

Taiwan Out-of-Pocket Drug Market Trend Observation

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Trends and Current Situation

Taiwan's National Health Insurance (NHI) system has played a crucial role in safeguarding public health by covering most medical needs. However, as medical technology advances rapidly and the population ages, financial pressures and resource allocation challenges are becoming more evident. With limited resources, NHI's criteria for covering innovative medical technology are becoming more stringent, and the speed of including new drugs into the reimbursement list has significantly decreased.

According to the Hope Foundation for Cancer Care, since 2016, about 40% of cases involving cancer drugs or new drugs collected on the NHI's New Drug and New Medical Devices Patient Opinion Sharing Platform took more than 480 days (approximately 16 months) to be officially included in coverage. This means that even if innovative drugs have obtained approval, long NHI review cycles greatly reduce patient accessibility.

At the same time, public expectations for healthcare quality and diverse treatment options are rising. Data from the Taiwan Insurance Institute shows that sales of individual health insurance are increasing yearly, reflecting more people's willingness to pay extra for advanced and personalized medical options.

In this context, "out-of-pocket drugs" are shifting from a niche choice to a significant segment in the healthcare market. Especially with the rise of high-priced innovative drugs and precision medicine, out-of-pocket drugs have become an unavoidable route for patients pursuing the latest treatment options.

Moreover, the healthcare market is slightly shifting towards "patient-centered" thinking. Previously, medical services were guided mainly by physicians' professional judgments. Now, patient preferences, values, and decision participation are becoming increasingly important. According to the data from Ipsos, patient-centered studies accounted for only 12% in 2020, growing to 45% in 2024, nearly quadrupling. This change highlights that pharmaceutical companies are actively exploring unmet needs from the patient's perspective and considering how to enhance the value delivery of innovative medical technology and increase market accessibility.

Examples and Market Analysis

The following are three out-of-pocket drug case studies by Ipsos, analyzing common challenges and differentiation strategies in the out-of-pocket market across different product types:

1. Self-paid Vaccine

Self-paid vaccines are preventive medicines not covered by NHI. As the disease is not highly contagious, it is challenging to obtain government subsidies through public health prevention, so the product enters the market through out-of-pocket payment. Ipsos collects and analyzes healthcare professionals' and the public's views, including disease awareness, key vaccination considerations, preferred information channels, and willingness to pay. Based on this, Ipsos provides precise marketing strategies and pricing recommendations.

2. Immuno-Oncology Treatment (IO Treatment)

IO treatments are high-cost targeted cancer drugs with significant efficacy for several cancer patients. However, NHI coverage limits for immunotherapy mean many patients pay out of pocket for treatment opportunities. Ipsos conducts dual-track research involving physicians and patients, covering clinical diagnosis and treatment processes, factors influencing physicians' out-of-pocket recommendations, patient decision-making processes, and price sensitivity analysis to help clients identify key elements in advancing out-of-pocket treatments.

3. GLP-1 Weight Loss Drugs

Initially for type 2 diabetes treatment, GLP-1 drugs have recently become a focal point in the weight loss market due to their significant weight control effects. However, most GLP-1 weight loss indications aren't covered by NHI, requiring consumers to pay out of pocket, with the market featuring numerous brands and significant price differences. Ipsos analyzes prescribing behavior and brand share among physicians prescribing weight loss drugs, and through online surveys of over 800 people, Ipsos gains insights into target groups' awareness, attitudes, motivations, barriers, and information channels regarding weight loss drugs, helping clients find differentiating breakthroughs in a highly competitive market.

Through these studies, Ipsos helps clients identify market entry barriers and drivers, allocating resources to the most effective communication channels, shortening market education cycles, and accelerating product penetration.

Summary and Strategic Direction

The development of the out-of-pocket drug market is no longer just filling gaps left by NHI coverage but represents a strategic new field actively pursued by the pharmaceutical industry. Ipsos combines custom research design, deep industry insights, extensive healthcare networks, and diverse recruitment capabilities to help clients quickly establish themselves in a competitive environment.

Overall, with limited NHI resources and ongoing medical technology innovation, NHI inclusion is no longer the only option. The future key lies not only in understanding patient needs but also in extending influence on physician prescribing behavior by focusing on the patient. Ipsos's market research services can shorten the distance for innovative products from launch to adoption, which is crucial for brand success in the new out-of-pocket drug market.

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