

To

Mr. Marios Salmas,
Alternate Minister of Health

Halandri, 23 July 2012

Subject: Urgent issues needing solutions

Dear Mr Salmas,

As part of the efforts to find solutions to the pressing problems facing the health sector and as a follow-up to the very positive meeting we had with you, we would like to draw your attention to the following:

1. Urgent need for a solution to the funding problems of EOPYY and public hospitals

The outstanding debts of EOPYY and public hospitals to pharmaceutical companies and other partners in the pharmaceutical supply chain have led to an impossible situation that poses serious risks to the health and lives of the citizens of this country. It is of vital importance to find a lasting and viable solution to the funding problems of EOPYY and public hospitals and restore the normal flow of payments to suppliers, in order to ensure unhindered patient access to medicines and treatments.

2. Arrears of public hospitals, EOPYY and military hospitals

The problem of arrears is perpetuated and is once again growing to explosive proportions, given that all payment flows have been frozen for several months now. Pharmaceutical companies are finding it extremely difficult to continue the

distribution of their products, when their unpaid receivables have already surpassed the incredible amount of **€1.65 billion!**

For these reasons, we urgently call for:

A. a timetable, to be announced within this month of July, for the repayment of arrears by the end of the year. An amount of at least €200 million should be paid within July, as a token of goodwill on the part of the new leadership;

B. an immediate expansion of the mutual offset of claims, to encompass all outstanding obligations of pharmaceutical companies to the government irrespective of cause or origin.

3. Immediate issuance of a Price Bulletin for new products

No Price Bulletin for new medicinal products has been issued since the end of December 2010, leaving Greek patients without access to treatments essential for their lives as well as to generic medicines. This has reduced Greek patients to second-class citizens relative to other European patients and is contrary to Article 10(3) of Ministerial Decision DYG3(a)/oik.33013 (Government Gazette 983/B/30.3.2012), adopted in implementation of EU Directive 89/105, stating that the price of a new medicinal product shall be determined within 90 days of the relevant application. Instead, numerous pharmaceuticals have been awaiting pricing for 19 months; including products intended for serious and as yet incurable conditions, such as:

- metastatic prostate cancer
- chronic myelogenous leukemia
- metastatic melanoma
- transplantation
- hepatitis C
- pulmonary hypertension
- tuberous sclerosis
- cystic fibrosis
- rare diseases, etc.

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4. Transparency -- Implementation of structural reforms:

Top priority should be given to the universal use of electronic prescribing. This measure, along with therapeutic protocols and the computerisation of insurance funds and hospitals, will help to combat waste, as well as any fraud, and is the most effective weapon to achieve transparency in healthcare.

5. Monitoring and targeting other cost centres at hospitals and EOPYY

Earlier government interventions in the healthcare sector have been routinely targeted at the pharmaceutical industry, but have failed to deliver any sustainable results.

We recall that pharmaceutical companies account for only 18% of total public health expenditure.

$$60\% * 4/12 = 18\%$$

- € 12 billion is public health expenditure
- € 4 billion is total public pharmaceutical expenditure (~ 7 in 2009)
- 60% is the industry's share in the final retail price of a product.

6. Pharma bonds/PSI

It is absolutely necessary that the new government honours its commitment and address the ruinous and unacceptable haircut on the special-type government bonds given to pharmaceutical companies in settlement of hospital arrears from 2007-2009. The losses from the outrageous inclusion of such bonds in the PSI and the associated haircut have amounted, for pharmaceutical companies only, to €1 billion.

Dear Minister,

SFEE and I personally would like to assure you that we will be your ally in the much-needed structural reforms that you will attempt to implement in the healthcare sector.

We are taking this opportunity to wish you again the best of success in your responsibilities.

Sincerely,

Paschalis Apostolidis
Vice-President

Konstantinos M. Frouzis
President

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