SAVING MEDICINE COSTS AND DISCUSSION OF THE PHARMACY SYSTEM

Among the measures Parliament decided on to improve the health of the State’s finances was a major saving – 134 million euros in medicine costs.

Professor Heikki Ruskoaho’s report on the current situation of the medicine reimbursement system and the implementation of the forthcoming medicine savings was released. Ruskoaho suggested increasing the price competition among medicines by the introduction of biosimilars, by including imported generic medicines in the reference price system, and by narrowing the “price tube” (hintaputki) for generic substitution.

He also suggested that diabetes medicines other than insulins should be transferred to the lower special reimbursement category, and that epilepsy medicines should be included in the generic substitution scheme when they are used for treating ailments other than epilepsy. He also suggested means to reduce medicine waste.

Following Parliament’s decision, Ruskoaho’s proposals will come into force at the beginning of 2017. These proposals are intended to generate 134 million euros of savings in medicine reimbursement costs.

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PROPOSALS TO INCREASE COMPETITION

The discussion of the pharmacy system, which started at the end of 2015, continued and intensified. The Government coalition parties – the Centre Party, the Conservatives, the Finns Party – each set up their own working group to consider their view of the pharmacy system and how it should be improved.

Two of the opposition parties, the Social Democrats and the Greens party, announced that they were prepared to increase competition in the pharmacy field.

Minister of Social Affairs and Health Hanna Mäntylä expressed her strong support for the current pharmacy system. This came after Liisa Hyysälä, retired Director General of Kela (the Social Insurance Institution of Finland) had suggested that the pharmacy field should be opened, at least partly, to competition. The minister argued that the system already works well because it ensures medicine and patient safety and also the availability of medicines nationwide.

Minister of Social Affairs and Health Hanna Mäntylä resigned from her position on personal grounds, and in August Pirkko Mattila, a second-term member of parliament, took over as the new minister of Social Affairs and Health. Mattila also did not see the need for sudden changes to the pharmacy system.

Fimea, the Finnish Medicines Agency, initiated a study of the operations of pharmacy services regionally in order to assess the need to establish new pharmacies.

Professor Heikki Ruskoaho, will continue until the summer of 2018, the aim being to assess the current state of the reimbursement system and the potential needs for improvement, such as the reimbursement classification of diseases and medicines.

Proposals for amendments to the Medicines Act, which Parliament did not have time to deal with during the previous legislative period, failed again to be taken up for parliamentary consideration.

FROM PHARMACY FEE TO PHARMACY TAX

The Government submitted a proposal for a reform of the legislation governing tax assessment and collection. As part of this, the pharmacy fee was changed to become a pharmacy tax in 2017.

The AFP considered it important that the link between the medicine tariff and the pharmacy tax should not be broken. According to the AFP, the two biggest challenges of the reform were the switch from pharmacy fee to personal tax and a substantial tightening of the payment timetable.
We are an innovative health care actor whose activities are founded on Finnish private entrepreneurship. We help our members to offer the best pharmacy service to their customers and to society.

1. Customers are satisfied with the work of pharmacies and the availability of services and thus have confidence in them. Therefore, Finns want to obtain their medicines only from Finnish pharmacies.

2. In pharmacies, customers receive personal services that meet their needs, and the pharmacy is an expert on the customer’s total medication, health and appropriate medical care.

3. Pharmacies produce new health care services that customers need and the pharmacy receives an appropriate compensation for these services.

4. Private community pharmacies are a brand that is valued, trusted and well-known.

5. Prescription and self-care (OTC) medicines in non-institutional care are dispensed exclusively by pharmacies, and their medicine guidance ensures safe use of medicines. In line with the current licence system, pharmacies are responsible for the distribution of medicines.

6. The medicine tariff and the pharmacy fee secure the financial profitability of pharmacies, and also a nationwide pharmacy network.

7. Pharmacies and their services are recognised as an invaluable part of Finnish health care.

8. The pharmacy produces innovative and high quality services for the provision of medicines for the health care and social welfare system, and operates seamlessly in an environment of multi-professional co-operation.

9. The AFP members’ experience of the Association’s support for pharmacy business, professional operations and customer service is very positive.

10. The support offered by the AFP to its members for promoting regional and local interests and developing multi-professional co-operation strengthens the role of pharmacies in the health care system.

11. Members actively participate in the work of the AFP and its regional associations and are able to influence decision-making.

12. The products and services of the AFP’s companies create benefits for the members.

13. The AFP’s staff are competent and motivated and committed to the implementing of the strategic objectives of the AFP.
There are altogether 810 pharmacy outlets in Finland. There is at least one pharmacy in almost every municipality. Pharmacy service points dispense medicines also in areas which do not have a pharmacy.

**COMPREHENSIVELY, LOCALLY, EFFICIENTLY**

**CONTROL OF THE LOCATION OF PHARMACIES IS IMPORTANT TO FINNS**

**NINE OUT OF TEN** Finns regarded it as very or fairly important that the location of pharmacies is regulated to ensure that there are pharmacies in sparsely populated areas, too. Three out of four Finns consider the number of pharmacies and the opening hours to be sufficient. Equally many find it is very important to receive their prescription medicines on the spot in the pharmacy. *

**TENS OF THOUSANDS OF MEDICINE DELIVERIES TO HOMES**

**MOST MEDICINE DELIVERIES** are dose-dispensed medicines to homes, residential homes and customers in home care – about 18,000 deliveries annually. Online pharmacies deliver medicines and other orders – about 17,500 times annually. Pharmacies deliver dialysis fluids to patients suffering from kidney disease – almost 12,500 times each year.

In addition, particularly small pharmacies in sparsely populated areas will deliver medicines to homes if, for example, a customer is ill and thus unable to go to the pharmacy, or if the customer has received only part of their medicines during their visit to the pharmacy.

**FINNS ARE VERY PLEASED WITH THE PHARMACIES**

**NINE OUT OF TEN** Finns are very or fairly pleased with the location of the pharmacy they usually use, the fast and competent service, and the range and availability of medicines.

A clear majority of Finns are also satisfied with the opening hours, advice about medicines, the range of products other than medical products and the advice about prices provided by the pharmacy. *

The pharmacy is by far the most frequently used health service in Finland. The number of customer visits annually is about 60 million.

**FINNISH OWNERSHIP IS VALUED**

**A MAJORITY OF FINNS**, i.e. 85 per cent, consider it very or fairly important that pharmacies are Finnish-owned. Even more important is the fact that taxes on the sales of medicines are paid in Finland. Almost all Finns find this very or fairly important.

The tax footprint of private pharmacies was €363 million in 2015.

**THE PRIVATE PHARMACIES’ TAX FOOTPRINT 2015**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deduction of taxes from salaries</td>
<td>€68 million</td>
</tr>
<tr>
<td>Pharmacy owners’ taxes</td>
<td>€70 million</td>
</tr>
<tr>
<td>Statutory payments related to staff</td>
<td>€79 million</td>
</tr>
<tr>
<td>Pharmacy fees</td>
<td>€146 million</td>
</tr>
</tbody>
</table>

In addition, pharmacies paid €241 million to the State in value added tax on sales. The chart does not include taxes paid by the university pharmacies or pharmacy fees.

*Tuhat suomalaista -tutkimus (A Study of One Thousand Finns), IRO Research 9/2016*
**COOPERATION BETWEEN A TELÉ-DOCTOR AND A PHARMACY GUARANTEES LOCAL SERVICES**

**EMA GROUP LTD.**, a Finnish doctors’ company, opened a telé-doctor surgery point in association with Vähänkyrö Pharmacy in March 2016.

This was the first time telé-doctor services were offered in association with a pharmacy in Finland.

This service is not a pharmacy business activity; however, the pharmacy provides facilities and equipment and assists technologically.

The Finnish Medicines Agency FIMEA favours cooperation between a pharmacy and a local health care actor when telé-doctor services are being piloted.

Telé-doctor services could bring doctors’ services to regions where access to such services is limited, for example because of reduced municipal health services or a shortage of doctors.

**ALREADY THOUSANDS HAVE BEEN VACCINATED IN PHARMACIES**

**PROVISION OF VACCINATION** services has become more common in recent years, in particular along with the introduction of Pharmacy Health Points. Already, tens of thousands of Finns have been vaccinated in their pharmacy.

The National Institute for Health and Welfare (THL) welcomes the vaccination services offered by pharmacies, as long as certain conditions are met, for instance adequate training of personnel and registration of the vaccines.

Experiences of influenza vaccination in pharmacies have been good, for example in Vantaa. The arrangement works under the supervision of a health centre doctor. It provides flexibility for customers, and reduces the number of people in overcrowded health centres.

**RATIONAL MEDICAL TREATMENT BENEFITS THE PATIENT AND SOCIETY**

**PRIME MINISTER** Juha Sipilä’s executive programme for rational medical treatment, included in the Government Programme, started in February 2016 and will continue until the end of 2017.

The aim of the programme is to improve the implementation of comprehensive medical treatment, to improve people’s functional capacity, and also to create conditions for cost-effective medical treatment from the perspective of both the patient and society.

Finns fail to use up to 95–125 million euros worth of prescription medicines acquired from pharmacies annually. This sum is equivalent to about 3–4 per cent of the total sales of prescription medicines in Finland.

**THERE ARE ALREADY TEN PHARMACY HEALTH POINTS IN FINLAND**

**THE PHARMACY HEALTH POINT** is a new type of pharmacy service which provides low-threshold health services in collaboration with the public health care sector. The service requires a licence from a regional State administrative agency and a doctor responsible for it. Health Points provide customers with the option to use health care services in cases where the health centre is located far away or it is difficult to arrange an appointment.
DIGITILISATION IN PROGRESS IN PHARMACIES

PHARMACIES ARE at the forefront of digitalisation within the service sector. Electronic prescriptions and the sending of information from the pharmacy to national databases are fundamental pharmacy functions. However, digitalisation can yield even greater benefits to the cooperation between pharmacies and the broader health care sector, and to customers, too.

In 2016, the AFP prepared a digital pharmacy strategy the aim of which is to improve pharmacy customer service, enhance successful medical treatment and to bring new tools for communication between pharmacies and the broader health care sector.

In the future, customers will have an updated medication list, available to the doctor, the customer and the pharmacy. This will improve the management of medication and rational medical treatment. With the consent of the customer, the pharmacy may add information about bought self-care medicines to the medication list.

In the future, pharmacies will be able to send reminders to their customers, thus supporting successful medical treatment. The pharmacy will be able, for example, to alert customers when it is time to take their medicine or when it is time to get their next supply of medicine from the pharmacy.

Online pharmacy

• There are nearly 100 online pharmacies in Finland, some of which also sell prescription medicines.
• It is always safe to order medicines from Finnish online pharmacies rather than foreign online pharmacies, some of which sell a large number of falsified medicines.
• To purchase prescription medicines from an online pharmacy requires an prescription coupled with a strong electronic identification (e.g., an online bank identification code). The pharmacy checks the medicine reimbursement rights electronically with Kela.

Pharmacies

• Can offer a variety of digital services to support successful medical treatment for the customer. For example, pharmacies can suggest the use of apps, provided by reliable operators, to support treatment of diseases and successful medical treatment.

Cooperation

Between pharmacies and the broader health care sector becomes closer. With customer consent, data travels seamlessly between a doctor and a pharmacy. When prescribing medicines, doctors can also specify the purpose of the medical treatment. This information is available both to the customer and to the pharmacy; and therefore, with the support of the pharmacy, it is easy to keep track of the outcome.

Digitalisation offers pharmacies an opportunity to give their customers better service in the future.

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ACROSS THE YEAR

HUNDREDS OF PHARMACIES TRAINING FUTURE EXPERTS

OVER 400 PHARMACIES offer training places to pharmacy students each year.

Practical training in a pharmacy is an integral part of the study programme to become a pharmaceutical assistant and a staff pharmacist. Universities teach the theory, but the practical training ensures that students also master practical skills. At least half of the six-month training period must be carried out in a community pharmacy. The Käpylän Apteekki pharmacy in Helsinki was awarded the title of Training Pharmacy of the Year 2016. In a training pharmacy, the entire staff introduce the student to different areas of pharmacy work, and, for instance, check all prescriptions dispensed by the student.

– Once a student becomes a licensed pharmacist, she/he is independently responsible for the medicines and the medical advice she/he gives to customers, says proprietary pharmacist Sari Kallioinen.

Annually, pharmacies spend more than 10,000 working hours supervising students.

A UNIQUE IDENTIFIER TO COMBAT FALSIFIED MEDICINES WILL BE INTRODUCED WITHIN THREE YEARS

WORK THAT HAS BEEN carried out for a long time to produce a unique identifier that identifies medicine packages took one step forward when the three-year transition period for the introduction began in February 2016. The medicine authentication system for combating falsified medicines must be fully operational no later than February 2019.

A unique identifier code will be mandatory in Europe for the sale of almost all prescription medicines. Using the code, it is possible to find information about a specific medicine package in a common European database which is maintained by actors in the pharmaceutical field.

The code confirms whether the medicine comes from a legitimate manufacturer, whether it is out-of-date, whether it has been retracted, withdrawn from the market or reported stolen.

Pharmacies check the information in the system before handing over the medicine package to the customer.

KELA’S APPLICATION MAKES PAPER PRESCRIPTIONS HISTORY

KELA PRODUCED a browser-based app which was introduced in September 2016. It enables self-employed doctors and dentists to write electronic prescriptions.

Over a period of five years, the electronic prescription has almost completely replaced paper prescriptions. At the beginning of 2017, all prescriptions must be electronic, except in exceptional circumstances.

Pharmacy customers find that electronic prescriptions have more benefits than drawbacks. It has facilitated using pharmacy services, and made the management of prescriptions effortless, a survey carried out by the University of Eastern Finland showed.
ACROSS THE YEAR

STUDY: THE SWEDISH PHARMACY REFORM WAS PARTLY A DISAPPOINTMENT

A STUDY in Sweden found that the motives of the political groups for the deregulation of the Swedish State pharmacy monopoly in 2009 were ideological. The political groups did not have a clear idea of what impact the reform would have on the provision of medicines.

Swedish researchers say that the aim of the political groups was only to dismantle the State’s pharmacy monopoly. Other effects of the reform were, however, not foreseen. The reform increased the number of pharmacies. At the same time, however, pharmaceutical advice and the availability of prescription medicines weakened, along with a reduction in cooperation between pharmacies and the broader health care sector.

IN TEN YEARS FOOD BECAME MORE EXPENSIVE AND PRESCRIPTION MEDICINES BECAME CHEAPER

FINNS PAID about 13 per cent less for their prescription medicines at the end of 2016 than ten years earlier, according to Statistics Finland. Also, OTC medicine prices have remained more or less unchanged.

At the same time, the consumer price index rose by 18 per cent and the price of food about 22 per cent. The consumer price index measures changes in the average prices of consumer goods and services purchased in Finland by Finnish households.

IN SEPTEMBER, the Finnish Federation of the Visually Impaired and the AFP started working together to offer the Terveydeksi! pharmacy customer magazine to the visually impaired.

At the same time as the magazine is distributed to the AFP member pharmacies, it also becomes available in the Luetus and Daisy services used by visually impaired people. Visually impaired people read the publication using the machine voice on computers and on mobile devices. The Luetus service also makes it possible to follow the text on a screen.


RISKS ASSOCIATED WITH OTC MEDICINES ARE NOT UNDERSTOOD

A MAJORITY OF FINNS (77%) are aware that non-prescription medicines may have adverse effects, but many people are less careful about following the dosage directions than in the case of prescription medicines.

An OTC medicine wrongly chosen or misused may be harmful or even dangerous. That is why customers should always ask a pharmacist for an assessment before buying such medicines.

Finns’ attitudes towards self-care medicines and self-care were examined as part of a study called Tuhat suomalaista -tutkimus (A Study of One Thousand Finns) carried out by IRO Research Oy.

The first Current Care Guidelines recommendation regarding self-medication was released in April. The recommendation gives instructions about how to use OTC medicines safely when self-medicating for headaches, sudden back pain, allergy symptoms and coughs, for example.
The AFP would like to increase the number of pharmacy licences and facilitate the establishment of subsidiary pharmacies. It would also be willing to try out price competition for non-prescription medicines, as long as the effects of these changes were carefully monitored.

**PROPOSALS TO INCREASE COMPETITION**

**1. MORE PHARMACIES AND SUBSIDIARY PHARMACIES**

The AFP believes that the number of pharmacy licences can be increased, but at the same time, the need for a new pharmacy must still be assessed and its location regulated. Any changes must be carried out properly and a comprehensive pharmacy network maintained. Establishing a subsidiary pharmacy could also be made easier. The option to establish a subsidiary pharmacy, for example in association with hospitals, would make it easier for patients who are discharged to obtain their medicines.

**2. PRICE COMPETITION AMONG NON-PRESCRIPTION MEDICINES**

The AFP believes that price competition among non-prescription medicines could be tried out. The trial could be time-limited, and the effects should be closely monitored. On the other hand, it is justifiable to maintain similar prices of prescription medicines. Customer claims for medicine reimbursements have a ceiling on how much can be deducted. Moreover, the marketing of prescription medicines to the public is prohibited throughout the EU. Therefore, competition among retail prices of prescription medicines without marketing would hardly work in Finland either.

**3. MEDICINE TARIFF REFORMS**

Currently, a pharmacy’s remuneration from medicine sales, i.e. the sales margin, is determined by the medicine tariff, and it is reduced by a progressive pharmacy tax to the State, which evens out the financial results of pharmacies of different sizes. The dependency of a pharmacy’s sales margin on the price of a medicine was reduced in 2014. The AFP would like to proceed with this reform, thus bringing it more into line with the European system, which better acknowledges the pharmacy work required for dispensing medicines.

**4. PHARMACIES MORE STRONGLY INVOLVED IN HEALTH CARE**

The AFP believes that pharmacy expertise should be exploited even more than it currently is by directing customers to self-care advice in pharmacies. This would lighten the burden on primary health care, and should be considered when preparing the reform of social and health care. The AFP would also like to increase the automated dose dispensing of medicines, and medication checks. The number of Pharmacy Health Points providing the services of a nurse should be increased, especially where primary health care services are unavailable.
**Regulation of Pharmacies and Medicine Prices**

### Pharmacy Licence

The *Running* of a pharmacy in Finland requires a licence, which is granted by the Finnish Medicines Agency (Fimea). When a pharmacy licence becomes vacant, Fimea announces that it can be applied for, and grants that licence in line with the criteria defined in the Medicines Act.

Fimea also makes decisions based on an assessment of needs regarding the establishment of new pharmacies and subsidiary pharmacies. A new pharmacy or a subsidiary pharmacy is often established on the initiative of a municipality.

Citizens of countries other than Finland may apply for a pharmacy licence, but such a licence cannot be granted unless they have received Finnish authorisation to be a pharmacist in Finland.

A community pharmacy licence is granted for a specific catchment area, typically a municipality. In large municipalities and in cities, there may be several such pharmacy catchment areas and each of them may have several pharmacies. Within a particular catchment, a pharmacy may be located without restrictions, for example close to an existing pharmacy. However, the siting of a subsidiary pharmacy is more strictly regulated.

A proprietary pharmacist is permitted to hold only one pharmacy licence and a maximum of three subsidiary pharmacy licences at one time, except in the case of a change of ownership of a pharmacy. Fimea may also grant permission to a proprietary pharmacist to establish service points within the outlying districts of the pharmacy’s own catchment area or beyond into a neighbouring municipality or a village centre. These service points may only be established in areas where there are no preconditions for running a pharmacy or a subsidiary pharmacy. Also, subject to the permission of Fimea, a proprietary pharmacist may establish an online service through a pharmacy.

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### Pharmacy Fee

**Pharmacies Pay** a pharmacy fee to the State (from the beginning of 2017, a pharmacy tax), on the basis of a table decided by Parliament each year. The pharmacy fee provides an income of over €370 million per year to the State. The fee is based on the turnover of the sales of prescription and OTC medicines, and it is progressive.

By way of the pharmacy fee, the revenue of pharmacy business is shared between the State and the pharmacy entrepreneur. In practice, the pharmacy fee cuts particularly the incomes of large pharmacies and thus adjusts the financial result of pharmacies of different sizes. The effect of the fee is that a small pharmacy will earn proportionally more from the sale of the same medicine than a large pharmacy.

The smaller pharmacies are exempt from the pharmacy fee; for the larger pharmacies, the fee is over 10 per cent of the turnover from the sales of medicines. The pharmacy fee was increased at the beginning of 2017 as part of the government’s actions to make savings on medicine costs. The smallest pharmacies were exempt.

### Medicine Tariff

**The Medicine Tariff** decided by the Council of State sets a retail price of a medicine according to a national wholesale price (see table). Hence, a pharmacy never decides the price of a medicine, it is decided by the State.

Retail prices of medicines are the same in all community pharmacies because the wholesale price is the same for all pharmacies, and the retail price is always based on the medicine tariff. Discounts on medicine purchases to pharmacies are not allowed.

The medicine tariff is “counter-progressive”, i.e. the proportion of the sales margin decreases as the wholesale price of a medicine goes up. Regulation of the medicine price ensures the reasonableness of medicine prices and equal treatment of citizens throughout the country.

### Medicine Retail Price at the Pharmacy

<table>
<thead>
<tr>
<th>Wholesale price (€)</th>
<th>Prescription fee</th>
<th>Self-care medicine fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–9,25</td>
<td>1,45 x wholesale price + 1,5 x VAT 10%</td>
<td>+ 0,50 € + VAT 10%</td>
</tr>
<tr>
<td>9,26–46,25</td>
<td>1,25 x wholesale price + 0,92 € + VAT 10%</td>
<td>+ 1,43 € + VAT 10%</td>
</tr>
<tr>
<td>46,26–100,91</td>
<td>1,25 x wholesale price + 5,54 € + VAT 10%</td>
<td>+ 6,05 € + VAT 10%</td>
</tr>
<tr>
<td>100,92–420,47</td>
<td>1,15 x wholesale price + 15,63 € + VAT 10%</td>
<td>+ 16,15 € + VAT 10%</td>
</tr>
<tr>
<td>yli 420,47</td>
<td>1,1 x wholesale price + 36,65 € + VAT 10%</td>
<td>+ 47,68 € + VAT 10%</td>
</tr>
</tbody>
</table>

An administration fee of €2.39 (incl VAT) per item, which is not dependent on the number of packages sold, is added to the retail price of prescription medicines and self-care medicines dispensed by prescription.

### Pharmacy Fee to the State


#### Pharmacies Pay

— partly separately and partly together for the main and the subsidiary pharmacy (€)

<table>
<thead>
<tr>
<th>Fee % exceeding turnover (€)</th>
<th>Pharmacy fee at the lower turnover limit (€)</th>
<th>Pharmacy fee at the other turnover limit (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>871,939 — 1016,139</td>
<td>0</td>
</tr>
<tr>
<td>0,1%</td>
<td>1016,139 — 1306,607</td>
<td>8,830</td>
</tr>
<tr>
<td>0,5%</td>
<td>1306,607 — 1596,749</td>
<td>23,998</td>
</tr>
<tr>
<td>0,75%</td>
<td>1596,749 — 2033,572</td>
<td>53,245</td>
</tr>
<tr>
<td>0,9%</td>
<td>2033,572 — 2471,372</td>
<td>93,651</td>
</tr>
<tr>
<td>1%</td>
<td>2471,372 — 3194,464</td>
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</tr>
<tr>
<td>1,6%</td>
<td>5243,857 —</td>
<td>394,914</td>
</tr>
</tbody>
</table>

### Pharmacy Fee When the Pharmacy Has a Subsidiary Pharmacy

Title turnover of the main pharmacy and the subsidiary pharmacy (€)

<table>
<thead>
<tr>
<th>Pharmacy fee</th>
<th>Over 2.6 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Separate</td>
<td>Self-care medicine</td>
</tr>
<tr>
<td></td>
<td>2.6 – 3.5 million</td>
</tr>
<tr>
<td>Separate</td>
<td>Partly separately and partly together for the main and the subsidiary pharmacy (according to a separate table)</td>
</tr>
<tr>
<td>Over 3.5 million</td>
<td>Main and subsidiary pharmacy together, a subsidiary pharmacy deduction</td>
</tr>
</tbody>
</table>

### Medicine Tariff and Pharmacy Fee

<table>
<thead>
<tr>
<th>Medicine tariff decided by the Council of State 17.10.2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale price (€)</td>
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### Turnover of Private Community Pharmacies (ex. VAT)

<table>
<thead>
<tr>
<th>Year</th>
<th>£ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1,897</td>
</tr>
<tr>
<td>2008</td>
<td>2,038</td>
</tr>
<tr>
<td>2009</td>
<td>2,041</td>
</tr>
<tr>
<td>2010</td>
<td>2,026</td>
</tr>
<tr>
<td>2011</td>
<td>2,051</td>
</tr>
<tr>
<td>2012</td>
<td>2,134</td>
</tr>
<tr>
<td>2013</td>
<td>2,163</td>
</tr>
<tr>
<td>2014</td>
<td>2,235</td>
</tr>
<tr>
<td>2015</td>
<td>2,281</td>
</tr>
<tr>
<td>2016</td>
<td>2,364</td>
</tr>
</tbody>
</table>

Source: The Association of Finnish Pharmacies

Statistical data are updated at Apteekkariliitto.fi.

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### Breakdown of Sales in Community Pharmacies 2016 (estimated)

- Prescription medicines: 81%
- Non-prescription medicines: 13%
- Others: 6%

### Breakdown of the Income from Medicines Sales 2015

- Industry and wholesaling: 63%
- Community pharmacy: 21%
- State: 16%

Source: The Association of Finnish Pharmacies

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### Turnover of Private Community Pharmacies According to Size 2016

<table>
<thead>
<tr>
<th>Prescriptions/year</th>
<th>Number of Pharmacies</th>
</tr>
</thead>
<tbody>
<tr>
<td>200 001 – 400 000</td>
<td>82</td>
</tr>
<tr>
<td>400 001 – 600 000</td>
<td>86</td>
</tr>
<tr>
<td>600 001 – 800 000</td>
<td>112</td>
</tr>
<tr>
<td>800 001 – 1 000 000</td>
<td>186</td>
</tr>
<tr>
<td>1 000 001 – 1 200 000</td>
<td>128</td>
</tr>
<tr>
<td>1 200 001 – 1 400 000</td>
<td>7</td>
</tr>
<tr>
<td>1 400 001 – 1 600 000</td>
<td>19</td>
</tr>
<tr>
<td>1 600 001 – 1 800 000</td>
<td>22</td>
</tr>
<tr>
<td>1 800 001 – 2 000 000</td>
<td>44</td>
</tr>
<tr>
<td>2 000 001 – 2 200 000</td>
<td>66</td>
</tr>
<tr>
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<td>3 000 001 – 3 200 000</td>
<td>128</td>
</tr>
</tbody>
</table>

Source: The Association of Finnish Pharmacies, incl. 97% of all pharmacy outlets

Due to changes in registering dose-dispensing and dose-dispensing prescriptions in pharmacies that came into force on 1.4.2015, the statistics are not comparable with those before 2015.

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### Breakdown of Total Health Care Expenditure 2014

- Specialised medical and hospital care: 35%
- Primary health care*: 16%
- Other expenditure: 31%
- Oral hygiene: 6%
- Medicines in non-instit. care: 12%
- *excluding occupational health care, student health care and dental care

Sources: National Institute for Health and Welfare (THL) and the Association of Finnish Pharmacies

In 2014, the total expenditure on health care was € 11.5 (11.6% of GDP), or about € 925 per capita. Of the total health care expenditure, only 2.8% was spent on maintaining the nationwide and dense community pharmacy networks.

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### The AFP Group of Companies

The Association’s companies complement the AFP range of services to pharmacies.

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### Medifon Ltd

- Founded: 1981
- Ownership: AFP (100%)
- Turnover 2016: €1.2 million
- Staff: 4 + 4 (IATOD)
- CEO: Erkki Kostianen

**Medifon** is the wholesale business, distributor and importer for proprietary pharmacists. From its distribution centre, located in Espoo, the company distributes its own products throughout the country and also the products of its principals. The company is responsible for the AFP member pharmacists’ own private label product line, APTEEKKI products; also, it buys, distributes and markets these products. Additionally, the company markets a wide range of other free trade products and other special pharmacy supplies. It also has wholesale rights for medicines.

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### Pharmadata Ltd

- Founded: 1989
- Ownership: The AFP (100%)
- Turnover 2016: €7.6 million
- Staff: 41
- CEO: Erkka Toivola

**Pharmadata** is the leading company for producing data systems and data communication solutions for pharmacies. Its products are the pharmacy systems pd3 and the Salix, plus Procurro, Presto, EasyMedi, Proselecta, Prologis, and also the pharmacy network Apteekkivirkeko. Pharmadata offers Service Desk services and software consultation and training services, as well as expert services.
THE PEOPLE

THE BOARD OF THE ASSOCIATION OF FINNISH PHARMACIES ELECTED AT THE ANNUAL MEETING 2016

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KANGASALA PHARMACY

ELIA KARI
1ST VICE-PRESIDENT
PRIIMA PHARMACY, (SALMI)

KIRSI PIETLÄ
2ND VICE-PRESIDENT
KONTULA PHARMACY, HELSINKI

LEENA ASTALA
ASIMA PHARMACY PORI

MARIA HEIKKILÄ
KESKUSAPTEEKKI PHARMACY

TOMI JÄRVINEN
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RISTO KANERVA
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HARRI OVASKAINE
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JAANA SMAL
KOKKOLA YKOSAPTEEKKI PHARMACY

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NUMMELA PHARMACY

EERO SUHKO
VAARA-KARJALA PHARMACY JOENSUU

PEKKA TORNIAINEN
VANHA APTEEKKI PHARMACY SALO

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TAMMELA PHARMACY

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THE ASSOCIATION OF FINNISH PHARMACIES

ANNUAL REPORT 2016