

# Pricing & Reimbursement Greek system

Reforms under crisis

Ministry of Health & Social Solidarity  
29-30/9/2011

## Pharmaceutical expenditure in Greece

- **2009:**
  - €4,9billions outpatient expenditure (Social Security Funds)
  - 10,5 million people
- **2013**
  - Outpatient pharmaceutical expenditure= 1% of GDP= in line with EU average (€2,8billions)

## Reforms

- **Pricing**
- **Reimbursement**
- **Quantity**

## Pricing

- **Competence under Ministry of Health (April 2011)**
- **External reference pricing set by law**
- **Average of the three lower prices within E.U.**
- **A basket of at least 22 countries**
- **Official sites**
- **Off patent:** reduction of price by 30% when patent expires
- **Generics:** 90% of the price of the corresponding off patent (63% of the initial price)
- **Reduction of prices:** 10% weighted average (July 2011)

## Reimbursement

- **Negative list** (approximately 450 products)
- **OTC list** (approximately 500 products)
- **Rebate:** 4% over ex-factory price for all medicines (for companies)
- **Positive list + reference price system**
  - ATC<sub>4</sub>, clustering-
  - positive prices' difference from reference price = rebate to SSF by companies
  - ATC<sub>5</sub> innovation
  - October 2011

## Wholesalers

### Wholesalers markups

- **5,4%\*** for prescribed medicines on ex-factory price (reduction of 2,4%)
- **7,8%** for OTCs on ex-factory price
- Wholesalers don't distribute hospital medicines

\* (The reduction took place on May 2011)

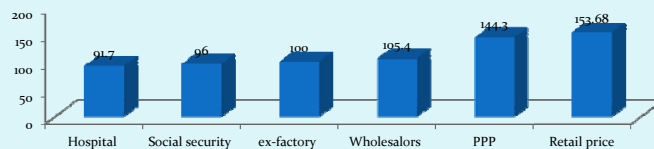
## Pharmacists

### Pharmacists markups

- 35% for prescribed medicines over wholesaler's price
- 35% for OTCs over wholesaler's price
- 18% for hospital medicines over hospital price
- **Indirect reduction** of profit margins (23,4% in retail prices) through a scaled rebate by 4%
- VAT: 6,5% (2010: VAT 11%)

## Medicine's price

medicine's price when ex-factory price is 100



## Quantity

- The most difficult to control
- Introduction of the **legal frame** for e-prescribing
- **Pilot programs** in several SSF
- **Launch a big tender** about an e-prescribing system for all SSF + NHS by the end of 2011
- Introduction of **guidelines** – approved by Central Council of Health)
- Co-payment

## Against the reforms

The whole chain of medicine

- **Companies against:** positive list + reference price system, such big basket of countries, reduction of prices
- **Wholesalers against:** cut down of their profit, and reduction of prices
- **Pharmacists against:** cut down of their profit, and reduction of prices
- **Doctors against:** negative list
- **Patients against:** negative list, list of OTC

## Unpleasant truths

- During the last years before 2009, there were no measures about controlling pharmaceutical expenditure in Greece, neither in pricing, nor in reimbursement or quantity.
- SSF reimbursed every product in market either was OTC, off label or very expensive
- In the last one year and a half, Ministries of Health and Social Security had to introduce and implement approximately all the measures taken by several EU countries during the last decade.
- It is very hard to achieve the goals set by the memorandum due to strong resistance by stakeholders but is also the only way, because failure in reducing pharmaceutical expenditure will mean a further cut down on wages and pensions

Thank you!

Lena Katsomiti

Pharmacist of National Organisation for Medicines and advisor to the Greek Minister of Health and Social Solidarity

lenaz@otenet.gr