



**HELLENIC ASSOCIATION OF PHARMACEUTICAL COMPANIES:
A REPORT ON HOSPITAL DEBTS TOWARDS SFEE's MEMBER-
COMPANIES**

Pending Payments on 31.12.2006

Athens, March 2007

Introduction

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

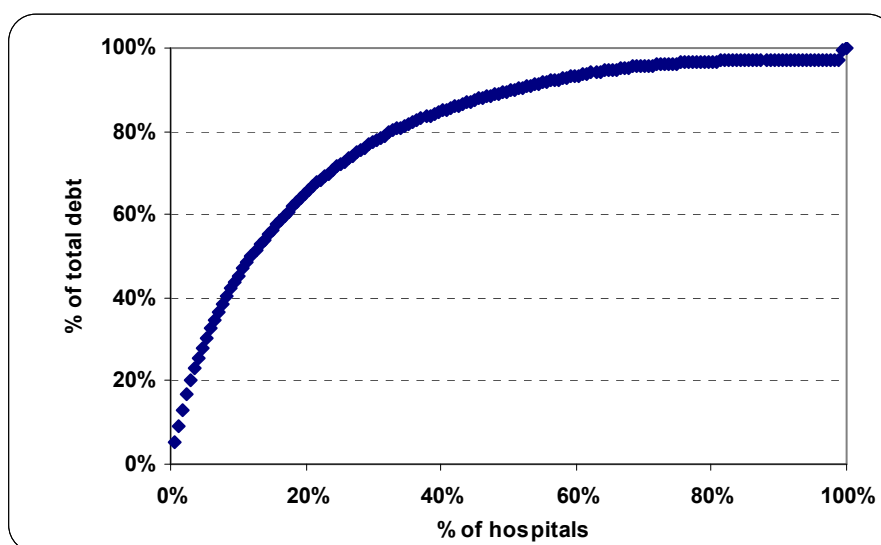
- **Table 1:** Hospital debts to SFEE member-companies
Hospitals ranked according to the amount due
- **Table 2:** Hospital debts to SFEE member-companies
Hospitals ranked according to the first month of pending payment
- **Table 3:** Debts towards the companies not included in Ministry's Debt Settlement
- **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 31/12/06, the **total amount of hospital debt** towards SFEE's pharmaceutical companies was **€1.23 billion**.
- The **average length of payment delay was 13.4 months** (403 days), in other words hospital debts are pending since December 2005.
- The above data are not completely comparable to those collected on 30/09/2006. If we estimate the total amount due for a common sample of companies, then a 5.8% rise in hospital debt is observed over a three month period (from 30/9/06 to 31/12/06).
- The debt towards the companies which were **not included in the Ministry's Settlement** (2004) amounts to **€213.5 million**, exhibiting an increase of 4% since September 2006. This debt represents approximately 17.4 % of total hospital debt, and its majority (86%) is **pending since 2001, 2002 and 2003**.
- IKA's Central Pharmacy presents the **highest debt**, which exceeds **€62.8 million** (5.1% of total debt). However, the mean delay of its payments is **9 months**, which is lower than the average delay of hospital debt payment.
- Crete's Naval Station and Attica's Psychiatric Hospital show the **longest payment delay** among all public hospitals, as their debts are on average pending since October and November 2003, respectively. "Errikos Dinan" Welfare Institution gives a similar picture concerning average delay.
- The **top ten** hospitals with the highest levels of debt (jointly €399 million) account for 32.5% of total debt. In general, there is a **high degree of concentration** of debts to a small number of hospitals. As presented in the Inequality Distribution Diagram which follows, 20% of hospitals are responsible for 65.7% of total debts.

Inequality Distribution Diagram



- **Private hospitals** “Errikos Dinan” and Onassis Cardiac Surgery Center jointly owe **€33.5 million**, contributing by 2.7% to total hospital debts.
- **University Hospitals** have a debt which amounts to **€193.9 million**, representing 15.8% of total debts. The mean delay of debt payment is estimated at 13.7 months, in other words debts are pending since November 2005.
- **Psychiatric Hospitals’** debts amount to **€17.8 million** and are pending since July 2004. The total delay of debt payment significantly exceeds the mean delay of public hospitals and amounts on average to 30 months (898 days). 68.4% of psychiatric hospital debt derives from **Attica’s Psychiatric Hospital**, which additionally represents the longest mean delay (its debts are pending since November 2003).
- **Military Hospitals’** debts to pharmaceutical companies amount to €33.4 million (2.7% of total debt). Their average length of payment delay reaches 14 months.
- **IKA’s Hospitals**, whose debts (€138.8 million) account for 11% of total debt, appear to be the most consistent payers. The mean delay of payment amounts to 8.5 months (255 days).