

THE ASSOCIATION OF FINNISH PHARMACIES

2014

**THE ASSOCIATION OF FINNISH PHARMACIES
(AFP) DEVELOPS HIGH STANDARDS OF ETHICAL AND
PROFESSIONAL COMPETENCE IN PHARMACY SERVICES
WITHIN THE BROADER HEALTHCARE SECTOR.
IT ALSO PRODUCES SERVICES FOR ITS MEMBERS TO SUPPORT
THE RUNNING OF THEIR BUSINESS.**

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SUPPORTING THE CURRENT PHARMACY SYSTEM

A working group stated that the pharmacy system should be developed along the lines of the existing model, i.e. based on the owner being a pharmacist.

DURING 2014, a working group, and its associated sub-groups, all of which were set up to develop pharmacy operations and other services for the provision of medicines, considered the question of how to improve pharmacy operations in the near future.

In November 2013, Minister of Social Affairs and Health Paula Risikko (National Coalition Party) had set up this working group which was expected to conclude its work by the end of 2014.

The final report was handed over to Laura Rätty (National Coalition Party), who succeeded Paula Risikko as Minister of Social Affairs and Health in January 2015. The conclusion of this report was unanimous: the pharmacy system should be developed along the lines of the existing model, i.e. based on a pharmacy licence.

In all, the final report included nearly 60 different suggestions for how better provision of medicines can improve medication safety for customers and, at the same time, support the reforms of the social and health services.

The working group noted, among other matters, that in order to improve vaccination coverage of the population, the pharmacies could give seasonal flu shots. The working group was in favour of new concepts such as "Terveyspiste" – a health point – in pharmacies and indeed proposed necessary changes in the legislation to allow this.

The report will go for further consideration and possible law drafting to the Ministry of Social Affairs and Health. It will form the basis for the development of pharmacy work during the parliamentary term 2015–2019

INITIAL COPAYMENT MADE PROGRESS

In February, the ministerial working group on social and health policy decided to reform the medicine reimbursement system and to introduce an initial copayment, which the medicine reimbursement working group had recommended in its report already in 2013.

The reform of the medicine reimbursement system was speeded up in the government's budget framework discussions in March, at which point, a yearly initial copayment for medicine reimbursements was outlined. At the same time, the government decided to cut medicine reimbursement costs by €26m.

The proposal to renew the medicine reimbursement system and to cut the state's medicine reimbursement costs proceeded, and was finally circulated for opinions in November. The proposal included introducing an initial copayment of €45 for those over 18 years and to raise the basic reimbursement from 35 to 40 per cent. In order to find savings, a proposal was made to also improve price information about prescription medicines sold in pharmacies.

Parliament approved the proposals in February 2015 and the reform will come into force at the beginning of 2016.

MEDICINAL LEGISLATIVE PACKAGE SENT TO PARLIAMENT

The Government's proposal regarding its medicinal legislation package proceeded to Parliament at the end of the year. The proposed changes were mainly based on suggestions in a report submitted in March 2011 by the working group to develop pharmacy

operations. For instance, the Government proposed making all preparation of medicinal products in pharmacies subject to licence.

Furthermore, it proposed simplifying the procedure for notification of vacant pharmacy licences and to expedite the change of ownership.

However, the Parliament did not have time to deal with the proposed changes during the parliamentary session and thus they were abandoned.

THE OTC MEDICINES PROGRAMME WAS LAUNCHED

The Finnish Medicines Agency (Fimea) continued the preparation of the National OTC medicines programme.

In 2012, the Ministry of Social Affairs and Health had assigned to Fimea the task of drawing up the programme. Stakeholders had the opportunity to express their opinions as the work proceeded, and in 2013 a survey was conducted among users of OTC medicines to obtain background information for the programme.

The programme was published at the beginning of 2015 and it focusses on general principles and goals for self-care medication.

When the programme was released, it was stated that in order to support successful treatment, we need not only an appropriate selection of self-care medicines but also sufficient advice and guidance together with correct management of the user's overall medication regimen.

NEW DRIVE

MASTER OF LAWS MERJA HIRVONEN took over the post of CEO of the AFP in early December. The Annual Meeting elected Doctor of Pharmacy Marja Ritala as the new president of the AFP.

“Our job is to ensure that customers are satisfied with pharmacy services.”

MARJA RITALA

“Our pharmacy system is a combination of professional and financial responsibility. The professional responsibility is paramount, because the distribution of medicines cannot be built purely on financial incentives aimed at increasing sales.”

MERJA HIRVONEN

OUR VISION

WE ARE AN INNOVATIVE HEALTHCARE 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.

OUR GOALS DURING THE PARLIAMENTARY TERM 2015–2019

1

Finns use their medicines correctly.

2

Medicines are dispensed exclusively by pharmacies in order to ensure that patient safety and a nationwide availability of medicines is maintained.

3

Pharmacies offer guidance and services to promote well-being and support medical care

4

Pharmacies together with the other actors in the healthcare sector produce and develop high-quality healthcare services local to customers.

5

The medicine tariff and the pharmacy fee ensure competence and high quality in all pharmacies in Finland and at the same price.

THE DEVELOPING PHARMACY

The pharmacies streamline their working methods by introducing a range of automation solutions. The number of robots used for efficient storage and collection of medicines, for example, has doubled in five years.



A CHECK OF THE MEDICATION REVEALS PROBLEMS IN MEDICAL TREATMENT

PRESCRIPTION MEDICINES, non-prescription medicines and natural remedies may interact in unexpected ways. The medication of a customer might, for example, also include medicines that pose risks to elderly people.

This checking of medication is a new service offered by the AFP to its member pharmacies and entails a pharmaceutical assistant or a staff pharmacist checking the customers' total medication. The purpose of the service is to identify any medication that overlaps unnecessarily or any incompatible preparations.

The staff and the customer together look at what has been found, and the staff give advice about the correct use of medicines. For example, the time of day at which the

medicines are taken may have a significant impact on their efficacy.

This service to check the medication is clearly a lighter version of the comprehensive review of the medical treatment (LHKA), which pharmacies also offer.

Successful medical treatment improves the customer's quality of life. Weeding out unnecessary medication can also reduce the medicine bill.



HEALTH POINTS IN PHARMACIES BRING SERVICES CLOSE TO THE CUSTOMER

HEALTH POINTS IN PHARMACIES is a new kind of pharmacy service. It offers easy-access health services in cooperation with the public healthcare sector. At a health point, a nurse offers a customer the same service as in a public healthcare centre, but for a small fee and on the spot. The service requires a licence from a regional state administrative agency, and a doctor who is responsible for the treatment.

The pharmacy health points focus on, among others, monitoring a well balanced treatment, examination of high-risk groups, guidance and counselling and minor treatment. Nurses are backed by a doctor who is responsible for the service.

Health points in pharmacies were originally instigated by Kuopio Innovation. However, at the beginning of 2014, the Association of Finnish Pharmacies took over responsibility and, together with pharmacies, is continuing to develop the project.



THE APTEEKKI.FI SERVICE OFFERS HEALTH AND WELL-BEING

THE AFP opened a new apteekki.fi online pharmacy service for consumers. The apteekkariliitto.fi website was revamped at the same time, and it targets stakeholders and others who are interested in the pharmacy field.

The apteekki.fi website offers useful information about well-being, health, prevention and treatment of illnesses, as well as medical treatments.

The website has a comprehensive pharmacy search, a medicine reimbursement counter, videos showing how to use inhalers, for example, and much more useful information for pharmacy customers.

The content of this site is largely based on the Terveysdeksi! customer magazine, which became part of the new service.



THE RESPONSIBLE PHARMACY

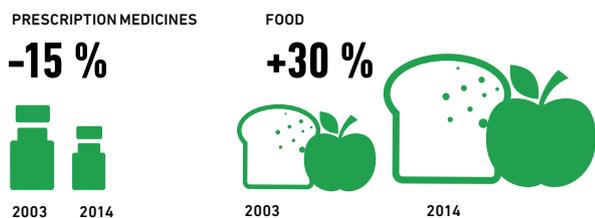
REGULATION KEEPS MEDICINE PRICES UNDER CONTROL

ACCORDING TO a European study* published last year, prices of OTC medicines did not come down in those countries that had deregulated the sales of these medicines permitting them to be sold outside pharmacies. In Finland, regulation has been more effective in curbing rising prices of medicines than competition has been in the area of food prices.

Consumers now pay 10–15 per cent less for their prescription medicines but still 30 per cent more for their food than they did in March 2003. OTC medicine prices remained unchanged during this period.

* Vogler S. et al. Does deregulation in community pharmacy impact accessibility of medicines, quality of pharmacy services and costs? Evidence from nine European countries. *Health Policy* 2014; 117: 311–2.

COMPARISON OF PRICES 2003 AND 2014



PHARMACIES DEAL WITH WASTE MEDICINES

ALMOST ALL pharmacies in Finland accept unused medicines from local residents. These medicines are transported from the pharmacies and taken to the Ekokem waste plant for proper disposal.

To facilitate the collection of unused medicines, a medical waste container for placing in the pharmacy customer space was designed and included in the AFP’s pharmacy space concept. Customers can drop unused medicines directly into the container, without the pharmacy staff having to deal with this waste.

INFORMATION ABOUT MEDICINES FOR SCHOOL CHILDREN

LAST SPRING, pharmacies, schools, the Finnish Medicines Agency (Fimea), Finnish pharmacists’ associations and universities took part in a joint project to promote health education in schools.

As part of their training in pharmacies, pharmacy students visited schools to talk about medicines. Learning about proper use of medicines is part of wider health education in schools.

OVER €100 000 DONATED TO THE NEW CHILDREN’S HOSPITAL

MEMBERS OF THE AFP donated 107 049 euros for the New Children’s Hospital. This sum was so substantial that the proprietary pharmacists were especially recognised for their contribution.

“We are very glad that the Association of Finnish Pharmacies and its members are participating in this historic project to build the world’s best hospital for children and those who work with them”, said Anne Berner, chairman of the Uusi Lastensairaala 2017 Foundation and fund-raising association.

This new hospital, in Meilahti, Helsinki, will be completed by 2017, and will treat seriously ill children from all parts of Finland.



Anne Berner thanked Riitta Andersin, who was President of the AFP in 2014, for the proprietary pharmacists’ donation.

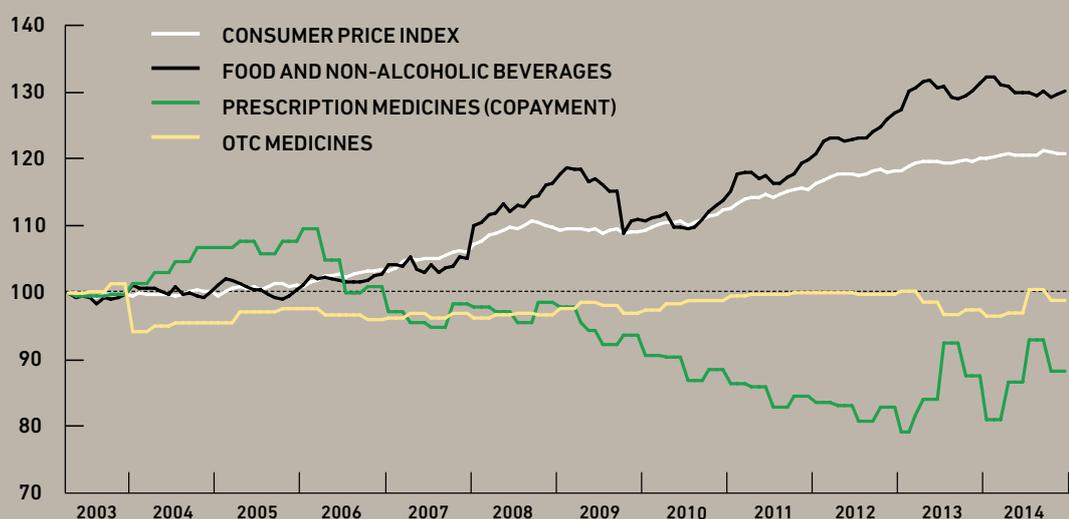
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MILLION TO THE STATE

Pharmacies are owned by Finns, and therefore taxes and fees on the sales of medicines go to the Finnish state. The pharmacy fee, which is a form of tax, alone generated around €160 million for the state last year.

TRENDS OF MEDICINE PRICES IN FINLAND

INDEX 4/2003 = 100



SOURCE: STATISTICS FINLAND

PHARMACIES OFFER JOBS

MANY SUMMER JOBS were on offer for pharmaceutical assistants, pharmacy students and those who are interested in the pharmacy field. The good employment situation was also reflected in a barometer of Finnish working life maintained by the Ministry of Employment and the Economy.

AFP statistics show that last year almost 200 pharmacies nationwide had vacancies for pharmaceutical assistants. Also, the number of applicants for training programmes for pharmaceutical assistants and staff pharmacists reached record levels.

THE AFP GAVE A LARGE GRANT

THE AFP awarded staff pharmacist Heini Kari a 30 000 euro grant to carry out a study on the effectiveness of comprehensive medication reviews.

The topic of the doctoral thesis is the effectiveness and development of comprehensive medication reviews and self-care plans. The purpose is to create a multidisciplinary model in which public healthcare and non-institutional pharmacies cooperate in order to draw up plans for medical treatment.

THE COMPETENT PHARMACY

The AFP member pharmacies focus on excellent and consistent customer service. The customer can trust the recommendations and advice given by an expert in the pharmacy. To Finns, the pharmacy is an important local service that creates a feeling of security in their everyday life.



PHARMACIES WANT MORE RESPONSIBILITY FOR SELF-CARE

THE ACTORS IN THE FIELD proposed in March that Fimea should assess whether it would be possible in Finland to introduce a new classification of medicines for restricted-use self-care medicines and to transfer some of the existing prescription medicines to this classification.

The initiative was signed by the AFP, the Finnish Pharmacists' Association, the Finnish Pharmacists' Society and the university pharmacies. The proposal stated that this new non-prescription medicine category would make people's everyday lives easier and alleviate the pressure on the healthcare sector.

Minister of Social Affairs and Health Paula Risikko (National Coalition Party) said that she favoured broadening the selection of self-care medicines in a responsible manner and without putting patient safety at risk.

Risikko reminded that the medical advice and guidance provided by the pharmacies are important for safe self-care medication, because often the self-care customers' only contact with the healthcare system is a pharmacy.

DOCTORS: MEDICINES DO NOT BELONG IN GROCERY STORES

THE APPROACHING PARLIAMENTARY ELECTIONS again sparked a discussion on whether OTC medicines should be deregulated and sold in grocery stores. Doctors were not in favour of the idea.

The Finnish Medical Association says that medicines sales belong in pharmacies because medicines are different from other consumables.

– Medicines contain active ingredients and patient safety demands that they are used appropriately, said the Association's CEO Heikki Pälve.

The policy of the Finnish Medical Association is a division of labour in which a doctor prescribes medicines and a pharmacy dispenses them. The Association views the matter from the point of view of patient safety and proper use of medicines.

EXPERT HELP NEEDED FOR SELF-CARE

ACCORDING TO A SURVEY carried out by the Apteekkarilehti journal among the pharmaceutical staff in pharmacies, Finns benefit from the assistance of the pharmaceutical professionals when choosing OTC medicines. On a daily basis, the staff in pharmacies correct misconceptions regarding non-prescription medicines and also direct customers to a doctor.

The AFP and its member pharmacies also promote safe and proper self-care through their campaigns. Last year, they focussed on rational and safe use of OTC medicines and on the self-care of upper abdominal discomfort.

The pharmacy is by far the most widely used health service. Each year, there are about 60 million customer visits, i.e. many more than visits to doctors in healthcare centres (approx. 7 million) and visits to private doctors or dentists (totally, approx. 10 million).

PHARMACY CUSTOMERS ARE SATISFIED

A SURVEY by Taloustutkimus Ltd. showed that 95 per cent of pharmacy customers were very or fairly satisfied with their most recent visit to a pharmacy. This survey of Finnish pharmacy customers was carried out in 2014 and totally 1001 Finns aged between 18 and 79 responded.

Customers are particularly satisfied with the readiness to serve, the professionalism and expertise in pharmacies. They think that the most important pharmacy services are the medicine compliance check, medicine guidance and generic substitution - in which the pharmacy replaces the medicine prescribed to the customer with a similar, but less expensive generic product.

An extensive survey carried out by Reader's Digest Finland and other European editions showed that Finns consider the most reliable professionals to be firefighters, pharmacy staff, such as proprietary pharmacists, staff pharmacists and pharmaceutical assistants, and also nurses, pilots and skilled manual workers. A total of nearly 17 000 people, of whom more than 2 000 were Finnish, took part in the survey.

APOTEK

THE PHARMACY SPACE CONCEPT WAS APPLAUDED

The AFP, together with SEK & Grey, designed a pharmacy space concept for its member pharmacies, and the concept was awarded the Store of the Year prize at the Retail Awards 2014.

APTEEKKI



THE JURY'S EVALUATIONS

- The traditional pharmacy business has bravely renewed itself with this store concept.
- The new concept works for and helps private entrepreneurs in a changing market situation.
- The new look of the store presents an image of preventive services and good health.
- It is a bold idea to move the cash till away from the entrance and make space for promotional displays.
- The low shelves give the impression of space and ensure staff notice customers and serve them.
- The green cross neon sign makes it easier for the consumer to find the pharmacy in the street environment.
- The fresh colours and bright ambience present an image of well-being.

ACROSS THE YEAR

THE MINISTER MEASURED BLOOD PRESSURE

MINISTER OF SOCIAL AFFAIRS AND HEALTH Paula Risikko (National Coalition Party) surprised customers in Ruoholah-ti Pharmacy in Helsinki in March when during her visit she offered to measure their blood pressure. Risikko wanted to use her visit to highlight the important role of pharmacies in promoting smart self-care. She also pointed out that it is important to ensure that guidance is available in the pharmacy's online services as well as at service points. Minister Risikko's visit was part of the national Medical Treatment Day on 19th March, during which the pharmacies held a number of events in different parts of Finland.



THE AFP'S FAMILY OF MAGAZINES WAS REVAMPED

PHARMAPRESS, the communications and publishing company of the AFP, publishes three magazines (Apteekari, Meidän APTEEKKI and Terveudeksi!). These publications became a better integrated family of magazines. The aim of the revamp was to reach out more effectively to the target groups and make these magazines even more interesting.

The Apteekkarilehti was more focussed on decision-makers within the pharmacy and pharmaceutical fields and the healthcare sector. Terveudeksi!, the pharmacy customer magazine, with a readership of 1.1 million, underwent an extensive revamp that changed the visual appearance, structure, content, and also the physical feel of the magazine.

Meidän APTEEKKI, a magazine for the proprietary pharmacists, pharmacy staff and pharmacy students, was improved to better serve all the pharmacy staff.

PHARMACIES ARE LUKEWARM TO HOMEOPATHY

PHARMACIES take a lukewarm attitude to homeopathy, some are even totally against it. Homeopathic preparations are on sale only in a few pharmacies in Finland, according to the findings of a survey carried out by the AFP.

Pharmacies, however, respect the right of self-determination of the customer, and the patient relationship between the customer and the doctor. Thus, a homeopathic preparation can be ordered at the request of the customer, especially if a doctor has prescribed it.

However, such products are not recommended, and instead the customer is offered properly researched products. The situation is difficult for the pharmacy because homeopathic preparations fall within the scope of the Medicines Act and some of them may only be sold in pharmacies.

VARKAUS AND HÄMEENLINNA PHARMACIES RECEIVED AWARDS

TIIRIÖ PHARMACY IN HÄMEENLINNA was awarded the title of Training Pharmacy of the Year 2014 at the Pharmacy Days event. The title is awarded to a pharmacy for its work during the training period for pharmacy students which it has carried out in an exemplary manner.

In turn, the Learning Workplace Award went to Taulumäki Pharmacy in Varkaus. The panel highlighted the fact that Taulumäki Pharmacy demonstrated well how to systematically develop and share expertise.

PAPER PRESCRIPTIONS CONSIGNED TO HISTORY

THE FINNISH PARLIAMENT passed a bill according to which all prescriptions, except medicines for animals, must be in electronic format from the beginning of 2017. After this, paper and telephone prescriptions may be used only in emergency situations or in cases of technical malfunctions.

Private healthcare was granted time until the beginning of 2015 to join the e-prescriptions system. Social services, the Åland Islands, self-employed sole traders, pensioners or those health departments which issue fewer than 5 000 prescriptions per year will not join the e-prescriptions system until the beginning of 2017.

By the end of 2014, electronic prescriptions were already part of everyday life in healthcare, and in public healthcare, 92 per cent of all prescriptions were electronic.

By the end of the year, 4.3 million Finns had received an electronic prescription, and in total, 46.2 million prescriptions had been issued and approximately 67.2 million had been dispensed.

92 %

Share of electronic prescriptions in public healthcare at the end of the year.

DEREGULATION DOES NOT LOWER THE PRICE OF MEDICINES

PHARMACY DEREGULATION does not lower medicine costs, according to a European study published last year. (see p. 8)

The study found that deregulation of pharmacies increases the number of pharmacies and outlets selling OTC products, but mainly in cities and high-density areas where there already are several pharmacies. However, there is no relationship between the extent of the regulation and medicine costs or the price of OTC medicines.

In countries that have deregulated the pharmacies, pharmacy ownership is often in the hands of a few actors, particularly the international pharmaceutical wholesale giants. This has led to reduced competition and reductions in selections.

PHARMACY ISSUES IN PORI

IN JULY, during the SuomiAreena discussions, the participants looked at future pharmacy services, such as being able to have to influenza vaccinations at the pharmacy. Other topics were the distribution channel for self-care medicines, however, the panelists did not support extending it to grocery stores.

The recently appointed Minister of Health and Social Affairs Laura Rätty (National Coalition Party), the Director General of Fimea, Sinikka Rajaniemi, the Deputy Executive Director of the Finnish Medical Association, Hannu Halila, and the President of the AFP, Riitta Andersin, took part in the debate.

The pharmacies in the Pori region and the AFP together hosted a tent, in which muscle strength was measured. There was also a quiz about OTC medicines and a Pharmacy man who amused children with balloons.



PHARMACY DENSITY (inhabitants/pharmacy)



Finland 6 700
Sweden 7 490

OPENING HOURS (hours/week)



Finland 57
Sweden 53

MEDICINE DISPENSED WITHIN 24 HOURS (% of prescriptions)



Finland 99,7 %
Sweden 95 %

SATISFACTION WITH THE MOST RECENT VISIT TO A PHARMACY

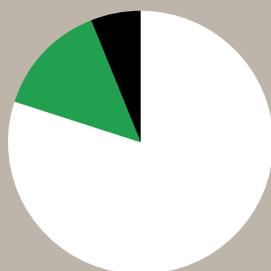
(percentage of those who were
very satisfied)



Finland 61 %
Sweden 56 %

BREAKDOWN OF SALES IN COMMUNITY PHARMACIES 2014

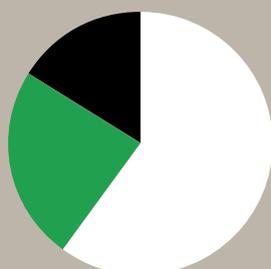
(estimated)



■ Prescription medicines	81%
■ Non-prescription medicines	14%
■ Others	6%

Source: The Association of Finnish Pharmacies

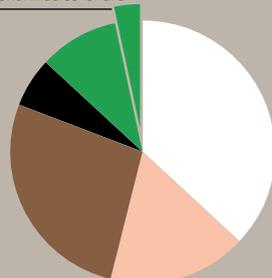
BREAKDOWN OF THE INCOME FROM MEDICINES SALES 2013



■ Industry and wholesaling	60%
■ Community pharmacy	24%
■ State	16%

BREAKDOWN OF TOTAL HEALTHCARE EXPENDITURE 2013

The pharmacies' share



■ Specialised medical and hospital care	37%
■ Primary healthcare*	17%
■ Other expenditure	27%
■ Oral hygiene	6%
■ Medicines in non-institutional care	13%

* excluding occupational healthcare, student healthcare and dental care

In 2013, the total expenditure on healthcare was € 18 467 billion (9.1% of GNP), or about € 3 395 per capita. Of the total healthcare expenditure, only 3.1% was spent on maintaining the nationwide and dense community pharmacy network.

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

The sum is rounded to the nearest whole number.

STAFF IN COMMUNITY PHARMACIES (31.12.)

Figures include staff in university pharmacies

	2008	2009	2010	2011	2012	2013	2014
Proprietary pharmacists	582	594	594	585	588	588	592
Staff pharmacists	807	802	813	780	749	752	741
Pharmaceutical assistants	3 830	3 844	3 840	3 635	3 664	3 681	3 691
Technical staff	3 070	3 071	3 032	3 456	3 486	3 515	3 498
Total	8 289	8 311	8 279	8 456	8 487	8 536	8 523

Sources: The Association of Finnish Pharmacies, university pharmacies, Pharmacy Pension Fund

PRIVATE COMMUNITY PHARMACIES ACCORDING TO SIZE 2014

Prescriptions/year	Number of pharmacies
200 000 –	9
180 000 – 200 000	5
160 000 – 180 000	10
140 000 – 160 000	23
120 000 – 140 000	25
100 000 – 120 000	54
80 000 – 100 000	85
60 000 – 80 000	101
40 000 – 60 000	123
20 000 – 40 000	209
– 20 000	143

Source: The Association of Finnish Pharmacies, incl. 98.5% of all pharmacy outlets

TURNOVER OF PRIVATE COMMUNITY PHARMACIES (EX.VAT)

Year	€ millions
2004	1 753
2005	1 835
2006	1 806
2007	1 897
2008	2 038
2009	2 041
2010	2 026
2011	2 051
2012	2 134
2013	2 163
2014	estimated 2 211

Source: The Association of Finnish Pharmacies

Statistical data are up-dated at Apteekkariliitto.fi.

HOW THE PHARMACY SYSTEM WORKS

There is at least one pharmacy in almost every municipality. Service points dispense medicines also in areas which do not have a pharmacy.

THE 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 to the best qualified applicant.

Fimea also makes decisions, based on means tests, regarding the establishment of new pharmacies and subsidiary pharmacies. To qualify for a pharmacy licence, the applicant must be both a citizen of a country in the European Economic Area and an authorised pharmacist.

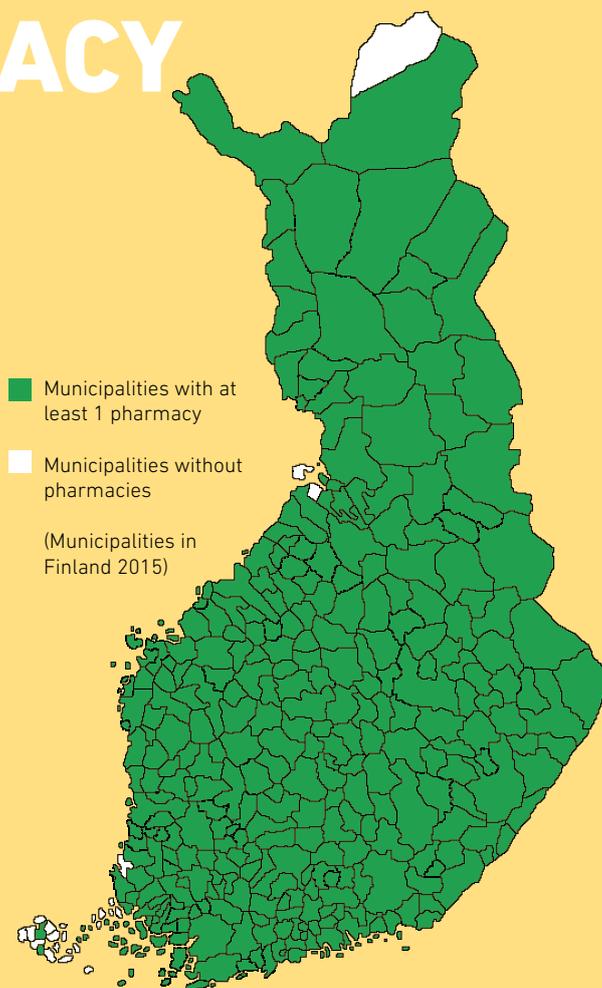
A community pharmacy licence is granted for a specific catchment area, typically a municipality but, in a city, there may be several such catchments. Within a particular catchment area a pharmacy may be relocated freely, for example close to an existing pharmacy. However, the siting of a subsidiary pharmacy is more strictly regulated.

A proprietary pharmacist may hold only one pharmacy licence and up to three subsidiary pharmacy licences at one time. Fimea can also grant a licence to establish pharmacy 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 which to sell medicines.

A subsidiary pharmacy can be turned into an independent pharmacy only if granted by Fimea. Establishing of a pharmacy chain is impossible in Finland.

A pharmacy licence is granted to a specified individual and it may not be sold on or leased out. The proprietary pharmacist has both professional and financial responsibility for that pharmacy. The pharmacy licence is terminated when the holder reaches 68 years.

Several duties are attached to the pharmacy licence, the most important being to ensure good availability of medicines.



AVERAGE PHARMACY 2014 (estimated)

Turnover:	3,6 milj.
Prescriptions/year:	74 900
Pharmacy fee to the state:	about € 222 000 (about 6.2% of turnover)
Staff:	11 (proprietary pharmacist + staff pharmacist
(incl. part-time staff)	+ 5 pharmaceutical assistants
	+ 4 technical assistants/others)

Source: the Association of Finnish Pharmacies

NUMBER OF PHARMACIES AND SUBSIDIARIES [31.12]

Figures include university pharmacies

	1970	1980	1990	2000	2010	2014
Pharmacies	561	564	576	595	618	614
Subsidiaries	97	126	173	201	194	203
Total	658	690	749	796	812	817

Source: the Association of Finnish Pharmacies

PRESCRIPTIONS DISPENSED BY COMMUNITY PHARMACIES (millions of prescriptions)

2009	2010	2011	2012	2013	2014
48,7	50,4	48,5	51,7	51,7	52,1*

* estimated/The AFP
Source: Finnish Statistics on Medicines 2013

MEDICINE TARIFF

Prices of medicines are the same in all community pharmacies because the Council of State determines retail prices based on the medicine tariff. In turn, the medicine tariff sets a retail price of a medicine according to a national wholesale price (see table).

The wholesale price is the same for all pharmacies and wholesalers are not allowed to offer discounts on medicine purchases to pharmacies.

The medicine tariff is “counter-progressive”, i.e. the proportion of the sales margin decreases as the wholesale price of a medicine goes up.

817

THE TOTAL NUMBER OF COMMUNITY PHARMACIES IN FINLAND IS 817.

PHARMACY FEE

The pharmacy fee, in effect a tax, has a considerable impact on the finances of a community pharmacy. Community pharmacies pay the pharmacy fee to the state. The fee gives the state an income of about euro 150 million per year.

The pharmacy fee regulates the relative profitability of pharmacies of different sizes when the prices of medicines are the same in all pharmacies.

The pharmacy fee is based on the turnover of the pharmacy and it is progressive. Whether the pharmacy fee is determined in respect of the main pharmacy and the subsidiary pharmacy together or separately depends on their combined turnover. The smallest pharmacies are exempt from the pharmacy fee (see table). This fee is mainly paid only on sales of medicines to the general public.

The effect of the fee is that a smaller pharmacy, compared with a larger pharmacy, will earn a little more from the sale of medicine when the price of medicine is the same.

RETAIL PRICE AT PHARMACY

Medicine tariff decided by the Council of State 17.10.2013

Wholesale price (€)	Prescription medicine	Self-care medicine
0 – 9,25	1,45 x wholesale price + vat 10 %	1,5 x wholesale price + 0,50 € + vat 10 %
9,26 – 46,25	1,35 x wholesale price + 0,92 € + vat 10 %	1,4 x wholesale price + 1,43 € + vat 10 %
46,26 – 100,91	1,25 x wholesale price + 5,54 € + vat 10 %	1,3 x wholesale price + 6,05 € + vat 10 %
100,92 – 420,47	1,15 x wholesale price + 15,63 € + vat 10 %	1,2 x wholesale price + 16,15 € + vat 10 %
over 420,47	1,1 x wholesale price + 36,65 € + vat 10 %	1,125 x wholesale price + 47,68 € + vat 10 %

A dispensing fee per consignment of 2.39 € (incl.VAT) is added to the retail price of prescription medicines or self-care medicines based on a prescription.

PHARMACY FEE TO THE STATE

Change in the Pharmacy Fee Act 27.6.2014/492

Pharmacy's annual turnover (€)	Pharmacy fee at the lower turnover limit (€)	Fee % exceeding turnover at lower limit
871 393 — 1 016 139	0	6,10%
1 016 139 — 1 306 607	8 830	7,15%
1 306 607 — 1 596 749	29 598	8,15%
1 596 749 — 2 033 572	53 245	9,20%
2 033 572 — 2 613 212	93 432	9,70%
2 613 212 — 3 194 464	149 657	10,20%
3 194 464 — 3 775 394	208 945	10,45%
3 775 394 — 4 792 503	269 652	10,70%
4 792 503 — 6 243 857	378 483	10,95%
6 243 857 —	537 406	11,20%

PHARMACY FEE WHEN THE PHARMACY HAS A SUBSIDIARY PHARMACY

Total turnover of the main pharmacy and the subsidiary pharmacy (€)	Pharmacy fee
under 2,6 million	Separately for the main and the subsidiary pharmacy, no subsidiary pharmacy deduction
2,6 – 3,5 million	Partly separately and partly together for the main and the subsidiary pharmacy (according to a separate table)
over 3,5 million	Main and subsidiary pharmacy together, subsidiary pharmacy deduction

THE AFP GROUP OF COMPANIES

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

MEDIFON LTD

FOUNDED: 1981

OWNERSHIP: THE AFP (100%)

TURNOVER 2014: € 7 MILLION

STAFF: 16

CEO: MIKA FLINK

MEDIFON is the AFP's 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 pharmacies' own private label product line, APTEEKKI products, and the company buys, distributes and markets these products. Additionally, the company markets a wide range of foot-care products (Luga and Mills), plus other free trade products. Medifon also supplies pharmacies with special pharmacy products, such as thermal signatures, plastic bags and neon signs.

In addition to the products it markets, Medifon distributes a number of free trade products of major suppliers. These can be ordered directly via the pharmacies' data systems. The company is an authorised wholesale distributor of medicines, too.

Medifon business operations are expected to grow and diversify significantly. By expanding, the company is better able to meet the challenges of the operating environment and to create added value for the AFP member pharmacies and its principals.

PHARMASERVICE LTD

FOUNDED: 2001

OWNERSHIP: THE AFP 51 %, ORION 49 %

TURNOVER 2014: € 14.4 MILLION

STAFF: 51

CEO: RISTO SUOMINEN

PHARMASERVICE provides and develops high-quality services for automated dose-dispensing of medicines (ANJA) for Finnish pharmacies and their customers to ensure that safe and cost-effective medical treatment is carried out at the appropriate time. The Espoonlahti pharmacy is the contracted manufacturer for other pharmacies, as laid down in the medicine legislation.

The company enhanced the marketing of the ANJA dose-dispensing service. The company participated in a tour to reach out to pharmacy staff, and also in nationwide public events focussing on work with the elderly. To increase awareness among consumers, there was more advertising of the ANJA dose-dispensing service on radio and in magazines. The Anja.fi address was introduced.

The company provided training and material to the pharmacies to help them to put dose-dispensing services out to tender. It also offered pharmacies its support for streamlining the dose-dispensing service and improving the processes, together with training for pharmacy and medical care staff. In addition, the ANJA dose-dispensing service supports pharmacies by providing assistance for checks of medication. The excellent reliability and quality were maintained. The company raised its productivity in many ways.

The capacity and reliability of dose-dispensing successfully kept pace with the increase in the number of customers and pharmacies, and the company's financial situation further improved.

PHARMADATA LTD

FOUNDED: 1989

OWNERSHIP: THE AFP (100%)

TURNOVER 2014: € 7 MILLION

STAFF: 36

CEO: JUKKA LITMANEN

PHARMADATA delivers data systems and data communications solutions to pharmacies. Its products are the Salix and pd3 pharmacy systems, Procuero, Presto, Proselecta, Prologix, and the pharmacy network Apteekkiverkko. Pharmadata offers consultation and training services, too.

The company's new generation pd3 pharmacy system has already been delivered to several pharmacies. Pd3 is the first centralised data system that facilitates pharmacy work by making it significantly more efficient. The pharmacy staff can focus on customer service instead of the data system.

The older Salix system, which operates in 470 pharmacy outlets, is the market leader in Finland. It is easy to use, and it facilitates a functional ePrescription feature. The older system will continue to operate for several years alongside the new pd3 system.

Apteekkiverkko is a secure and monitored communications solution widely used by companies and by more than 500 pharmacy outlets. 70% of these outlets also use a wireless backup connection. Apteekkiverkko offers several additional services, such as e-mail for pharmacy staff, the potential to send and receive encrypted data, and secure remote access.

PHARMAPRESS LTD

FOUNDED: 1997

OWNERSHIP: THE AFP (100%)

TURNOVER 2014: € 1.5 MILLION

STAFF: 4 + 3 (IATOD)

CEO: ERKKI KOSTIAINEN

PHARMAPRESS, a communications and publishing company, produces high quality and effective communications services for both the AFP and its member pharmacies. It also produces and publishes journals, books and guides and other literature, and their electronic applications, within the pharmacy field.

It publishes the Apteekkari journal for AFP members and partners, the Terveysterveksi! magazine for pharmacy customers, and the Meidän APTEEKKI magazine for the proprietary pharmacists, their staff and pharmacy students. Terveysterveksi! is the most widely read health publication in Finland, having a readership of more than 1.1 million. It is also available on the new customer website apteekki.fi.

The company published the Apteekarimatrikkeli 2014 professional register, and a mobile version of it for smart phones and for other data terminal equipment. PharmaPress arranged an exhibition in conjunction with the Annual Spring Meeting event, held at the Marina Congress Center, in Helsinki, in April 2013. This exhibition was the biggest to date.

THE BOARD OF THE ASSOCIATION OF FINNISH PHARMACIES 2014

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