



**SFEE's REPORT ON PUBLIC HOSPITALS' DEBTS TOWARDS
SFEE's MEMBER-COMPANIES**

Sales, amounts paid and amounts due: 01.01.2010 - 30.09.2011

Athens, October 2011

The Hellenic Association of Pharmaceutical Companies (SFEE) collected and analyzed all the available data regarding pharmaceutical debts of public hospitals to its member-companies, for the invoices issued from 01.01.2010 to 30.09.2011. The analysis describes in detail the data regarding sales, sums that have been paid and sums that are still pending (owed) for invoices issued in 2010, in 2011 and collectively for the invoices of 2010 and 2011, only for the pharmaceutical sector.

Moreover, the data on pending debts of IKA and military hospitals towards SFEE member-companies for invoices issued before 01.01.2010 were collected and analyzed.

A) Sales, sums that have been paid and sums that are still pending (owed) for 2010

The **main points** resulting from the analysis of the data on sales, amounts paid and amounts due (debts) for invoices issued from **01.01.2010 until 31.12.2010** by SFEE member-companies, are the following:

- The **total amount of sales** effected by SFEE's member-companies to public hospitals from 01.01.2010 until 31.12.2010 **reached €1,350.2 million.**
- On 30.09.2011, the **total amount paid off** by the public hospitals to SFEE's member-companies for invoices issued from 01.01.2010 until 31.12.2010, reached **€915.2 mil.** compared to €656.3 mil. on 30.06.2011.
- In other words, on 30.09.2011 **67.8% of the total debts of public hospitals** for invoices issued in 2010 have been **paid off**, namely invoices regarding the first seven months of 2010. Therefore, on average, the settlement of invoices issued in the last five months of 2010 is still pending.
- On 30.09.2011, the **total amount of public hospitals' debt** towards SFEE's member-companies for invoices issued from 01.01.2010 until 31.12.2010 was **€434.9 million.**

B) Sales, sums that have been paid and sums that are still pending (owed) for 2011

The **main points** resulting from the analysis of the data on sales, amounts paid and amounts due (debts) for invoices issued from **01.01.2011 until 30.09.2011** by SFEE member-companies, are the following:

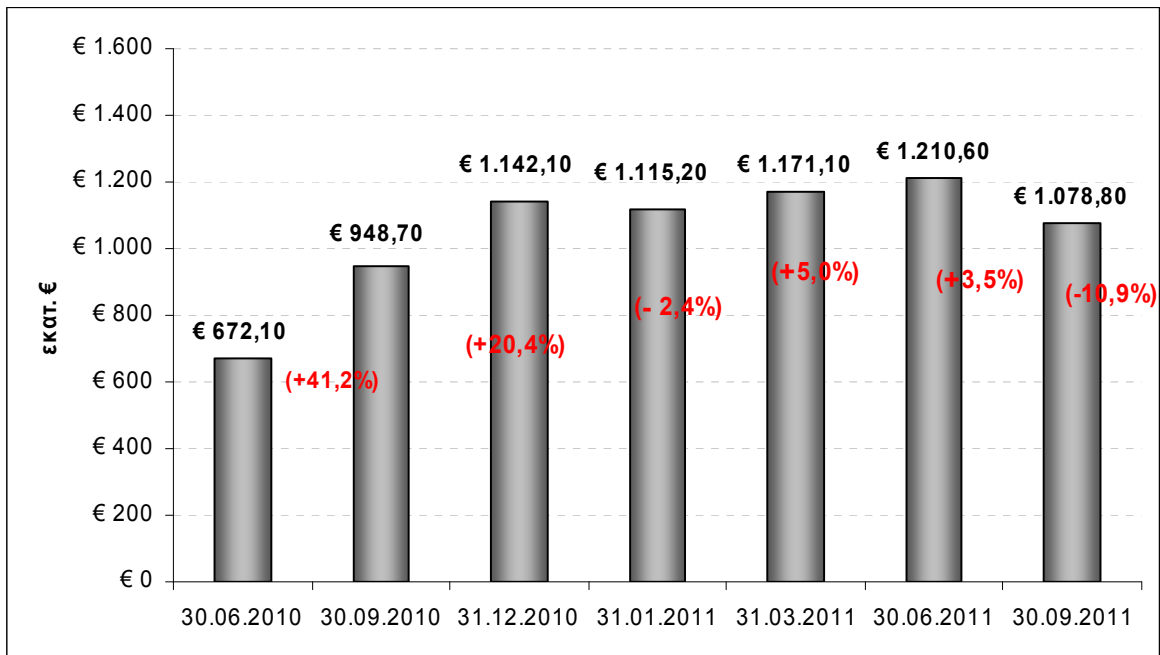
- The **total amount of sales** effected by SFEE's member-companies to public hospitals from 01.01.2011 until 30.09.2011 **reached €806 million.**
- On 30.09.2011, the **total amount paid off** by the public hospitals to SFEE's member-companies for invoices issued from 01.01.2011 until 30.09.2011, reached **€162 mil.** *In other words, 20.1% of the total amount* owed by public hospitals for invoices issued in the first nine months of 2011 has been **paid off**. In other words on 30.09.2011 the settlement of invoices issued in January 2011 is still pending.
- On 30.09.2011, the **total amount of public hospitals' debt** towards SFEE's member-companies for invoices issued from 01.01.2011 until 30.09.2011 was **€643.9 million.**

C) Sales, sums that have been paid and sums that are still pending (owed) 2010 & 2011

The **main points** resulting from the analysis of the data on sales, amounts paid and amounts due (debts) for invoices issued from **01.01.2010** until **30.09.2011** by **SFEE member-companies**, are the following:

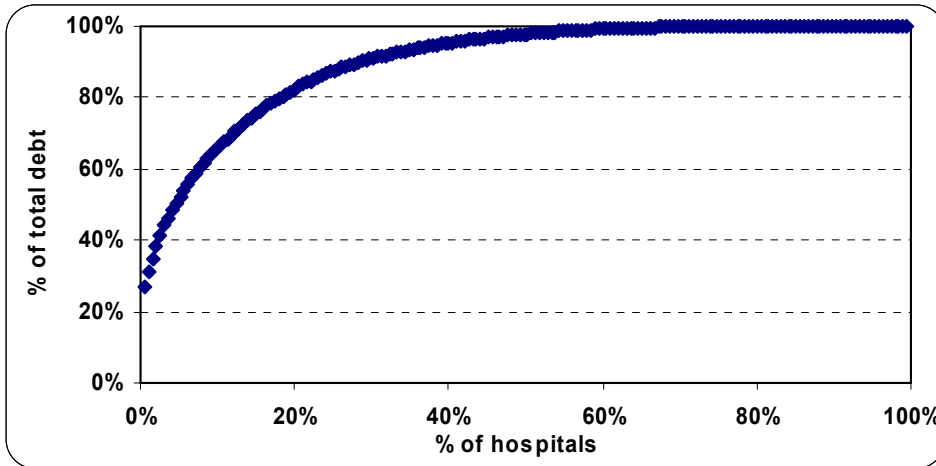
- The **total amount of sales** effected by SFEE's member-companies to public hospitals from 01.01.2010 until 30.09.2011 reached **€2,156.1 million**.
- On 30.09.2011, the **total amount paid off** by the public hospitals to SFEE's member-companies for invoices issued from 01.01.2010 until 30.09.2011, reached **€1,077.3 mil.** In other words, on 30.09.2011, **50% of the total debts** of public hospitals have been **paid off**, compared to **37% of the total debts** of public hospitals that had been paid off until 30.06.2011.
- On 30.09.2011, the **total amount of public hospitals' debt** towards SFEE's member-companies for invoices issued from 01.01.2010 until 30.09.2011 was **€1.078,8 million**, as shown in Figure 1.

Figure 1
Evolution of Hospital Debts



- On 30.09.2011, **important variations** are observed **between the amounts paid by each of the hospitals** of the National Health System, **for invoices issued from 01.01.2010 until 30.09.2011**. More specifically, the **payment rates for invoices range from 35.4% to 75.6% for large hospitals**, i.e. hospitals with total sales of more than € 20 million. Indicative of this phenomenon, is the variation in the settlement of pending amounts for the University Hospital of Larissa, the University Hospital of Alexandroupoli and the General Hospital of Thessaloniki “Papanikolaou”, where payment rates equal to 35.4%, 52.6% and 75.6% respectively. **Significant variations in the payment of invoices are also observed in the medium- sized hospitals**, i.e. the hospitals with totals sales between €10 mil. and €20 mil., for which the **payment rates of invoices range from 33.2% to 80.6%**. Finally, **large variations in the payment of invoices are noticed also among small size hospitals**, i.e. hospitals with sales less than €10 million. The payment rate for these hospitals varies from 2.5% to 98.5%.
- The **hospitals of IKA** have a large amount of debt towards SFEE’s member companies, with total debts of approximately **€291 million** (27% of the total debt) on 30.09.2011. The 30% of the total debt is related to invoices issued in 2010, while the corresponding sum on 30.06.2011 was equal to 47%. It is also noted that on 30.09.2011 the **total amount of debt of the hospitals of IKA** towards SFEE’s member companies for **invoices issued before 01.01.2010** reached **€9.73 mil.**
- A large amount of debt also corresponds to the **Military Hospitals** that have paid off only **20.5%** of the invoices issued in 2010 and 2011, whereas the total amount of debt of the Military Hospitals towards SFEE member pharmaceutical companies reached **€59.1 million** on 30.09.2011. Furthermore, the **total amount of debt of the Military Hospitals** towards SFEE member companies for invoices issued **before 01.01.2010** reached **€51.3 million**.
- The hospitals of Judicial Prisons have the lowest debt toward the member companies of SFEE, worth **€ 209 thousand**, and the highest repayment rate of invoices that reached approximately 66.4% on 30.09.2011.
- A **high degree of concentration** of debts in few hospitals is observed. The **top ten** - ranked based on the amount owed- public hospitals have total debts towards the pharmaceutical enterprises that exceed **€565.1 million**, which correspond to **52.4%** of total debts.
- Furthermore, as shown in Figure 2, **20% of public hospitals** have debts that correspond to **82.3%** of the total debts.

Figure 2
Inequality Distribution Diagram of Hospital Debts 30.09.2011



- Finally, it is worth mentioning that the total sales of SFEE member companies to State Hospitals for the first nine months of 2011 amounted to € 1.018 billion on 30.09.2011, decreased by 21% compared to the corresponding sales during the first nine months of 2010 (Figure 3). This downward trend is expected to strengthen during the last quarter of 2011, since the rate of change in sales during 2011 shows a significant downward trend, particularly during the recent months. Thus, at the end of 2011, the sales of pharmaceuticals to hospitals (in value terms) are expected to appear reduced by approximately 23%, compared to the sales of 2010.

Figure 3
Pharmaceutical Sales to Public Hospitals (€ million) 2010 & 2011

