SFEE GENERAL ASSEMBLY RESOLUTION

The post-programme period can mark the start of positive developments

The pharmaceutical industry faces an absolute need for a predictable environment that will ensure the viability of companies; co-responsibility between the State and providers for closed-end budget overruns; and fast implementation of structural reforms aimed to improve public health, while at the same time increasing investment and employment

Athens, 29 March 2019.- The pharmaceutical industry in unison expresses its deep concern about the current situation in the pharmaceutical market and its strong belief that in 2019, the first year after the economic adjustment programme, a balance must finally be struck in order to ensure the viability of the health system and providers, the health of citizens and economic growth.

Despite the exit from the adjustment programmes, austerity in the healthcare sector continues, as the logic of closed-end pharmaceutical budgets is prolonged until 2022 by legislative arrangements that further deteriorate the operating conditions and prospects of the industry in our country. **Lack of predictability and stability, excessive direct and indirect burdens and uncontrollable claw-back all pose a direct threat to the viability of companies in the industry and to patient access to new and existing well-established treatments.**

In a country facing a dramatic ageing of its population and rising morbidity, where new innovative treatments need to be available to patients and lowering patient co-payment is a social imperative, public pharmaceutical expenditure remains stable for the fourth consecutive year, at EUR 1,945 billion for EOPYY and at EUR 570 million for hospitals. This has followed a drastic reduction of 60% in the pharmaceutical budget over the previous decade, bringing down public pharmaceutical spending per capita in our country to EUR 188, compared with averages of EUR 246 in the countries of European South and EUR 303 in Europe as a whole. Nevertheless, this policy has not impaired patients' access to their treatments so far, because pharmaceutical companies, through mandatory rebates and claw-backs, have absorbed all the overruns.

But the question is, for how longer?

The pharmaceutical policies implemented so far not only threaten the very existence of pharmaceutical companies, but also constitute a major obstacle to the further contribution of the industry to the country's economic growth. It is unrealistic to expect the industry to enter a growth path when its own viability is under threat:

Λ. Κηφισίας 280 & Αγρινίου 3, 152 32 ΧΑΛΑΝΔΡΙ
e-mail: sfee@sfee.gr
www.sfee.gr

- Every year the claw-back increases dramatically. According to available data for 2018, the claw-back and rebate together will exceed EUR 990 million for out-of-hospital expenditure only; adding hospital expenditure (at least EUR 436 million), this amount will come to EUR 1.5 billion (up from € 1.2 billion in 2017)!

- These unsustainable burdens are **four times higher than the European average** and proportionally the highest among all branches of the Greek economy!

- The industry is a major pillar of funding for the public healthcare system: through claw-back and rebate alone it has paid a total **EUR 5.3 billion** to the State for the years 2012-2018!

Our message to the State is straightforward and clear: Unless the necessary structural changes are implemented now, unless a cap on claw-back is set, pharmaceutical companies will no longer be able to support public health and the economy, and the State will be unable to provide proper care to Greek citizens in the long run.

In order to survive and maximize its contribution to public health and the economy, the industry needs stability and predictability as well as prompt implementation of the legislated reforms.

Reforms such as Health Technology Assessment (HTA), price negotiation, patient registers, therapeutic protocols, electronic patient records, e-prescribing control mechanisms should have become fully effective by now. Also, the size of public pharmaceutical expenditure needs to be reassessed based on current epidemiological data and health needs. Consideration should also be given to creating additional budgets for prevention (vaccines), vulnerable social groups and other inelastic components of expenditure.

Most importantly, however, it is necessary to establish co-responsibility between the State and the industry for covering pharmaceutical expenditure overruns.

Finally, a package of effective investment incentives, such as the exclusion of R&D spending from the claw-back calculation, would enable the industry to maximise its growth potential.

The industry can play a decisive part in the national effort to achieve strong growth rates. It already contributes to attaining the national targets: it is a major driver of the national economy, contributing 3.5% to GDP, supporting 26,000 jobs directly and a multiple indirectly and accounting for 18% of total R&D spending, while is also has a significant export share.

For the near future, the pharmaceutical industry proposes a Memorandum of Understanding to be signed with the State for a duration of 3-5 years, establishing a comprehensive targeting framework for all parties involved. In any event, the promotion of public health for the benefit of patients should lie at the heart of pharmaceutical policy.

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