks among OECD member states, it is expected that the enforcement capabilities of competition authorities in the healthcare sector will be further strengthened.

Mexico

The contribution[1] draws on the findings of the "Competition and Free Market Access Study in Medical Expense Insurance". The study shows that while competition can lower costs and improve outcomes in the healthcare and pharmaceutical sector, the Mexican market remains highly concentrated, with four insurers controlling most premiums. It identifies key regulatory barriers, including high switching costs, agent remuneration schemes that favor incumbents, lack of transparency in hospital services, and legal uncertainty that restricts insurtech innovation. The study emphasizes that competition authorities should promote transparency, reduce switching costs, review agent incentives, and support the entry of new digital players. International evidence demonstrates that procompetitive reforms expand coverage and reduce costs, but in Mexico persistent barriers mean reforms focused on mobility, transparency, and innovation are still essential to unlock the full benefits of competition.

[1] By the Mexican National Antitrust Commission.

Paraguay

This paper presents the experience of Paraguay's National Competition Commission (CONACOM) in addressing competition and regulatory issues in the healthcare sector, particularly through a market study of public procurement of pharmaceuticals and medical supplies (2012–2022). The findings reveal a highly concentrated demand led by public institutions, alongside significant concentration levels in several submarkets when analyzed in a disaggregated manner, as well as potential risks of collusion. The study highlights the need for enhanced monitoring and policy measures to foster competition and improve procurement outcomes. Additionally, it identifies regulatory constraints—such as payment delays—that may hinder market participation, especially for smaller firms. Finally, the analysis of a proposed regulation imposing minimum distances between pharmacies underscores the importance of avoiding measures that could unnecessarily restrict competition without ensuring effective market.

Peru

The Peruvian Public Procurement regime has been subject to various modifications over the years, impacting the rules applicable to the development of tenders for the acquisition of goods and medicines. Likewise, competition is the cornerstone on which the public procurement regime is based: collusions in public tenders (bid-rigging) are punished and considered serious anticompetitive breaches, due their harmful nature for competition and public entities.

This legal framework was recently analyzed by Indecopi as a result of an investigation that concluded with a sanction against a bid-rigging agreement in the healthcare sector, revealing that, to execute their negotiations, the parties adapted their behavior considering the rules applicable to each kind of tender through the investigated period.

This contribution aims to briefly describe the aforementioned legal framework, identifying its relevant modifications throughout time and its impact on the development on the cartel, as well as the main authorities involved in this kind of tenders.

Romania

In a highly regulated pharmaceutical market, the aim of the national policy framework is to guarantee patient access to treatments that are diverse, affordable, and safe, while also ensuring the efficient use of public financial resources. Oversight of the pharmaceutical sector lies with the competent authorities, particularly the Ministry of Health, which serves as the central body responsible for public healthcare.

Competition policy complements this regulatory framework by addressing specific market practices of economic operators on a case-by-case basis. In addition, competition authorities contribute through their advisory role, supporting public decision-makers in shaping legislative measures that foster a more competitive environment.

As the healthcare sector is a priority in the activity of the Romanian Competition Council (RCC), RCC intervenes whenever necessary, monitoring market actions undertaken by both companies and state institutions, and taking the measures required to maintain a normal competitive environment.

Spain

This contribution by the CNMC[1] outlines the recent work of the CNMC in promoting well-functioning and accessible healthcare markets.

The CNMC has recently conducted an impact assessment of the recommendations set out in two CNMC market studies about medicine distribution. The first study focused on the retail distribution of medicines (2015) and included recommendations to facilitate the entry of new pharmacies and enhance competition with other retail channels. The second study focused on the wholesale distribution of medicines (2022) and recommended introducing efficiency-enhancing and pro-competitive reforms, such as strengthening the cost-effectiveness evaluation of medicines, reforming the system of regulated prices, and fostering consumer choice between brand-name and generics. Some of these recommendations have been taken into account by the Ministry of Health in a draft regulatory proposal that the CNMC has also assessed in a separate report.

According to CNMC estimates, implementing these recommendations would deliver significant benefits in terms of improved access to pharmaceutical services and medicines, more competitive prices, and higher quality and innovation across the sector —ultimately benefiting patients, supporting the sustainability of the National Health System and enhancing overall societal welfare.

In the retail segment, implementation of the recommendations remains low. Based on the liberalizing reform implemented in 2000 within the Autonomous Community of Navarre, it is estimated that easing restrictions on pharmacy entry in the rest of Spain could lead to the opening of approximately 20,000 new pharmacies and the creation of around 45,000 new jobs over a ten-year horizon.

In the wholesale segment the CNMC's recommendations are still pending but the level of implementation would be high if the legislative reforms currently under discussion are finally adopted. Their introduction is estimated to generate annual savings of around €1.8 billion in pharmaceutical expenditure under a central scenario where the penetration of generics is increased.

[1] This contribution has been prepared by the staff of the CNMC for the roundtable on competition and regulation in the healthcare sector organized by the WP2 of the OECD and shall not be regarded as the official position of the CNMC unless it refers to CNMC approved documents.

Sweden

In 2022, the Swedish Competition Authority (SCA) published a report examining how digital healthcare services affect competitive conditions within primary care.[1] This contribution summarises some of the main conclusions of the 2022 report pertaining to the topic of the roundtable.

The contribution describes the system of choice in the Swedish primary healthcare system, and the emergence of digital healthcare providers over the last 10 years. It focuses particularly on the question of different parallel reimbursement models for healthcare centres and digital healthcare providers, and how this risks distorting competition.

Proposals by the SCA to address the competition problems identified through the report are also presented, as well as some developments in the market since the publication of the report. The contribution also briefly describes enforcement work by the SCA related to digital healthcare providers.

[1] Swedish Competition Authority, The impact of private digital healthcare services on competition in primary care, report 2022:3

Chinese Taipei

This paper explains the role of the Chinese Taipei Fair Trade Commission (hereinafter referred to as the 'CTFTC') in maintaining fair competition in the healthcare and insurance markets under the National Health Insurance (hereinafter referred to as the 'NHI') system, and describes the interface between administrative regulations and competition law. It further explores, through case studies, the CTFTC's enforcement actions in the healthcare and commercial health insurance sectors.

Under the NHI system, both overall medical expenditures and NHI reimbursements are strictly controlled. Registration fees, classified as administrative fees, constitute one of the few competitive parameters over which medical institutions have discretion. Both the healthcare and insurance sectors are highly regulated. The competent authorities for healthcare and insurance are the Ministry of Health and Welfare (hereinafter referred to as the 'MOHW') and the Financial Supervisory Commission (hereinafter referred to as the 'FSC'), respectively. The main purposes of their respective administrative regulations are to maintain the quality and accessibility of healthcare and to safeguard the stability of the financial market. However, these regulations may also have anticompetitive effects.

The Fair Trade Act (hereinafter referred to as the 'FTA') has precedence over other laws with regard to the governance of any conduct of enterprises in relation to competition. However, an exception may apply where other laws provide otherwise and such provisions do not conflict with the legislative purposes of the FTA. Sectoral regulators may set prices or restrict competition via administrative rules. Such rules do not exclude the application of the FTA due to its lack of statutory authorization. The CTFTC interacts closely with sectoral regulators to reconcile competition law with sectoral policy objectives. In addition, it engages in policy advocacy for compliance with competition rules in the context of specific industrial policies.

In terms of competition law enforcement, in 2022 the CTFTC presumed a mutual understanding of a concerted action between two hospitals based on evidence including the market structure and considerable similarities in their submitted documents, and ruled that their conduct of raising registration fees constituted a concerted action. After the MOHW rescinded its Guideline 'Reference Range for Registration Fees Charged by Medical Institutions,' the CTFTC promptly conducted competition advocacy activities with medical associations in March 2024 to prevent medical institutions from taking advantage of the opportunity to jointly raise registration fees. It also established a mechanism for investigating and determining whether increases in registration fees involved concerted actions.

In 2023, the CTFTC investigated the Insurance Associations' restrictions on the maximum number of indemnity-based health insurance policies, and found that the restrictions resulted from the FSC's administrative guidance. The CTFTC thus conducted competition advocacy activities with the FSC, and established a dialogue mechanism with the FSC to jointly lower the risk of concerted actions taking place.

The CTFTC endeavors to strike a balance between administrative regulation and market competition. Regulatory measures implemented by sectoral regulators should be grounded in explicit legal authorization, and their purposes must not conflict with the legislative purposes of competition law in order to be exempted from the application of the FTA. The CTFTC will continue working with sectoral regulators to establish early-warning and consultation mechanisms in order to find a balance between industrial and competition

policies, thereby fulfilling the objectives of promoting consumer welfare and achieving economic stability.

Ukraine

Ukraine's healthcare reform, launched in 2015, fundamentally transformed the country's healthcare financing and service delivery system. The reform aimed to improve public health outcomes, increase efficiency, and provide stronger financial protection for patients. A key milestone was the adoption of the Law "On State Financial Guarantees of Medical Service for the Population" in 2017, which introduced the Medical Guarantees Program and established the National Health Service of Ukraine (NHSU) as the single strategic purchaser of healthcare services.

The reform introduced a tax-funded, single-purchaser healthcare model, shifting financing from traditional input-based budgeting toward payment for actual services delivered. Major stages included the launch of primary healthcare reform in 2018, specialized care reform in 2020, and the development of a capable hospital network from 2023 onward. The "Affordable Medicines" reimbursement program also expanded access to essential medicines for chronic diseases.

An important aspect of the reform was the gradual creation of competition between public and private healthcare providers. The Antimonopoly Committee of Ukraine (AMCU) played a significant role in promoting competitive neutrality and ensuring equal market access for providers of all ownership types. Legislative changes enabled private clinics and individual medical practitioners to participate in publicly funded healthcare services under the Medical Guarantees Program. At the same time, municipal healthcare institutions were transformed into municipal non-profit enterprises with greater managerial and financial autonomy.

The reform significantly increased the participation of private providers. While private providers accounted for only around 130,000 patient declarations in 2019, this figure grew to approximately 4 million by 2024. This trend reflects the gradual development of a competitive environment in the provision of services under the Medical Guarantees Program.

The AMCU also identified several regulatory barriers affecting competition. One example involved restrictions on physicians operating as individual entrepreneurs, who previously faced obstacles when extending sick leave certificates due to outdated administrative requirements. These barriers were largely eliminated through the introduction of electronic sick leave certificates and broader digitalization within the eHealth system.

Digital healthcare has become increasingly important in Ukraine. The AMCU launched a market study into medical information systems integrated with the national eHealth system to assess market conditions, barriers to entry, and potential competition concerns in the rapidly growing digital healthcare sector.

The AMCU additionally addressed anti-competitive practices in pharmaceutical reimbursement programs, where municipal pharmacies previously enjoyed preferential access to contracts. Centralization of reimbursement administration under the NHSU and open participation rules for pharmacies connected to eHealth significantly reduced these risks.

Overall, Ukraine's healthcare reform has improved transparency, efficiency, and patient access while fostering greater competition among healthcare providers. Despite substantial progress, the AMCU continues to monitor regulatory developments and advocate for

competitive neutrality to ensure fair conditions for all market participants in the healthcare sector.