

Annual Review

2003





Contents

A year of changes.....	3
Generic substitution in community pharmacies began.....	4
Medicines in pre-packed doses	6
Shortage of pharmaceutical assistants continued.....	8
Professional programmes develop work in pharmacies	10
AFP developed professionalism and provided new tools for community pharmacies.....	12
Cooperation across borders	14
Year 2003 in brief	
January–February	16
March–April	18
May–August	20
September–October	22
November–December.....	24
Finnish community pharmacy system in brief.....	26
Facts and figures	27
The Association's companies	30
Further information	31

The Board of The Association of Finnish Pharmacies (AFP), 2003

- Klaus Holttinen**
(President), Joutseno pharmacy
- Sirkka Weckström**
(1. Vice President), Sipoo pharmacy
- Pekka Karttunen**
(2. Vice President), Suonenjoki pharmacy
- Juha Anttinen**
Loimaa pharmacy
- Kirsti Botell**
Espoo Viherlaakso pharmacy
- Matti Hietula**
Mäntsälä pharmacy
- Juhani Itkonen**
Seinäjoki First pharmacy
- Ulla-Maija Kimmel**
Viiala pharmacy
- Sakari Kolonen**
Kangasniemi pharmacy
- Sinikka Lankinen**
Lahti Ilves pharmacy
- Klaus Lindqvist**
Kouvola Tornionmäki pharmacy
- Juha Nuutila**
Vaasa Kirkko pharmacy
- Juha Paumola**
Kuusamo New pharmacy
- Tapio Ryttilä**
Hollola pharmacy
- Eeva Teräsalmi**
Virkkala Omena pharmacy
- Kari Wallenius**
Viitasaari pharmacy

A year of changes

At the end of 2003 in Finland, there were 600 private community pharmacies plus an associated 182 subsidiary pharmacies.

Together with the university pharmacies there were totally 800 pharmacies, which translates into one pharmacy to ca. 6 500 people. 99 percent the population was living in a municipality having at least one pharmacy outlet.

There were 576 pharmacy owners of which nearly 68 percent were women. 769 staff pharmacists and 3 548 pharmaceutical assistants were employed in pharmacies. If we include the pharmacy owners, the total number of those with a pharmaceutical degree was 4 893, in other words about 61 percent all staff employed in pharmacies. This means that in Finland in non-institutional pharmacies there was one person with a pharmaceutical education per ca 1 000 inhabitants. Altogether, 7 999 people were working in community pharmacies at the end of 2003.

The reform with the greatest impact on the day-to-day work in pharmacies was the introduction of generic substitution at the beginning of April. Despite a shortage of pharmaceutical assistants, the new situation was handled excellently.

The Tippa project, a project shared by all the pharmaceutical field and aimed at improved medicine guidance in pharmacies and better medical treatment, was concluded at the end of 2003. During the last year of the project, a multi-professional Tippa seminar was held, the final report on the project was written, and the last mystery shopping survey was completed. However, it was preliminarily agreed that the work of Tippa will continue.

In those projects and activities central to AFP work, important steps were taken to achieving goals, and the results were good. The professional development programmes continued



and were advanced. At the end of the year, as many as 624 pharmacies were actively participating in the asthma programme for pharmacies, and 539 in the diabetes programme. A decision on whether the fee for automated dose dispensing of medicines should be reimbursable was not forthcoming. Nonetheless, about 100 AFP member pharmacies were already prepared to offer the service.

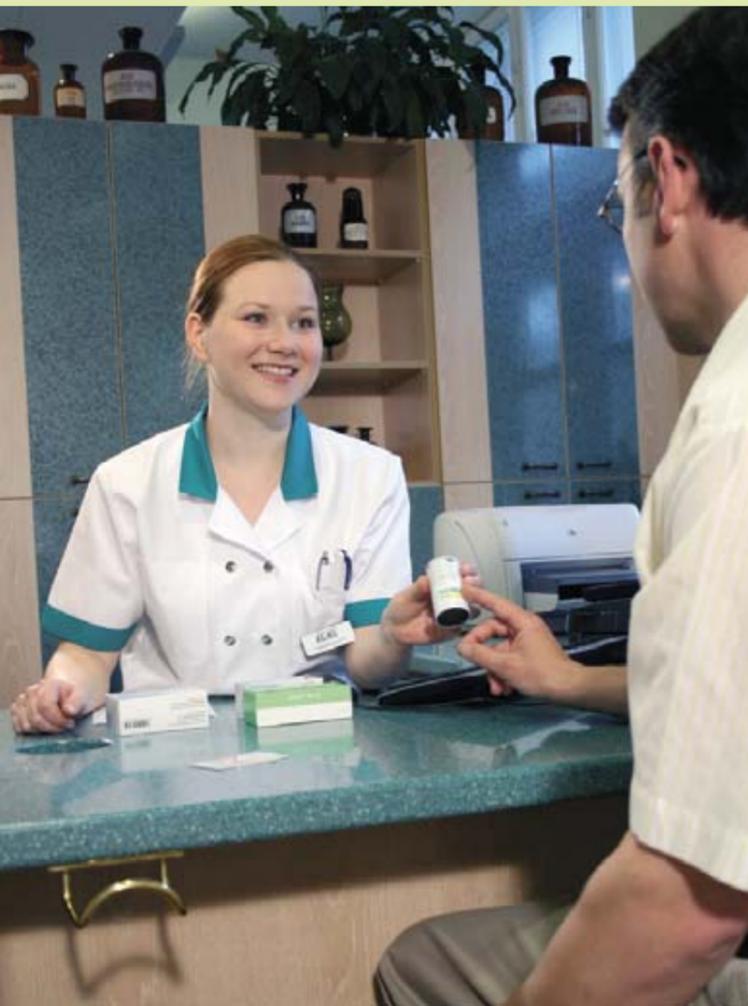
For the AFP pharmacy data network, elaborated and maintained by the AFP, 2003 was a breakthrough year. By the end of December, already more than 300 pharmacies had joined the network. Furthermore, the network services were expanded. The campaign aimed at improving the image of pharmacy work and increasing recruitment among young people proved very successful: the numbers applying for university studies in the field rose significantly.

In August, a Ministry of Social Affairs and Health decree authorised a pilot scheme for e-prescriptions. Work began to test the technical systems for this scheme, but actual dispensing of e-prescriptions was postponed until 2004.

The document called Pharmaceutical Policy 2010, which had been under preparation in the Ministry of Social Affairs and Health, was published in September. The principle goals therein regarding the professional content of the work in pharmacies and its implementation mostly coincided with those of the AFP. However, the suggestion in the policy guidelines regarding abolishing of the pharmacy fee system could not be accepted by the AFP, because such a move would lead to a reduced network of community pharmacies across the country.

Reijo Kärkkäinen
CEO





Generic substitution in community pharmacies began

Generic substitution began in community pharmacies on 1st April. Despite the extra work and shortage of pharmaceutical assistants, the introduction of generic substitution proceeded smoothly and customers were pleased with the new service. Pharmacies prepared themselves for the new situation with thorough training, and the AFP provided detailed instructions for its member pharmacies about the introduction of generic substitution.

The regulations in the Medicine Act oblige pharmacies to offer the customer a cheaper substitute if a doctor has prescribed a medicine which is more expensive than a pre-determined top price (see picture). The customer or doctor may refuse the substitution. However, the doctor must have good medical reasons for refusing.

The aim of generic substitution is to control the growth of medicine costs and thereby achieve savings. By the end of year, the overall savings, according to a calculation made by the Social Insurance Institute, totalled 63.5 million euros: customers saved 28.1 million euros and the Social Insurance Institute saved 35.4 million euros. The savings were greater than expected and were mainly the result of the competition between pharmaceutical companies, which brought about a general lowering of price levels of interchangeable medicines. The actual substitution in pharmacies brought in under one third of the savings.

Price competition even fiercer than expected

The introduction of generic substitution immediately led to a price war between pharmaceutical companies, with the consequence that the prices of more than 400 interchangeable medicines dropped at once at the beginning of April. By the end of the year, more than 800 medicines were cheaper. Anti-viral medicines, medicines for acid-related disorders and angiotensin-converting enzyme (ACE) inhibitors used to treat hypertension experienced the greatest reductions. Prices of medicines to treat cholesterol, depression and allergies became more than one third cheaper.

The generic substitution did not have a great impact on the pharmacies' delivery reliability, even though stock management was much more challenging and time-consuming. A study carried out by the AFP during the second week in May showed that on an average

community pharmacies were able to make up 98.6 % of the prescriptions for a customer on the spot. If a prescribed medicine was not available at once, the community pharmacy was able to get it during the same working day in 98.8 % cases. Thus, in practice, there was minimal difference compared with the time before generic substitution.

Substitution increased the work in pharmacies

The extra work in community pharmacies caused by generic substitution during the first three months was equivalent to the workload of 200 pharmaceutical assistants, according to research by the AFP. Most of the extra work resulted from stock management, but customer guidance also took up more staff time than before. The pharmacies had difficulties obtaining some of the cheaper listed interchangeable medicines from the wholesaler trades. Nearly all pharmacies that took part in

the research reported these difficulties. In addition, more than 50 % reported that they had temporary daily or at least weekly customer service rushes.

After the experiences of the first three months, more than half of community pharmacies said that the legislation regarding generic substitution was not well designed from the pharmacies' point of view. The criticism was especially aimed at the inflexible price structure and the bureaucracy associated with generic substitution in general. Two out of three pharmacies had, for instance, been faced with a situation where the customer would have liked to go back to the medicine the doctor had originally prescribed. However, this is not possible without a new prescription. Thus, the pharmacies wanted more flexible regulations for the generic substitution. By the end of the year, these problems had decreased because the various players in the pharmaceutical field had adapted to the new situation.

Customers are satisfied with generic substitution

A customer study carried out by the University of Kuopio showed that the majority (86 %) of those pharmacy customers who had used generic substitution had not noticed any difference between the medicines they had used before and after the substitution. The rest, 14 %, said they had noticed some differences, for instance regarding the effect of the medicine and its side-effects. Only 7 % of all those surveyed said they had thought about refusing generic substitution in the future.

The two most important reasons given for choosing a generic substitution were a desire to pay less for medicine and a recommendation made by the pharmacy. About one third said generic substitution had reduced their costs substantially and about half thought the reduction was reasonable. Customers were pleased with the opportunity to choose generic substitution, and most of them said that the substitution had gone well in the pharmacy.

The three most important reasons for not wanting generic substitution were the customer was familiar with the original medicine and was satisfied with it, the customer wanted to talk about substitution with the doctor before changing, and, thirdly, the difference between the prices was too small.

The customers noted that the most important reasons for choosing a medicine are that they are familiar with the medicine, it is available and the price is acceptable. The colour of the tablet, its shape or the look of the package were important only in a few cases.



Interchangeable medicines

The medicines approved for substitution are equally effective, safe and of high quality, and have the same bioequivalence. The active ingredients and the amount of these ingredients must be the same and the form of the medicine (tablet or capsule, for example) must be the same, in other words these are not changed when the pharmacy makes a generic substitution.

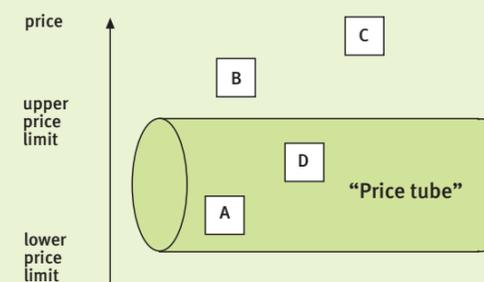
A medicine may only be changed in a pharmacy if it is included in the list of interchangeable medicines published by the National Agency for Medicines, which is updated by the Agency every third month.

Medicine prices and comparisons of prices on the Internet

The AFP and Kustannus Oy Duodecim launched an easy-to-use service offering information about interchangeable medicines and medicine prices. People were quick to take advantage of the service and thousands of hits were recorded during the first days of generic substitution.

The address is www.apteekkariliitto.fi/geneerinen. The link can also be found on the AFP websites.

This is how the generic substitution in a pharmacy is conducted



A, B, C and D are interchangeable medicines. If a doctor prescribes B or C, a pharmacy must offer the option of changing to A or D as a cheaper alternative, if these medicines are available from the wholesaler.

Lower price limit = the lowest price of the interchangeable medicine. Upper price limit = the lower price limit + 2 euros if the lowest price is under 40 euros, or the lower price limit + 3 euros, if the lowest price is 40 euros or more.

The lowest price is determined by the price listed in the quarterly notification issued by the pharmaceutical companies.



Medicines in pre-packed doses

The automated dose dispensing of medicines – elaborated by the Association of Finnish Pharmacies – combined with a check of the total medication regime became prevailing practice. At the end of the year, more than one hundred AFP member pharmacies were ready to offer this service. The advantages of automated pre-packed dose dispensing to the user are threefold: it helps people take their medicine correctly and at the right time, it improves medicine safety, and it saves medicine costs.

Automated dose dispensing provides the customer with his/her medicine in pre-packed doses from the pharmacy every two weeks. In advance of this, however, the pharmacist checks the customer's total medication regime in order to identify possible interacting medicines and to remove unnecessary medicines and duplication of medication. When there is a need to change the regime, this is decided by the doctor who is treating the patient. This check of the total medication regime has proved necessary because one in four customers participating in the scheme has received potentially harmful combinations of medicines.

Coupled with the string of pre-packed doses the customer always gets an up-dated medication card with information about all his/her

medicines. Medicine safety is improved when both the doctor and the pharmacy know the total medication regime.

Costs saved in many ways

Costs are saved because the patient only pays for the medicines that are dispensed and not, as earlier, for the whole pack of medicines. In situations where the medication is changed, fewer medicines are wasted and fewer medicines are accumulated in the home. Savings are also achieved by a combination of cheaper, big packages of medicines and lighter medication which often results from the checking of the total medication regime.

This service is produced largely for residential homes for the elderly and for home-visits



nurses, thus releasing their time for other duties. However, individuals or relatives who are interested can ask for the service in the local pharmacy. On a week-by-week basis, the service, including the check of the total medication regime, costs about 5-6 euros. By the end of 2003, about 400 customers around the country were receiving pre-packed doses of medicines.

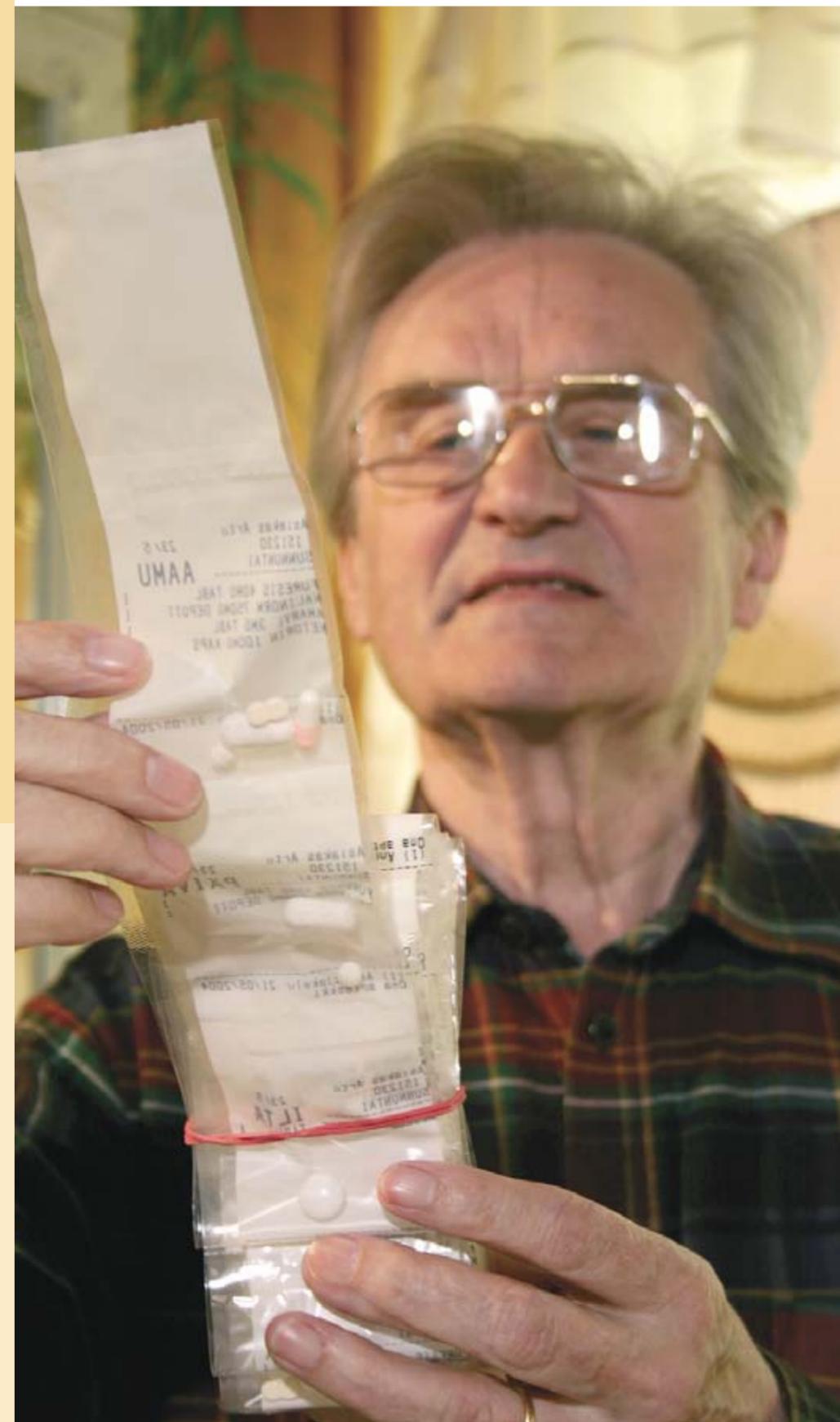
The pharmacies which offer this service do not themselves dispense the doses into the sachets, instead they order them pre-packed from a pre-packing unit in Helsinki. The benefits of automated dispensing are efficiency and appropriacy. From the unit the strings of pre-packed doses are distributed to pharmacies all over Finland. The AFP provides training for all the pharmacies in the process of introducing the service.

The automated dose dispensing of medicines, elaborated by the AFP for its member pharmacies, was presented at many professional events, for instance the "Kuntamarkkinat", arranged by the Association of Finnish Local and Regional Authorities for municipal leaders, and health care experts at the Finnish Doctors Days.

The Social Insurance Institution studied savings

The Social Insurance Institution carried out a study to establish how much money is saved by using pre-packed doses. 120 customers and six pharmacies participated in the research.

The study found that more than half of them (53 %) made savings in medicine costs and the average saving was 0.38 euros. The average saving on medicine costs was 6 % for those who took part in the study, and those who used at least six medicines saved most. In these cases, the savings were up to 15 % of the total costs. The savings calculated by the Social Insurance Institution were based only on the reduced number of medicines wasted and the use of cheaper and bigger packages in the pre-packing unit.





Shortage of pharmaceutical assistants continued

A shortage of pharmaceutical assistants had been hampering the work of many pharmacies. However, some relief was brought by retraining courses increasing the number of qualified pharmaceutical assistants. Additionally, a media campaign was launched to make young people more aware of job opportunities in community pharmacies.

The retraining courses leading to a pharmaceutical assistant qualification (B.Sc. Pharm.) that were arranged in Turku and Oulu were concluded in 2003. The majority of the nearly one hundred students who finished the courses were awarded a qualification, and most of those found jobs in community pharmacies. It was confirmed in the autumn that there will be funding for further courses.

This retraining is, however, not sufficient to fill the lack of some 200 pharmaceutical assistants in community pharmacies. The situation will worsen during 2004-2009. During this period, every fifth pharmaceutical assistant who now works in community pharmacies will retire. The AFP has for many years called for the Ministry of Education and the Ministry of Social Affairs and Health to increase university places for pharmaceutical assistants from the current figure of under 300 students to 360-380. Coincidentally, a working group within the Ministry of Social

Affairs and Health carrying out a study on labour force needs two years ago also suggested an increase to 330-370 new students per year.

Media campaign raises awareness of the profession

The AFP ran a campaign titled "The Pharmacists" to enhance the image of pharmacists and to engage young people's interest in com-



munity pharmacy work. The campaign was mainly targeted at 15-24 year olds, with the aim of making the profession better known and to encourage young people to take up pharmacy studies. The campaign proved effective, because interest in university courses leading to a pharmaceutical assistant qualification increased significantly when compared with the previous year.

"The Pharmacists" campaign was broadcast on television in January and February, and in cinemas in February. These advertisements were complemented by radio advertising on Kiss FM and NRJ Energy and also by advertisements in "City" magazine, in the student magazine "Ylioppilaslehti", and in "Terveystiete". In addition, web pages focusing on working in a pharmacy and pharmacy studies were produced for the campaign.

Training and recruiting events targeted at young people were arranged in the cities of

Lahti, Turku, Jyväskylä and Helsinki. At these events, pharmacy students talked about their studies and ambitions for the future.

The campaign was also visible in AFP's member pharmacies. Leaflets, posters, for example, were produced for the pharmacies, and there was a stand offering information about the pharmacy work and studies.

Recruitment campaign reached young people

Research shows that the campaign was successful in reaching young people. As much as 83 % of the target group were aware of the campaign, a figure which is noticeably higher than the average for campaigns aimed at young people.

Viewers, especially women, easily recalled the pharmacists Susan and Michael, who, in the TV advertisement, were heroically searching for a medicine against a dangerous microbe threatening the city.

Young people thought that the campaign stood out well from other advertisements and had presented a positive image of the profession. Over half of those interviewed (55 %) felt that the campaign had changed positively the way they thought about the work of pharmacies.

There is still a lot to be done to raise interest in the profession: only 3 per cent of those interviewed found the profession very interesting, while 29 % considered it fairly interesting. However, 35 per cent replied that they might take up pharmacy studies.

The target group interviewed comprised 150 young people from the Helsinki region, Turku, Tampere, Jyväskylä, Kuopio and Oulu. The AFP's campaign "The Pharmacists" was designed by advertising office Up-to-Point and the films were produced by film company Contrast.

Information about the profession on the Internet

A website was also designed (www.apteekkiduuni.net) for "The Pharmacists" campaign aimed at young people who are considering pharmacy studies. The website gives information about the studies, the work in a community pharmacy and facts associated with the studies. This web site will remain a part of the AFP's public Internet services. The pages also act as an employment service for summer jobs and practical training. According to follow-up research on the campaign, the Internet is the main source of information for young people looking for study opportunities.



AFP's image and recruiting campaign "The Pharmacists" was awarded a commendation by Yhteiskuntaviestinnän yhdistys.





Professional programmes develop work in pharmacies

In order to develop professionalism in community pharmacies, professional programmes in 2003 focused on two key areas: encouraging more guidance and information provided by the pharmacies in accordance with recommendations for treatment, and, secondly, encouraging rational use of medicines in cooperation with other health professionals.

With these professional programmes the AFP wants to develop long-term the competence of the pharmacy staff so that they can better guide patients who need medical treatment. Moreover, the AFP wants to encourage cooperation between the other health professionals. By the end of 2003, 700 people were working in 624 pharmacies to further the asthma programme. For diabetes work, there were 625 people working in 540 pharmacies. The AFP provided regular training material and updated support materials for the pharmacy staff.

The AFP anti-smoking group (SALSA) produced materials for community pharmacies for training and customer service along with information to support the work to tackle smoking. The SALSA group participated in organising a session for the pharmacy field for the WCTOH 2003 World Conference on Tobacco or Health together with the International Pharmaceutical Federation (FIP) and the WHO EuroPharm Forum.

Quality assurance was further developed. The training programme for pharmacies, *Laadun Portaat*, was concluded, the information material was updated and forwarded to pharmacies. A certification project for pharmacies was



launched in cooperation with SFS- Sertifointi Oy. The certification project group developed a model for certification in pharmacies and the quality assurance system in five pilot pharmacies was certificated.

TIPPA project performs well

The aim of the TIPPA project, which was launched in 2000 and concluded at the end of 2003, was to promote rational use of medicines under the guidance of pharmacy staff. It was evaluated annually using mystery shoppers, i.e. trained test customers who were assigned to visit the same randomly selected pharmacies in various parts of Finland.

These studies employing mystery shoppers revealed that nearly all participating pharmacies had improved their guidance on how to use medicines. The staff had more training and was, for instance, paying greater attention to the use of information sources. The studies also showed they had improved their premises for guidance and for the protection of the customer privacy. But the results also indicated that this work must continue. In the future, more emphasis must be placed on

improving information about medicines for those customers on repeat prescriptions, and on ways of handling situations where a customer is discovered using self-care medicines and prescription medicines that might interact harmfully.

The AFP updated the electronic database of prescription medicines (*Tietotippa*) that supports oral guidance about medicines three times in 2003. The database contains basic information in compressed format about prescription medicines used in non-institutional care that pharmacy staff need when guiding customers about the safe and appropriate use of a medicine.

The TIPPA work will continue. Further measures are aimed at supporting local multi-professional cooperation to ensure successful treatment with medicines and to improve the overall health of the population in the area of the pharmacy. In many pharmacies, cooperation networks have been established and these networks benefit from the asthma, diabetes and anti-smoking programmes.



The AFP professional strategy

The AFP professional strategy is laid out in the following publications: Guidelines for a professional pharmacy in Finland, The Community Pharmacy – Expert on Self-care and The Pharmacy and Health Promotion. In addition, there are the ethical guidelines which form the cornerstone of the work of pharmacies, that have been approved by both AFP and pharmacists' association together.

The TIPPA project



The joint project for the pharmacy field, the TIPPA, was introduced in 2000, with the aim of promoting rational use of medicines under the guidance of pharmacy staff and to lessen both unnecessary and incorrect use of self-care medicines and to decrease not only the negative effects of inappropriate use of medicines but also the costs.

The following organisations were involved in the project: the Ministry of Social Affairs and Health, the National Agency for Medicines, the Social Insurance Institution, the Association of Finnish Pharmacies, the Finnish Pharmacists' Association, the Universities of Helsinki and Kuopio, the Pharmaceutical Learning Centre, Kuopio University Education and Development Centre, along with the Finnish Cultural Foundation.

The project was concluded at the end of 2003. It produced a number of new tools for the pharmacies to help the staff give customers advice about medicines. These tools included the Tietotippa database, the Tippa Internet pages (www.tippa.net), guidebooks about medicine and self-care guidance in community pharmacies, and also guidebooks about quality and standards.



Expert guidance in pharmacies

Almost all pharmacies have an appointed diabetes contact person who is responsible for carrying out the DEHKO programme – the national programme for preventing and treating diabetes. This contact person may be a proprietary pharmacist, a staff pharmacist or pharmaceutical assistant.

In Kokemäki pharmacy, pharmaceutical assistant *Marjut Ruusunen* knows a lot about diabetes. She goes on training courses regularly and works hard to keep up to date with all new medicines that come on the market.

Marjut gives advice on how to treat diabetes and follows up the results of the treatment. She also works to help prevent diabetes. When a customer comes to the pharmacy to renew a prescription, she has an opportunity to check whether the customer has been taking the medicines regularly and in the doses recommended by the doctor. Marjut then gives advice to the customer and when necessary contacts the doctor who is treating the customer.



AFP developed professionalism and provided new tools for community pharmacies

The AFP arranged multi-dimensional training and produced new instruments to support the work in pharmacies and good customer service.

Management training was arranged for the fourth time in co-operation with JOKO Executive Education Oy; 25 pharmacy owners and staff pharmacists participated. An advanced training programme was arranged for those who had already been on the management training programme, with 17 people participating. In conjunction with Laatukeskus, the AFP arranged for a second time quality assurance training for pharmacies: 18 people from nine pharmacies took part.

The AFP not only trained people responsible for regional training but also new pharmacy owners. Additionally, the AFP together with the Finnish Pharmacists' Association and the Pharmaceutical Learning Centre organised a refresher course about pharmacy work today for staff pharmacists and pharmaceutical assistants returning to the profession to bring them up to date after a period of absence.



The AFP also arranged training focusing on the professional programmes and the automated dose dispensing of medicines.

The AFP took part in the planning of several courses arranged by the Pharmaceutical Learning Centre and the programme of the national Pharmacy Days. The chairman of the board of the Learning Centre represented the AFP.

The AFP also participated in a working group for improving pharmacy students training in the training pharmacies and took part in preparing a guide book on how to arrange the training that forms part of the studies of pharmacists and pharmaceutical assistants.

Through the Employers' Confederation of Service Industries the AFP was also represented in the work of expert groups working under the Ministry of Education and the National Board of Education. The AFP is also actively involved in the planning of training programmes for pharmacy technicians.

New tools to support customer guidance

In cooperation with IronMedia Oy the AFP developed a new tool for its member pharmacies: it elaborated a computer program about how to use different kinds of medicines, thereby improving support for counselling. The program, which is distributed on a CD disk, contains short videos with Finnish and Swedish subtitles about the use of different forms of medicines, such as inhaled products for asthma and COPD.

To support customer guidance, an abstract of the summaries of new pharmaceutical preparations was delivered. Furthermore, the Tietotippa database, which is integrated into the data systems in pharmacies, was up-dated to support oral guidance to customers.

The first copies of the revised series of the member pharmacies booklets for customers went out to the pharmacies; also, the Duodecim | Apteekki series of books was expanded by the addition of four new publications about pain, tinnitus, the menopause and smoking.



AFP pharmacy data network services diversified

By the end of the year more than 300 pharmacies had joined the AFP pharmacy data network, which is administered by the AFP. A secure network is needed to enable new electronic services in pharmacies and also for on-line contact with authorities and other organisations.

New contents were produced for the information service of the pharmacy data network, called the *Salkku*. In cooperation with Edita an electronic compilation of Finnish legislation was introduced, including current laws and decrees governing the pharmaceutical field. General agreements between AFP and pension companies were compiled in electronic form.

Duodecim's *Terveystieto* enables those pharmacies that use the AFP pharmacy data network to access several databases.

Early in the year, a bulk order service offered by the AFP pharmacy data network was introduced for production use, one which allowed on-line enquires about availability of medicines from wholesalers. The verification of payment cards, which is one of the services

provided by the pharmacy data network, proved increasingly popular, and by the end of the year the service was used in nearly 250 pharmacies.

A web-based virus-secure e-mail system was introduced for the pharmacy data network in the summer and by the end of the year about 500 domains had been created.

In the autumn, the AFP together with its local associations arranged training and information about the AFP pharmacy data network in nine municipalities. This familiarised pharmacy owners and IT experts in pharmacies with the network and its services.

The AFP also improved its public Internet services. The whole network service system is now produced using the Quartal Dynagen publishing system.

Production of the AFP database of medicines was improved

The AFP database of medicines is one of the key databases of the information systems in pharmacies. It includes, for example, information about medicine prices and reimbursement.

The system for production of the database was totally reformatted. One reason for this was the changes required by the introduction of generic substitution. The new browser-based programme also makes easier to compile statistics and reports.

Work began to launch the AFP database of medicines for trialling electronic prescriptions. Furthermore, modernisation of the distribution of the database via the AFP pharmacy data network started.



Avgående flyg			Departures		
Aika Tid	Lento Flyg Flight	Mihin Til To	Aula Hall Hall	Lähtöaika Incheckning Check-in	
11:30	12:35 SK 3757	Düsseldorf	3	315-329	
	12:50 SK 717	Copenhagen	3	315-329	
11:30	12:50 JK 9042	Copenhagen	3	315-329	
	12:50 LH 8319	Copenhagen	3	315-329	
	12:50 UR 9380	Copenhagen	3	315-329	
	13:00 KF 793	Berlin	3	315-329	
	13:00 SK 8397	Berlin	3	315-329	
	13:00 AY 1037	Bourgas	4	403-418	
	13:15 AY 885	Zurich	2	204-229	
	13:15 LX 4345	Zurich	0	204-229	
	13:15 LH 3111	Munich	3	315-329	
	13:15 SK 3889	Munich	3	315-329	
	13:35 EE 113	Tallinn	2	204-229	
	13:35 AY 8113	Tallinn	2	204-229	
	13:35 KL 1188	Amsterdam	3	301-304	
	13:35 NH 8488	Amsterdam	3	301-304	
	13:35 SD 1084	Niederrhein	3	311-312	
	13:40 SH 2334	Brussels	2	204-229	
	13:40 AY 8783	Brussels	2	204-229	
	14:00 KF 475	Bothenburg	3	315-329	

Cooperation across borders

Active international cooperation offered opportunities to exchange information and experiences. The AFP joined in the work of the Nordic Pharmacy Association (NA), EuroPharm Forum, the Pharmaceutical Group of the European Union (PGEU) and the International Pharmaceutical Federation (FIP), for example in the decision-making bodies and in several working groups.

Associations of pharmacies in Finland, Denmark and Norway together with Apoteket AB in Sweden founded the Nordic Pharmacy Association (*Nordisk Apoteksförening*) in January 2002. The goals of the association are to develop pharmacy work, exchange experiences and to enhance the role of the community pharmacies in the health-care sector, in other words to promote a Nordic professional model for community pharmacies. The NA also coordinated activities in order to have an influence within the EU through the PGEU.

The AFP participated in the work of the board of the NA, the IT group (NIT), the team focusing on professional responsibility (PAPA) and the team drawing up issues for the board. The board of the NA accepted guidelines drafted by the PAPA team for counselling, drug information and medication profiles.

The chairman of the AFP, *Klaus Holttinen*, was

a member of the board and he was selected as chairman of the NA for 2004.

The EU and the PGEU

The Pharmaceutical Group of the European Union (PGEU) is the only organisation in the EU representing pharmacies and it is the voice of community pharmacies in Europe. The PGEU studied preliminary drafts of directives with the purpose of influencing them.

The Pharmaceutical Group of the European Union (PGEU) was in 2003 working on the EU directive concerning the equivalence of educational qualifications, the draft of an EU Commission directive on services in the internal market, and the reform of medicine legislation within the EU. The organisation also responded to the Commission's working paper concerning regulation on liberal professions within the EU and the Commission's position

paper concerning recommendations of the G10 Medicines Group.

The most important work from the pharmacy's point of view was the draft proposal for a directive on services in the internal market. This proposal for a directive is part of the process of economic reform launched by the Lisbon European Council with a view to making the EU the most competitive and dynamic knowledge-based economy in the world by 2010.

The Commission announced in May that it will give a proposal for a directive on services by the end of the year. The objective of the proposal is to eliminate national obstacles to free movement of services between the Member States. The directive was made public in January 2004. The proposal for a directive and the process it has started might have significant consequences for pharmacies in all EU countries in the coming years.

EuroPharm Forum

EuroPharm Forum works in cooperation with the Regional Office for Europe of the World Health Organisation (WHO), represents European organisations in the pharmacy field, and promotes the health policy goals of the WHO. This work is effected through dialogue and cooperation between the national pharmaceutical associations and the WHO. The Forum seeks to develop model programmes for pharmacies in order to strengthen the contribution made by pharmacists to public health in Europe.

Core activities are promotion of appropriate and safe use of medicine, participation of pharmaceutical professionals in reducing health risks and in treatment programmes, quality assurance and training as well as networking and interaction.

The Forum seeks to reach its goals through several projects, including Ask about your medicines campaign, Asthma, Diabetes, Hypertension management, HIV-AIDS and Smoking cessation programmes.

Finland hosted international meetings

The AFP took part in several EuroPharm Forum projects, hosted the annual meeting in Helsinki in October and the professional development day *Pharmacists' role in reducing risks and promoting healthy lifestyles*. Repre-



sentatives of 26 member countries and observers from five organisations took part in the meeting.

An international congress titled the *World Congress on Tobacco or Health* was held in Finland in August. EuroPharm Forum, the AFP and FIP arranged a series of lectures for pharmacy professionals as part of the congress. *The Global Network of Pharmacists Against*

Tobacco, coordinated by FIP, was set up during the meeting.

Representatives for the AFP also participated in a summer meeting in June arranged by the Estonian Pharmacists' Association, and representatives of the Association of Estonian Pharmacies took part in the Finnish Pharmacy Days in November.

FIP in Sydney

The 63rd International Congress of FIP was held in Sydney, Australia, in September. The theme of the congress was *Developing a new contract between Pharmacy and Society – Risk management and improving outcomes*.

More than 2 000 pharmaceutical professionals from 84 countries participated in the congress; these included 40 professionals from Finland interested in the development of the field. Congress delegates praised the work carried out in Finland to improve services in line with the professional pharmacy strategy and the TIPPA project. Nordic cooperation was publicised at an event organised by the Nordic Pharmacy Association at the Opera House in Sydney.

In conjunction with the congress the AFP took part in meetings for the decision-making bodies. Finnish pharmacy owner *Eeva Teräsalmi*, who also is president of EuroPharm Forum, was selected as a member of the board for the Community Pharmacy section.



Changes to the Medicines Act and Decree

The changes in the medical legislation came into force at the beginning of 2003. The Medicines Act was changed in line with the requirements of the constitution. The authority to issue norms of a lower grade was revised and stipulations which earlier had been in norms of a lower grade were now included in the Medicines Act. The regulations governing the advertising of medicines and maintenance of medicine cabinets were, for instance, transferred to the Medicines Act from the National Agency for Medicines.

New regulations were also put into the Medicines Act, such as regulations on electronic prescriptions. The Pharmacy Fee Act was changed to the effect that the pharmacy fee in the future will mainly be collected from the sale of medicines to customers, not sales to institutions.

The Medicine Tariff decree, which was changed by the Council of State in December, presented pharmacies with problems of interpretation following the addition of a clause about discounts on medicines to the decree. Thus, the decree made it possible to allow discounts to regular customers but it was not specified who qualifies as a regular customer. The decree also obliged pharmacies to give war veterans a 10 % discount on basic reimbursed medicines and on all those medicines that the Social Insurance Institution does not reimburse.

Even though the relationship between the Medicine Tariff decree and the Medicines Act and also the constitution remained unclear, the Chancellor of Justice accepted both the procedures and the contents of the Medicine Tariff decree albeit with some restrictions. The question of interpretation remained, however, because the regulations were not clear. Problems were also caused by the interpretations made by the National Agency for Medicines regarding which institutions were considered to be social and health care institutions and which were not.

Patient contribution was raised

The patient contribution for those medicines qualifying for the basic reimbursement (50 %) was raised from 8.41 euros to 10 euros per purchase. For medicines that qualify for special reimbursements (75 % and 100 %), the patient contribution was raised from 4.20 euros to 5 euros. The yearly ceiling for medicine costs reimbursed by the Social Insurance Institution was raised to 601.15 euros.



New medicine reimbursement working group set up

In January, the Ministry of Social Affairs and Health set up the medicine reimbursement working group 2003. Its task was to draw up a paper in the form of a government proposal for changes in the medicine reimbursement system. The proposal should be based on the report of the medicine reimbursement working group 2000 and the proposals made by administrator *Pauli Ylitalo* in 2002 along with the comments on these. The AFP was represented in the group. Its proposals were published in April.



NAM published a list of interchangeable medicines

Early in February, the National Agency for Medicines (NAM) published a list of interchangeable medicines. The list also included medicines with marketing authorisations but which the pharmaceutical companies had not brought onto the market. Around the middle of February, about 80 % of the listed medicines were on sale and they were estimated to form 40 % of the sales of pharmacies.

A campaign was launched to enhance image and recruitment

The AFP's campaign to enhance the image of pharmacy work and to recruit young people was launched in January. As part of the campaign, pharmacy students told young people about their studies and pharmacy work at the Next Step fair in Turku and in Jyväskylä and at an education and work fair in Lahti. Broadcasting of the campaign on television began in January, and at cinemas in February.



Supporting cultural and historical community pharmacies

Community pharmacies of cultural and historical significance were granted a reduced pharmacy fee. The decree of the Council of State now allows a community pharmacy which the National Board of Antiquities defines as being of cultural and historical value to apply for a reduced pharmacy fee if that pharmacy's turnover is lower than the average of all other pharmacies. The discount is 2.7 % of the turnover. A pharmacy may even be granted a larger discount if the maintenance of the high value of the community pharmacy causes extraordinary costs. The maximum discount is 30 000 euros per year.



Generic substitution began smoothly

Generic substitution began smoothly in community pharmacies on 1st April. According to a survey by the AFP, no major customer service problems occurred during the first few days. Some delays and rushes were observed at times and the wholesalers had difficulties delivering some of the cheaper interchangeable medicines.

A study by Taloustutkimus Oy at the request of the AFP showed that 82 % of the Finns thought the change was an improvement, and 70 % were going to take advantage of the opportunity to change from a medicine prescribed by a doctor to a cheaper alternative. Pensioners and those regularly using prescription medicines were initially more cautious about generic substitution than other pharmacy customers.

The introduction of generic substitution immediately led to price war between pharmaceutical companies. The competition was even fiercer than expected, with the prices of more than 20 % of medicines involved in the substitution scheme falling at once at the beginning of April. The price of some medicines dropped by tens of euros.

The Finns were quick to take advantage of a free, easy-to-use service offering comparisons of medicine prices. This service was launched on the Internet by the AFP and Kustannus Oy Duodecim, and by the middle of April, more than 35 000 searches had already been made.



Generic substitution a major talking point at Annual Spring Meeting

The generic substitution scheme, which had started just three days earlier, cut the number of participants at the Annual Spring Meeting of pharmacy owners. The AFP presented its experiences of the first few days of the scheme, and the Minister of Social Affairs and Health, *Maija Perho*, thanked the pharmacies for a successful launch.

During the meeting, pharmacy owner *Stina Parkkamäki* was awarded the communication prize for her exceptional efforts in promoting the diabetes programme in Haukivuori municipality.

Planning for a new European health insurance card begun

The Ministry of Social Affairs and Health set up a working group to prepare for the introduction of a new European health insurance card. The lifespan of this group is from April 2003 to the end of June 2004. Its task is to draw up proposals for how this card should be put into practice in Finland.

Press evaluated the AFP

The AFP participated in the first media barometer in the field of medicine and health. Infor Consulting Oy media barometer measured reporters and journalists opinions and images of the 20 participating companies and organisations in the field of medicine and health. The AFP scored well in this survey, being seen as having good communication and image.

Focus on shortage of pharmaceutical assistants

The AFP called for a prompt increase in the number of university places for pharmaceutical assistants. In March, the AFP announced that the shortage would be extremely critical without more pharmaceutical assistants. The AFP estimated that there was a shortage of 230 pharmaceutical assistants and this would get worse when generic substitution came in and the workload in turn increased.

– It's preposterous that the needs of the labour market are not heeded when policies regarding education are planned. We will soon be at the point where those who in work are in danger of burning out warned the AFP vice president Sirkka Weckström at the spring meeting of the Häme local association in March.



AFP open house

The AFP held its annual Open House event for its partners in the middle of March, and at the same time, celebrated the 90th anniversary of the recently revamped journal *Apteekari*.

Changes to the medicine reimbursement scheme proposed

The medicine reimbursement working group 2003 set up by the Ministry of Social Affairs and Health concluded its report. It proposed the following changes: first, the existing two categories (75 % and 100 %) of special reimbursements should be merged to form a new, 90 % reimbursement category, and secondly, the patient contribution of five euros per purchase should be abolished.

The working group did not suggest any changes to the reimbursement rate in the basic 50 % category, but suggested that the patient contribution of ten euros per purchase should be abolished. The working group wanted to maintain the existing ceiling for the yearly patient contribution, but suggested the introduction of a charge of about two euros per prescription to limit unnecessary purchasing of medicines above that ceiling. The reform of the medicine reimbursement scheme was included in the new government's programme.



Customers satisfied with community pharmacies

The AFP commissioned a survey by Taloustutkimus Oy to find out what customers have experienced and what they expected of service in community pharmacies. Altogether 501 Finnish customers aged 15-74 were interviewed on the telephone.



The results showed that pharmacy customers think that medicine guidance, renewal of prescriptions and receiving medicine reimbursement directly in the pharmacy are the most important services. The opportunity to replace a prescribed medicine with a cheaper interchangeable one and to have cheaper alternatives for self-care medicines were some of the more important services, too.

Customers were also satisfied with the availability of medicines: 92 % were satisfied with the number of community pharmacies and 81 % were content with the opening hours. 93 % of those interviewed were satisfied with their last visit to a community pharmacy.

Customers received their medicine guidance primarily from a doctor and from pharmacy staff. 5 % of the customers said that the information leaflet in the medicine package was their primary source of medicine information; only 3 % said it was the Internet.

More than half of the Finnish population thought that community pharmacies should besides medicines also sell bandaging materials, hygiene products, pharmaceutical products and health books.

The AFP supported pharmaceutical research and professional development

The AFP supported pharmaceutical research and professional development in community pharmacies by offering over 30 grants from its funds to promote pharmaceutical research, continuing education and studies for specialising in the field of community pharmacy (Professional Development, PD). Totally, these grants amounted 38 600 euros.

The Rohto was introduced

The Centre for Pharmacotherapy Development (Rohto) introduced its work to enhance rational use of medicine. Its objectives are, for instance, to follow up medical treatment practices, to provide training and to inform of developments in evidence-based medical treatment.

Record number of applicants for pharmacy studies

Altogether, about 1 500 young people applied for courses leading to a pharmaceutical assistant qualification or pharmacist qualification, which was an increase of 300 applicants compared with the previous year. The number of people taking part in entrance examinations for pharmacy studies also went up, by over 50 % in Helsinki University.

Community pharmacies' delivery reliability remained excellent

The rapid changes in the range of interchangeable medicines and the difficulties in obtaining some of the cheapest generic alternatives had minimal impact on the pharmacies' delivery reliability, even though it was much more challenging and time-consuming to manage the stock.

A study carried out by the AFP during the second week in May showed that on an average the community pharmacies were able to dispense 98.6 % of the prescriptions for a customer on the spot. At the end of February, before the introduction of generic substitution the figure was 98.7 %.

If a prescribed medicine was not available at once, the community pharmacy was able to get it during the same working day in 98.8 % in May; this compares with 98.9 % in February. No changes in delivery reliability occurred in large community pharmacies delivering over 60 000 prescriptions per year. In small community pharmacies which deliver under 30 000 prescriptions per year the reliability decreased a little.



Community pharmacies against tobacco

The AFP supported the proposal made by the network of *Finnish Doctors Against Tobacco* that nicotine replacement therapy ordered by the doctor should be included in the reimbursement scheme. In the guidelines for Current Care prepared by a group of health care experts in 2003, pharmacies were given the task first of drawing up a scheme for effective nicotine replacement therapy and then of implementing the scheme together with the customer. The guidelines led to a national training campaign to encourage pharmacy staff to advise customers who smoke.

The Global Network of Pharmacists Against Tobacco was established at the World Conference on Tobacco Or Health 2003 in Helsinki in August. The network is coordinated by the FIP.

The AFP and universities formed a consultative committee

The AFP and universities within the pharmaceutical field formed a consultative committee in order to improve the match between the needs of the labour market and education goals. The committee submitted to the Ministry of Social Affairs and Health and the Ministry of Education a proposal that the number of student places should be increased in 2004. The proposal included the AFP's substantiation in which the AFP pointed out the difficulties that will arise as current generation of pharmaceutical assistants retires and new staff are needed.



Pharmaceutical policy for 2010

In early September, the Ministry of Social Affairs and Health published its policies for medicine distribution in its document *Pharmaceutical Policy 2010*. Its starting point was to maintain good nationwide access to medicines, along with maintaining medicine safety, rational prescribing and use of medicines, enhancing of medical research and the curbing of medicine costs.



The goals for the pharmaceutical policy 2010 are that

1. Medicine safety is at a high level.
2. Prescribing of medicines is rational.
3. Access to medicines is good throughout the country.
4. The use of medicines is appropriate.
5. Medicine costs are reasonable both for the patient and society.
6. The administrative organisation is transparent.
7. The demands of veterinary therapy are taken into account in pharmaceutical services.
8. Finland takes an active part in European co-operation regarding the monitoring of the safety of medicinal products.
9. Pharmaceutical research is supported.

Source: Lääkepolitiikka 2010, Ministry of Social Affairs and Health

The ministry did not propose changes to the existing community pharmacy system in which community pharmacies are owned and run by a pharmacist as a private enterprise, and where the National Agency for Medicines is responsible for granting licences. The Ministry stated that the system maintained a balance between professionalism and efficient business activity, and it saw no need to make any changes.

The Ministry also stated that the system with the same medicine prices in every pharmacies would be maintained and that the sale of medicines would continue to take place only at pharmacies and subsidiary pharmacies in the future, too. The Ministry also stated that it wanted to see pharmacies still being developed as a part of the overall health care sector.

In the policy for 2010, the Ministry stated that information about medicines and appropriate use of them given by pharmacy staff was necessary for good medical treatment. The Ministry encouraged community pharmacies to develop systems to evaluate medical treatment and its follow-up in line with international models, and thereby improve the quality of medical treatment. In its suggestions, the Ministry supported the automated dose dispensing of medicines created and introduced by the AFP.

In a somewhat inconsistent move, the ministry nevertheless suggested gradual abandonment of the pharmacy fee system and a cut in the medicine tariff, with the intent of lowering retail prices of the most expensive medicines.

The AFP replied that it could not accept the abandonment of the pharmacy fee because such a move would reduce the number of pharmacy service outlets by tens and in turn make it more difficult for people to obtain their medicines.

The AFP renewed its websites

The AFP introduced a new Internet service for pharmacy customers, www.apteekit.net. In addition, its Internet pages for professionals and interest groups www.apteekkariliitto.fi were redesigned. A new service about employment vacancies in AFP member pharmacies was set up, and the Internet service for people interested in pharmacy studies and pharmacy work www.apteekkiduuni.net was revised. The AFP also maintained an Internet version of the Pharmacy Self-Care Guide, www.itsehoito-opas.net

The Finnish news agency promoted dose dispensing

The Finnish news agency STT compiled reports for the media about the automated dose dispensing service created by the AFP for its member pharmacies. The resulting publicity boosted demand for the service and encouraged its introduction throughout Finland.

An extra hour for exercise

Finns were encouraged to take more exercise in wintertime. For example, Hengitysliitto (the Pulmonary Association) and the AFP together strongly recommended people use the one hour gained when the clocks change from summer time to winter time for exercise. Hengitysliitto and AFP member pharmacies all over Finland arranged keep-fit events, such as dart-blowing contests, aquabics, Nordic walking, various out-door activities and keep-fit events for families. The winner of the municipal keep-fit competition, arranged before the campaign, was for the second time Tuusniemi, in eastern Finland.



Minister Mrs. Mönkäre interviewed by the Apteekkari

Minister of Social Affairs and Health, Mrs. *Sinikka Mönkäre*, in a special interview told the *Apteekkari* journal of her plans for medicines distribution. In the interview, the minister said she was considering ways of cutting medicine costs, adding that she was especially hoping that pharmacy owners would offer constructive suggestions about the medicines tariff.

Terveystietä! magazine increased its readership

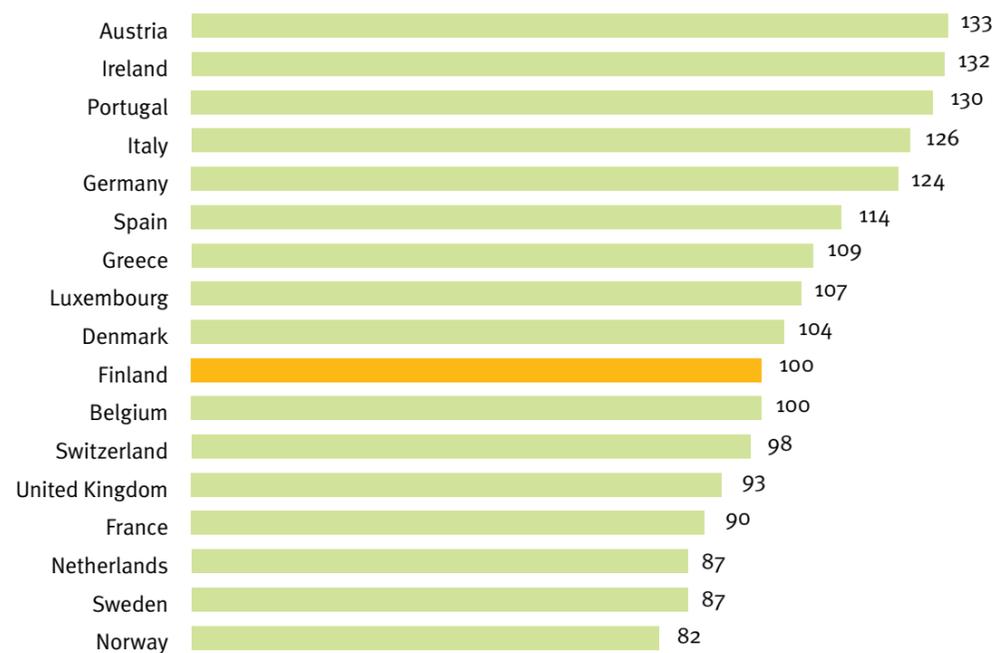
According to a survey by *Kansallinen Mediatutkimus* released in September, *Terveystietä!*, the customer magazine of AFP member pharmacies, attracted nearly 100 000 new readers, taking the total readership to 914 000 in 2003. Measured by the number of readers, *Terveystietä!* is the eighth most popular magazine in Finland and easily the most popular health magazine.

The AFP communication company PharmaPress Oy together with Yhtyneet Kuvalehdet/Kynämies Oy edits *Terveystietä!*. The magazine was published four times in 2003, with more than 400 000 copies per issue.

Medicine prices around the European average

Prices of medicines in Europe

Retail price including VAT in proportion to purchasing power, Finland = 100



Source: IMS Consulting



Average prices for medicines in Finland

A survey by IMS Consulting for Pharma Industry Finland revealed that Finnish prices of medicines in proportion to purchasing power are a little lower than the European average. The survey showed the Belgians, the Swiss, the British, the French, the Dutch, the Swedes and the Norwegians enjoy some of the cheaper medicines in Europe. All EU member states 2003 were included, together with Norway and Switzerland. The price comparison, which was carried out by IMS Consulting, was based on the hundred most sold medicines in Finland. They covered 52 % of the value of the sale of medicines.

Five pharmacies granted quality certificate

Leppävaara pharmacy in Espoo, Ilves pharmacy in Lahti, Omena pharmacy in Virkkala and its subsidiary pharmacy, Siilinjärvi pharmacy and Jalasjärvi pharmacy were awarded the ISO 9001:2000 certificate for their performance.

This certification was part of a wider AFP project working towards establishing guidelines called "Standard ISO 9001:2000 in community pharmacies". These are based on the ISO standards, and aim to facilitate implementation of quality systems in pharmacies.

Jurva pharmacy and Lieksa New Pharmacy had already received this certificate. The certificates were awarded by SFS Inspecta Sertifiointi Oy within the framework of AFP project.



The AFP and its companies at the Pharmacy Days

The AFP and its companies together displayed their products and services at a shared booth at the national Pharmacy Days held at the Helsinki Fair Centre. The AFP presented services of the AFP pharmacy data network, the redesigned public Internet services and the new CD program for administering medication.

The AFP also presented the automated dose dispensing service at Health 2003, a public event arranged simultaneously at the Helsinki Fair Centre.

New title for qualified pharmacy technicians

The dispute over what to call the qualified pharmacy technicians was resolved when the Ministry of Education presented an amended decree. This decree, which came into force early in 2004, changed the title of the qualification of pharmacy technicians, namely *farmanomi*, to *lääketeknikko*.

Farmanomi was kept as the name of the qualification awarded to those who work in pharmaceutical companies etc.

The title of *farmanomi*, which had already provoked some controversy, was introduced when the system of vocational lower degrees was reformed. Both the AFP and the Finnish Pharmacists' Association, among others, were strongly against the new title because pharmacies already have employees called *farmanomi*. They work as technical staff and have a different training background.

New Vice Presidents for AFP

Pharmacy owner Mrs. *Sirkka Weckström*, from Sipoo pharmacy, was appointed first vice president and pharmacy owner Mr. *Matti Hietula* from Mäntsälä pharmacy second vice president of the AFP at the Association's annual meeting in November in Helsinki. Pharmacy owner Mr. *Klaus Holttinen*, from Joutseno pharmacy, continued as president of the Association.

Siilinjärvi pharmacy declared Training Pharmacy of the Year

At the national Pharmacy Days, Siilinjärvi pharmacy in North Savo was awarded the title of Training Pharmacy of the Year for the particular attention that all the staff in the pharmacy paid to the systematic training of pharmacy students. The students themselves have for many years been pleased with the pharmacy.

This honour is awarded to a community pharmacy in which the training period of pharmacy students has been arranged in an exemplary manner. The process of selection for this award is based on student feedback. A group of representatives from universities and pharmacy organisations makes the final decision.

Every year around 400 pharmacy students take part in this training period, with most training in AFP member pharmacies. For many students this is their first contact with real work, thus it is particularly useful in preparing them for their future work, when they will have to handle customer service situations regularly, and will need to put training and education into practice.



Finnish community pharmacy system in brief

A requirement for establishing or running a community pharmacy in Finland is that the National Agency for Medicines has granted a pharmacy licence. The Agency grants pharmacy licences according to local needs for pharmacy services. Furthermore, the pharmacist who is granted a pharmacy licence must be 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, usually a municipality. There can be several pharmacy areas in a city. Pharmacies can be established freely within a particular area, for example next to another pharmacy. A community pharmacy owner may only hold one pharmacy licence and in maximum three subsidiary pharmacy licences at one time. A subsidiary pharmacy can be turned into an independent community pharmacy by a decision made by the National Agency for Medicines. This prevents the formation of pharmacy chains.

The pharmacy licence is for a specified individual and it may not be sold or leased out. The pharmacy owner has both professional and financial responsibility for the pharmacy. The pharmacy licence is terminated when the pharmacy owner reaches 67 years of age.

The pharmacy licence is subject to a number of obligations, the most important of which is that medicines needed by the local inhabitants must always be available.

Medicine pricing is strictly regulated

Prices of medicines are the same in all community pharmacies because the Council of State makes a decision regarding retail prices based on the medicine tariff. The State sets a retail price on a medicine according to a national wholesale price.

The medicine tariff is "counter-progressive", in other words the proportional commission from sales decreases as the wholesale price of a medicine goes up.

The pharmacy fee evens things out

The medicine tariff and the pharmacy fee greatly influence the economy of a community pharmacy. The pharmacy fee is paid by private community pharmacies to the state and by university pharmacies to the owner university. The pharmacy fee is based on turnover of the pharmacy and it is progressive (0-11% of turnover). The pharmacy fee is included in the price of a medicine and it is mainly collected from the sale of medicines to customers.

The effect of this fee is that compared with a larger pharmacy, a smaller pharmacy will earn a little more from the sale of a medicine when the price of that medicine is the same. The fee evens out the variations in financial performances of community pharmacies of different sizes and makes it possible for small community pharmacies to survive and in turn to ensure a nationwide pharmacy network. It also gives the state an income of more than 110 million euros per year.

Retail price at pharmacy (Medicine tariff decided by the Council of State 11.12.2002)

Wholesale price (€)	Retail price at pharmacy (€)
0 – 9,25	1.5 x wholesale price + 0.50 € + VAT 8 %
9,26 – 46,25	1.4 x wholesale price + 1.43 € + VAT 8 %
46,26 – 100,91	1.3 x wholesale price + 6.05 € + VAT 8 %
100,92 – 420,47	1.2 x wholesale price + 16.15 € + VAT 8 %
> 420,47	1.125 x wholesale price + 47.68 € + VAT 8 %

Pharmacy fee paid to the state (Change in the Pharmacy Fee Act 922/2003 14.11.2003)

Pharmacy annual turnover (€)	Pharmacy fee at lower limit (€)	Fee-% exceeding lower limit
582 205 – 678 916	-	6
678 916 – 872 985	5 803	7
872 985 – 1 066 838	19 387	8
1 066 838 – 1 358 693	34 896	9
1 358 693 – 1 745 969	61 163	9,5
1 745 969 – 2 134 322	97 954	10
2 134 322 – 2 522 459	136 789	10,25
2 522 459 – 3 202 021	176 573	10,5
3 202 021 – 4 171 717	247 927	10,75
4 171 717 -	352 170	11

Private community pharmacies pay the pharmacy fee to the state, university pharmacies to their owner universities.

Number of community pharmacies and subsidiaries 1970 – 2000, and 31.12.2003

	1970	1975	1980	1985	1990	1995	2000	31.12.2003
Community pharmacies	560	563	563	575	575	583	591	602
Subsidiaries	84	92	110	119	157	188	203	198

The ratio of community pharmacies to the total population is 1 : 6 500. The Finnish pharmacy network is denser than it is in Sweden, Norway and Denmark.

Staff in community pharmacies 1999 – 2003

	31.12.1999	31.12.2000	31.12.2001	31.12.2002	31.12.2003
Pharmacy owners (M.Sc.Pharm.)	572	575	584	578	576
Staff pharmacists (M.Sc.Pharm.)	610	651	711	737	769
Pharmaceutical assistants (B.Sc.Pharm.)	3281	3332	3405	3339	3548
Technical assistants	1981	2073	2269	2339	2430
Other (cleaners, trainees etc.)	639	550	587	610	676

61% of staff in community pharmacies have a pharmaceutical education (M.Sc. Pharm. or B.Sc. Pharm.)

Prescriptions dispensed by community pharmacies 1999 – 2003

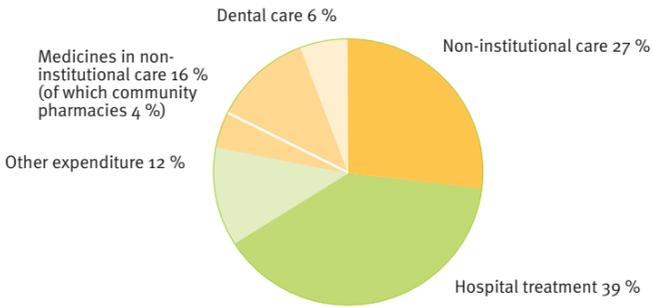
	1999	2000	2001	2002	2003
	35 248 276	36 721 264	37 828 309	38 542 620	39 913 233

Community pharmacies delivered nearly 40 million prescriptions in 2003, in other words about 7.6 prescriptions per capita.

Average community pharmacy 2003

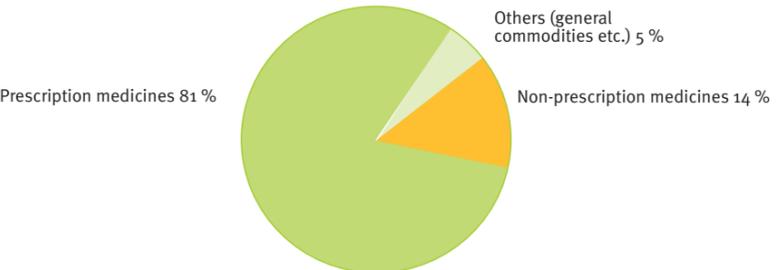
Turnover	about 2.8 million euros
Prescriptions/year	59 600
Pharmacy fee	about 200 000 euros (7 % of turnover)
Staff	11 (1 + 1 + 5 + 4)

Breakdown of total health care expenditure



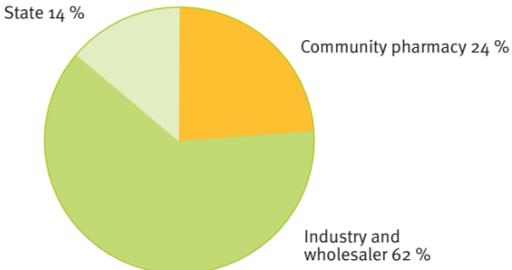
In 2002, the total expenditure on health care was about 10.2 billion euros, i.e. 7.3 % of GNP. Of the total health care expenditure only about 4 % was spent on maintaining a nationwide and dense community pharmacy network.

Share of sales in community pharmacies



Sales in community pharmacies mainly comprise medicines. Pharmacies also sell liquids for washing and cleansing, cosmetics, skin care products together with materials for dressings and plasters.

Breakdown of medicine expenditure



The community pharmacies' share of the medicine price is less than one quarter on average. The share going to the state is a combination of VAT on medicines and the pharmacy fee.

Medicine reimbursements paid by the Social Insurance Institution (SII)

Upper special refund (100%)
The patient's contribution is 5 euros per purchase, the remainder is paid by the SII.

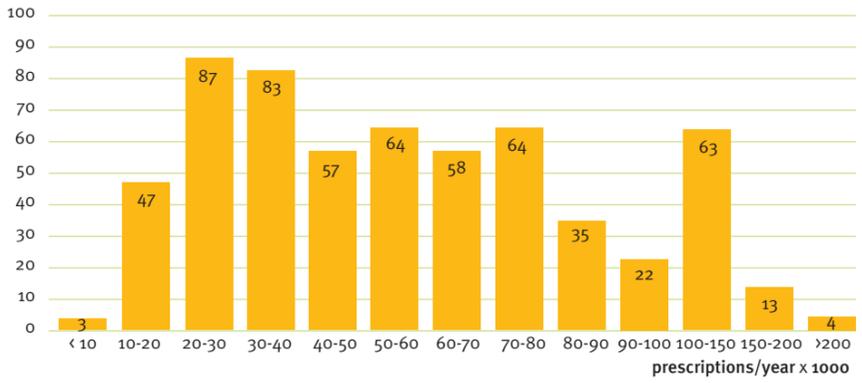
Lower special refund (75%)
The patient's contribution is 5 euros per purchase, above that 75% is paid by the SII.

Basic refund (50%)
The patient's contribution is 10 euros per purchase, above that 50% is paid by the SII.

Prices of medicines in the same refund category are first added together. The reimbursement for each category is calculated separately, and then these are added together to give the final reimbursement. If the patient contribution for reimbursed medicines exceeds the given ceiling (604.72 euros in 2004), the SII will reimburse in full all costs above that figure, on condition that the ceiling is exceeded by at least 16.82 euros and that no other refund has been given. To qualify for medicine reimbursement directly from the community pharmacy the customer must show his/her social insurance card.

Medicine reimbursements 2003	million euros
Special refund (100 %)	282
Special refund (75 %)	237
Basic refund (50 %)	329
Basic refund	69
Total	917

Community pharmacies according to volume of prescriptions



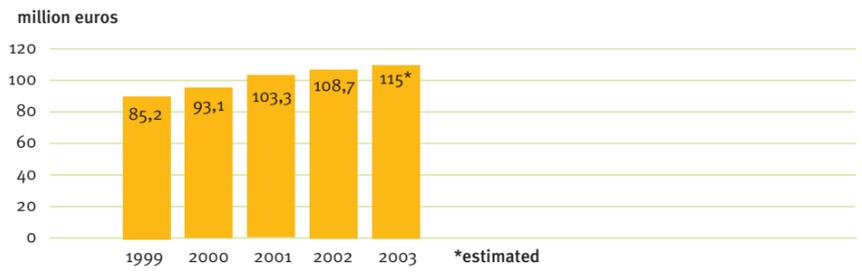
In Finland, the largest proportion of community pharmacies comprises those which dispense 20 000 - 30 000 prescriptions / year.

Preparation of medicines in community pharmacies

Dosages in powder form	3 792 974
Capsules	277 805
Tablets	48 000
Ointments (kg)	872
Preparations in liquid form (kg)	40 340

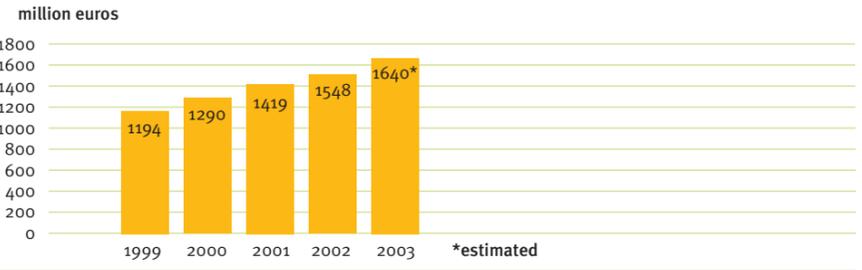
Pharmacies themselves continue to make up medicines even though generally the preparation of medicines has decreased. On top of the medicines included in the table, about 0.5 % of medicines prescribed by a doctor are prepared in community pharmacies. Typically, they are medicinal ointments.

Pharmacy fee to the state 1999 - 2003



Private community pharmacies pay over 110 million euros per year in pharmacy fees to the state.

Turnover of private community pharmacies 1999 - 2003



The growth of the turnover of community pharmacies is mainly due to the introduction of new, more expensive medicine care. The growth is also explained by increasing non-institutional care and the ageing population.

The Association's companies

In order to provide services to its member pharmacies the Association of Finnish Pharmacies (AFP) has founded four companies owned totally by the Association.

Oy Medifon Ab

Oy Medifon Ab is a wholesale business for special products and general commodities for community pharmacies. Medifon has a range of about 400 products.

The selection of brand products sold exclusively in community pharmacies grew in 2003. In addition, new products displaying the AFP and its member pharmacies snake-bowl logo went on sale for the first time.

In 2003, the turnover of the company was about 1.9 million euros.

Pharmadata Oy

Pharmadata Oy is a data technology company. The company delivers the Salix data system to community pharmacies and makes improvements to the system. By the end of 2003, Salix was in use in 400 pharmacy outlets and Pharmadata's share of the market was 50%. More than half of the systems delivered were Linux-based.

Changes required by the introduction of the generic substitution were made to the Salix systems and the wholesale order system was integrated into the AFP pharmacy data network. Fujitsu Services Oy was in charge of installing the system in pharmacies.

In 2003, the turnover of the company was about 3 million euros.

PharmaPress Oy

PharmaPress Oy is a communications and publishing company. The company publishes Apteekkari, the AFP journal for its members along with the pharmacy customer magazine Terveysterveksi! (For your Health!), plus a number of books, guides and other printed matter.

PharmaPress produced three new printed products: the Pharmacy calendar 2003-2004, a wall calendar of medicinal plants for 2004, and a Christmas card. It also arranged an exhibition for the annual spring meeting for pharmacy owners.

In 2003, the turnover of the company was a little over 1 million euros.

PharmaService Oy

PharmaService Oy is a service company that provides professional services for the member pharmacies of the AFP.

The company focused on introducing the automated dose dispensing of medicines to serve AFP member pharmacies. The company also delivers the services of the AFP pharmacy data network.

By the end of the year automated dose dispensing had been introduced in 24 community pharmacies and for over 400 customers. 100 pharmacies were trained to start the new service for their customers. By the end of the year about 300 community pharmacies had joined the AFP pharmacy data network.



Further information

Reijo Kärkkäinen

Chief Executive Officer; overall management and co-ordination of the AFP, international relations
reijo.karkkainen@salnet.fi

Sirpa Peura

Director of Pharmaceutical Affairs; direction and planning of pharmaceutical issues, professional development, dose dispensing services, matters relating to the social insurance and reimbursements
sirpa.peura@salnet.fi

Erkki Kostiainen

Director of Communications; coordination and development of AFP communications, media relations, publications, websites
erkki.kostiainen@apteekkariliitto.fi

Anne Hirvonen

Pharmacist; Tietotippa database, asthma and diabetes programmes in pharmacies, information about new medicines, secretary of the pharmaceutical committee
anne.hirvonen@salnet.fi

Johanna Kause

Pharmacist; education and training issues, quality assurance and management training, secretary of the education committee
johanna.kause@salnet.fi

Kari Linden

Pharmacist; smoking cessation activities, customer leaflets, preparation of medicines, chemicals and raw materials, secretary of the communications committee
kari.linden@salnet.fi

Anne Lehtonen

Pharmacist; projects promoting cooperation in the healthcare sector
anne.lehtonen@apteekkariliitto.fi

Jani Mäntylä

Pharmacist; AFP database of Medicines, IT in pharmacies, secretary of the IT committee
jani.mantyla@apteekkariliitto.fi

Toni Christiansen

IT expert; AFP pharmacy data network, IT in pharmacies
toni.christiansen@apteekkariliitto.fi



Editors of the Annual Review: Erkki Kostiainen and Helena Hyyppä

Photographs: IronMedia Oy/Iiro Koskelainen and AFP archive

Layout: Advertising Agency Alligator Design Oy

Paper: Magno Satin 130 g

Printing: Miktor Oy

6/2004

Pieni Roobertinkatu 14 C
FIN-00120 Helsinki, Finland
Tel: +358 9 228 711, Fax: + 358 9 647 167

Websites:

www.apteekkariliitto.fi
for professionals and interest groups

www.apteekit.net
for pharmacy customers

www.apteekkiduuni.net
for those interested in pharmacy studies
and pharmacy work

www.itsehoito-opas.net
self-care guide for consumers



SUOMEN APTEEKKARILIITTO
THE ASSOCIATION OF FINNISH PHARMACIES