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### **Plain truths about the list of reimbursed medicinal products**

The social budget figures of the Ministry of Employment Labor and Social Protection show that pharmaceutical expenditure increased at a higher rate during the implementation of the list, while the annual rate of increase of public pharmaceutical expenditure was reduced after 2005<sup>cs</sup>, reaching 15% in 2007 against 24% in 2002.

According to the monthly monitoring of the medicines market (IMS), total pharmaceutical sales nationwide, with the exception of hospitals, were reduced by 0.7% in March 2008 compared to March 2007. Total sales increased by 9%, a single digit rate of increase, in the first trimester of 2008, compared to the first trimester of 2007. It is the first time in many years that we come across such figures.

Based on all available data, the implementation of the list does not have an impact on the pharmaceutical sector as a whole, but seems to be reinforcing and empowering a stable trend of annual financial growth. Besides, it has been proven that the world trend of economic growth of the pharmaceutical sector is not influenced by bureaucratic choices but is exclusively due to the research and development of new medicines. Consequently, the list has had a limited but visible contribution in the economic reinforcement of the pharmaceutical sector, in the years of its implementation. However, a list-free system has proven to be preferable, since it serves the common benefits of the state and citizens. The list has proven unsatisfactory, as it impeded free access and caused distortions in the market. The experience derived from the implementation of the list showed that certain new, innovative and revolutionary medicines, absolutely necessary for the treatment of patients, were included in the list with great delays.

At the same time, the list has not operated fairly and objectively, while it has allowed for the creation of a certain amount of abuse of the system. Consequently the implementation of the list has equally damaged citizens, the state and pharmaceutical companies.

At this point the following three remarks need to be made:

- **First**, the prices of medicines are determined by the State (and not by companies), on the basis of the 2+1 pricing system, by which the price of a medicinal product is based on the average of the three lowest prices among the 27 member-states of the European Union. This policy practically results in Greece having the lowest prices of medicines throughout the European Union. In the European Union some pharmaceutical products are ranked amongst the cheapest while others among the most expensive ones. ALL medicinal products in Greece are ranked among the cheapest within the E.U.
- **Second**, the list has no impact whatsoever on the phenomenon of “induced prescribing”. “Induced prescribing”, illegal practices and overspending are facts that are not in the least tackled by the implementation of the list. According to all scientific studies, the health system costs skyrocket, as a result of large and extended overspending, as well as due to “induced prescribing” and not because of the prices of medicines, which are the lowest in Europe.

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<sup>cs</sup> following the abolishment of the list

- **Third**, pharmaceutical expenditure accounts for less than 1/5 (17.6%) of health expenditure. The level of pharmaceutical expenditure has been rightly characterized as merely “the tip of the iceberg”, when compared to the total health expenditure. It is common knowledge that underground economy and overspending phenomena are primarily observed across other healthcare sectors (for example hospital care, diagnostic examinations) and not within the pharmaceutical sector.