



**HELLENIC ASSOCIATION OF PHARMACEUTICAL COMPANIES:  
A REPORT ON PUBLIC HOSPITALS' DEBTS TOWARDS SFEE'S  
MEMBER-COMPANIES**

*Pending Payments on 31.10.2009*

*Athens, December 2009*

## Introduction

The Hellenic Association of Pharmaceutical Companies (SFEE) collected and analysed all the available data relating to pharmaceutical debts of public hospitals to its member-companies. The analysis resulted in a set of tables, which describe in detail the overall amount due per public hospital, as well as the average length of payment delay. The tables included in the report are the following:

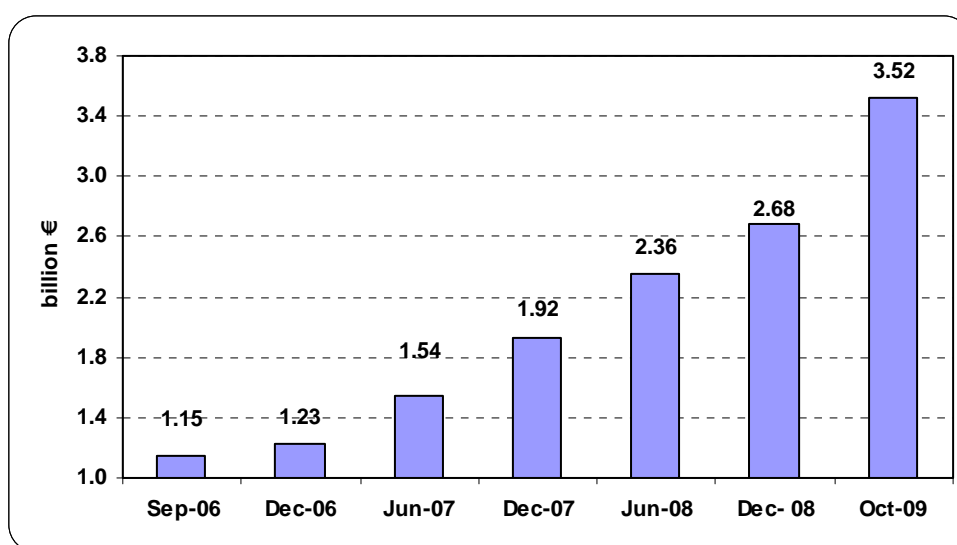
- **Table 1:** Public hospitals' debt to SFEE member-companies  
*Public hospitals ranked according to the amount due*
- **Table 2:** Public hospitals' debt to SFEE member-companies  
*Public hospitals ranked according to the first month of pending payment*
- **Table 3:** Debts towards the companies not included in Ministry's Debt Settlement
- **Table 4:** University Hospital debts towards SFEE member-companies
  - *Table 4a: Hospitals ranked according to the amount due*
  - *Table 4b: Hospitals ranked according to the first month of pending payment*
- **Table 5:** Psychiatric Hospital debts towards SFEE member-companies
  - *Table 5a: Hospitals ranked according to the amount due*
  - *Table 5b: Hospitals ranked according to the first month of pending payment*
- **Table 6:** Military Hospital debts towards SFEE member-companies
  - *Table 6a: Hospitals ranked according to the amount due*
  - *Table 6b: Hospitals ranked according to the first month of pending payment*
- **Table 7:** Debts of the Social Insurance Institute's (IKA) Hospitals to SFEE member-companies
  - *Table 7a: Hospitals ranked according to the amount due*
  - *Table 7b: Hospitals ranked according to the first month of pending payment*

### Main points:

The main points resulting from the analysis of the tables are the following:

- On 31.10.09, the **total amount of public hospitals' debt** towards SFEE's member-companies was **€3.52 billion**. This figure shows a remarkable increase (31.5%) compared to the respective figure on 31.12.2008 (€2.68 billion) (Diagram 1). If the rate of increase remains unchanged, it is anticipated that by the end of 2010 hospital debts will exceed €4.5 billion.

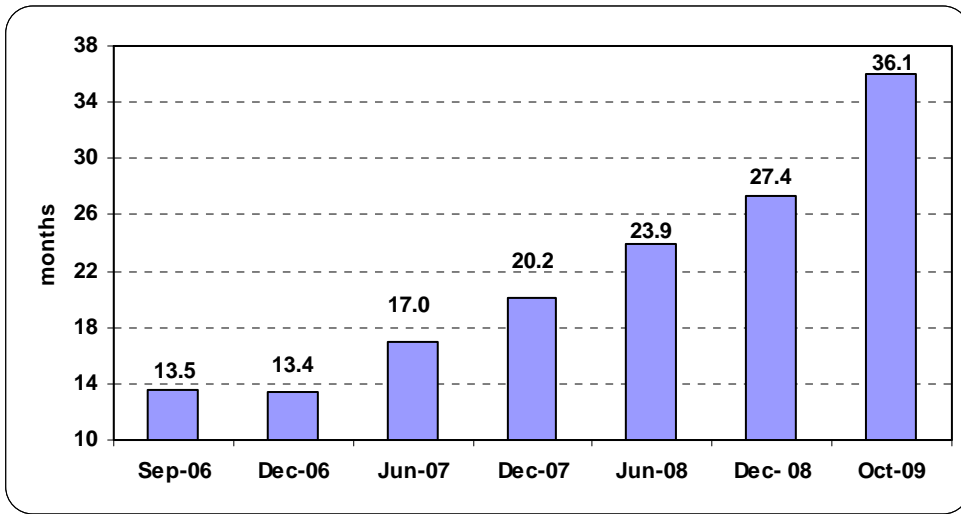
**Diagram 1**  
**Evolution of Public Hospitals' Debt for Pharmaceutical Products**



- The **average length of payment delay was 36.07 months** (1,081.98 days), i.e. public hospitals' debts are –on average- pending since November 2006\*. The average length of payment delay also presents significant increase (31.8%) compared to the respective delay on 31.12.08 (27.36 months) (Diagram 2).

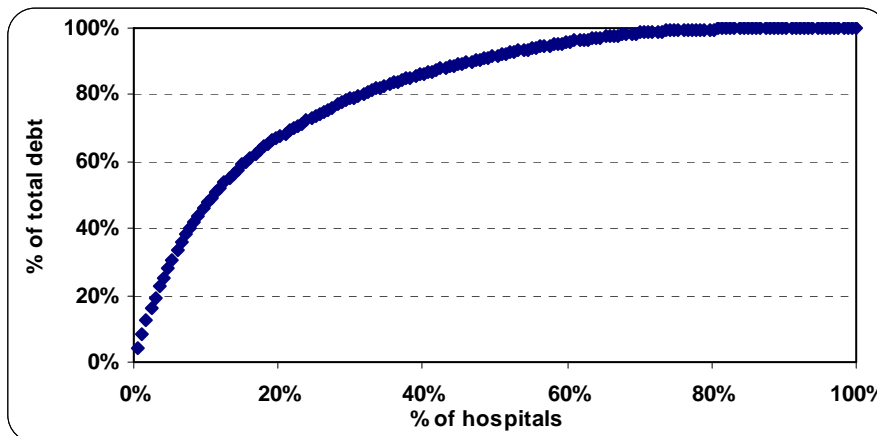
\* The overall payment delay is a weighted average of the respective delays. Companies which were not included in the Ministry's Settlement are excluded from the estimation.

**Diagram 2**  
**Average Length of Payment Delay of Public Hospitals' Debt to Pharmaceutical Companies**



- Total debt towards the companies which were **not included in the Ministry's Settlement** (2004) amounts to **€350.4 million** and exhibits an increase of 24.7% since December 2008. This amount represents approximately 10% of total public hospitals' debt, and its majority (73.3%) is **pending since 2001, 2002 and 2003**.
- The General Hospital of Athens "Laiko" presents the **highest debt**, which approaches **€154 million** (4.4% of total debt). In general, there is a **high degree of concentration** of debts to a small number of hospitals. The **top ten** public hospitals with the highest levels of debt (jointly exceed €1,175.5 million) account for 33.4% of total debt. As presented in Diagram 3, 20% of public hospitals are responsible for 67% of total debts.
- The mean delay of "Laiko" payments is **32 months**. However, the **longest payment delay** among all public hospitals is found in NS/DE/TYY Crete's Naval Station and Mitilini's General Hospital "Vostanio", as their debts are on average pending since December 2003.

**Diagram 3**  
**Inequality Distribution Diagram of Hospital Debts**



- The hospitals “Errikos Dinan” and Onassis Cardiac Surgery Center jointly owe **€33.1 million**. Their debts have been increased (5.9%) compared to December 2008 (€31.2 million). However, their share on total public hospitals’ debt has been reduced, from 1.2% in December 2008 to 0.9% in October 2009.
- The picture of public hospitals is getting worse, as the debt in the subcategories is increasing. In particular:
- **University Hospitals** have a debt which amounts to **€622.1 million** (€455.6 million in December 2008), representing 17.7% of total debts. The mean delay of debt payment is estimated at 38.9 months, in other words debts are pending since August 2006.
- **Psychiatric Hospitals’** debts reach **€37.2 million** (compared to €30.6 million in December 2008) and are pending –on average- since March 2005. The total delay of debt payment significantly exceeds the mean delay of public hospitals and amounts on average to 56.21 months (1,686 days). 69.3% of psychiatric hospital debt derives from **Attica’s Psychiatric Hospital**, which additionally presents the longest mean delay (its debts are pending since May 2004).
- **Military Hospitals’** debts to pharmaceutical companies amount to €82.5 million (2.3% of total debt). The respective figure in December 2008 was €64.2 million. Their average length of payment delay reaches 26.5 months, against 22 months in December 2008.
- **IKA’s Hospitals** appear to be the most consistent payers. The mean delay of payment amounts to 17.02 months (510.5 days). Their total debt has been increased by 29.8% since December 2008, while their share in total debt remained stable.