

Annual Review 2006



SUOMEN APTEEKKARILIITTO
THE ASSOCIATION OF FINNISH PHARMACIES



Chief Executive's Review of 2006

The Council of State, in the spring, placed a cap of 5 per cent per year on the longer term (2008–2011) increase in reimbursements costs. However, this annual target was already beaten as early as 2006, when the costs of medicines reimbursed rose by only 2.2 per cent. This was effected by the introduction during the year of several measures to cut medicine costs. The full impact was felt by the pharmacies.

Pharmacies will remember 2006 most as the year in which their economic fortunes took a turn for the worse. The decline in their turnover was caused both by the measures brought in by the authorities to cut medicine costs and the greater medicines price competition. That said, the number of prescriptions dispensed rose, but along with it the workload of the pharmacies.

Users of medicines typically viewed the reform of the reimbursement system as a positive move because it led to reduced costs. These cuts resulted from revised reimbursement percentages and the abolition of the fixed patient contribution for individual purchases of medicine.

From the beginning of February, retail shops that sell tobacco, and also petrol stations and kiosks, were allowed to sell nicotine replacement products. This was a major shift in medicine policy because it represents the first time in Finland that the sale of a medicinal product outside a pharmacy has been permitted. The Ministry of Social Affairs and Health made reassurances that this change was only a tobacco policy measure. However, there was no reference to this move in the tobacco policy programmes.

The issue of self-care medicines was debated in Parliament as part of the government's report on the retail sector. The outcome was that the sale of self-care medicines would for the time being remain exclusive to pharmacies. Parliament concluded that if it was necessary to extend accessibility, this should be realised by improving

the present distribution system. For example, by re-assessing the way the medicine chests system operates in those remotely located outlets that are licenced to sell self-care medicines.

During 2006, the Ministry of Social Affairs and Health set up two working groups, the proposals from which may impact on pharmacies. The pharmacy working group began looking into the pharmacy licence, the pharmacy fee and the distribution of medicine in remote areas. The focus of the reference price group, on the other hand, was to find a reference price model that can be applied to hold down reimbursement costs. Both these groups will continue working into 2007.

The development of the professional pharmacy work continued as planned earlier, and the foundations for a special competence system were laid.

The shortage of pharmaceutical assistants remained, but varied regionally. However, this shortage was partly alleviated by training new pharmaceutical assistants on special conversion courses. The weaker economic position of pharmacies led to some adjustments being made to staff, investments and the number of pharmacy outlets.

When pharmacies found their economic scope to supply medicines, as laid down in law, narrowed, several pharmacies broadened their range of other healthcare products and pharmaceutical cosmetics in order to secure their finances.

The EU Commission and Parliament made their final decision regarding the EU directive on services in the internal market. The decision resulted in health services with pharmacy services specifically mentioned being excluded from the scope of the EU services directive.

Reijo Kärkkäinen
Chief Executive Officer

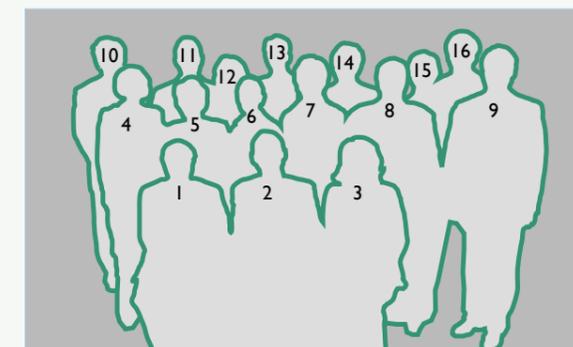
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The Board of the Association of Finnish Pharmacies (AFP) 2006

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Cutting medicine costs hits the pharmacies



2006 marked a major change in the fortunes of the pharmacies: the sales of medicines dropped and the returns were not as good as in 2005. This economic downturn in pharmacies was caused by the cuts in prices and reimbursements implemented by the authorities, by the expansion of generic substitution and by changes in medicine legislation.



The economic situation weakened most in small pharmacies and subsidiary pharmacies in rural areas, and in street pharmacies, too. The variations between pharmacies were substantial.

Several changes took place

The state cut the wholesale price of reimbursable medicines by 5 per cent at the beginning of 2006, at the same time as the medicine reimbursement system was reformed. The fixed patient contribution for an individual purchase of medicine was abandoned and the reimbursement percentages were revised by the reform.

On top of that, the Pharmaceuticals Pricing Board cut the wholesale price of reimbursable medicines for specific groups of medicines, and limited the reimbursement of extensively used medicines for controlling cholesterol.

These cuts in the wholesale price of medicines led to pharmacies suffering economic loss, because the margin on sales in pharmacies is directly dependent on the wholesale price (See page 24).

The changes in the Medicines Act which came into force at the beginning of February allowed the sale of nicotine replacement products (NRP) in retail shops that sell tobacco and abolished the right of individual pharmacies to accept wholesale discounts. NRPs were exempted from the pharmacy fee and the pricing of the products was deregulated.

By the end of the year, pharmacies had lost about 40 per cent of the sale of these products to other retailers. Medicine discounts for pharmacies were forbidden because of fears that they would impact excessively on the pharmacy's choice of medicines.

Pharmaceutical companies continued to compete vigorously over the price of generic substitution medicines, and more medicines were brought into the scheme.

The measures to hold down the growth of medicine reimbursement costs proved to be even more effective than expected: just a 2.2 per cent rise in the costs of medicine reimbursement by the Social Insurance institution. The Finnish government's new four-year budget plan (2008–2011), set in the spring, was to hold growth in the costs of medicine reimbursement under 5 per cent per year.

Working groups and their reports

The Ministry of Social Affairs and Health appointed three working groups to examine various medicine and pharmacy issues.

Thus, the working group set up to determine the impact of the expansion of the sales of nicotine replacement products began its work in the spring, and the working group looking into the reference price system in the summer. A representative of the AFP took part in this latter working group.

The third group, a pharmacy working group, which minister of Social Affairs and Health Tuula Haatainen had announced in January, was not appointed until October, however. It was assigned the following tasks: to examine the constitutional legality of the current pharmacy licence system; to find out whether the pharmacy fee could be abolished; to deliberate on how to ensure medicine distribution in sparsely populated areas.

The three working groups were given until the end of February 2007 to produce their reports and proposals, in order that these could be used after the parliamentary election in March, when the new government's programme would be decided.

Professor Sirkka-Liisa Kivelä was appointed by the Ministry of Social Affairs and Health to look into the status of care for the elderly, and she proposed some improvements. Mrs. Kivelä highlighted problems of medical treatment of the elderly and proposed that dose dispensing in pharmacies and medicine guidance should be expanded.

The ministry assigned to professor Jussi Huttunen the task of looking into and coming up with solutions to the problems arising from double-channelled financing (i.e. municipal and the SII funding) and also the associated dual responsibility for costs.

Self-care medicines from the pharmacy

The question of extending the sales of self-care medicines, which had been under discussion for some time, was at least temporarily solved when Parliament concluded at the end of the year that it would be advisable to restrict the sales of self-care medicines to pharmacies for the time being. Parliament considered that if it

was necessary to extend accessibility to these medicines, this should first be achieved by improving the present distribution system rather than extending sales rights. This issue was debated as part of the Government's report on the retail sector.

Representatives from the retail sector (shops and supermarkets) were not happy with the decision and continued to lobby for the liberalisation of the trading of other self-care medicines than nicotine replacement products.

Pharmaceutical services excluded from directive

For all pharmacies in the EU the most important decision in 2006 was that pharmacy services were excluded from the scope of the EU services directive.

Pharmacy services are, however, included in the internal market and, for example, ownership and establishment of pharmacies will certainly remain a central issue at EU level in the future.

The Swedish government launched a process to break up its pharmacy monopoly by appointing an administrator to look into how this could be achieved.

The AFP made its work more effective

The AFP further promoted domestic interests by becoming a member of the Federation of Speciality Retailers and an associate member of the Federation of Finnish Commerce, which is subordinate to the Confederation of Finnish Industries. The AFP also set up its own business policy committee to coordinate the promotion of its interests in various business policy organisations. Additionally, the AFP enhanced its information management by setting up an information management unit.

Changes 2005–2006

Turnover of pharmacies	- 0.5 %*
Profit of pharmacies	- 10 %*
Reimbursed prescriptions	+ 14 %
Medicine reimbursement costs	+ 2.2 %
*Average figures, the variations between pharmacies were substantial. Other figures for 2006 on pages 25–26.	



The professional programmes for pharmacies assist patients with self-care

The pharmacies, both by way of their Asthma, Diabetes and Heart Programmes and in conjunction with their healthcare partners, furthered the prevention and treatment of Finland's most common diseases.

For every professional programme totally, 600–700 contact persons have been trained, and they work in pharmacies all over Finland. They are responsible for the local implementation of the programmes and by focusing on the patient they ensure a more customer oriented service. Additionally, they train the other pharmacy staff and liaise between the pharmacy and the other healthcare sectors.

The Heart Programme focused on cardiovascular diseases

The Pharmacy Heart Programme was launched in May 2005. Last year, the pharmacies, working in conjunction with the Finnish Heart Association and the Stroke and Dysphasia Federation, focused especially on the prevention and treatment of

coronary artery diseases and disorders of fat metabolism. The pharmacies are continuing to reach out to many heart patients who do not use other healthcare services.

By the end of 2006, 537 pharmacies were participating in the Heart Programme, supported by 597 contact persons. These people were told about local training and available material.

The AFP also initiated regional co-operation together with local heart districts. The Uusimaa heart district, for example, arranged a series of multi-professional training events in Uusimaa.

The National Heart Week was organised by the Finnish Heart Association and was held in April. Pharmacies took part in the arrangements.

The Asthma Programme focused on anti-smoking

By the end of 2006, 635 pharmacy outlets, supported by 704 contact persons, were participating in the Asthma Programme. In 2006, this programme placed special emphasis on the tackling of smoking. A professional service to help individuals quit smoking was launched. To assist this, the AFP provided training for the new asthma contact persons, and at the same time trained those staff assigned the task of helping smokers come off tobacco. The pharmacies' societies arranged this training nationwide.

In order to encourage pharmacies to promote the quitting of smoking, the AFP arranged a competition. The pharmacy that encouraged smoking cessation most



effectively in 2006 was proclaimed the winner. The AFP assisted in arranging a second competition titled "Quit and Win 2006". The anti-smoking work of the pharmacies was presented at the national Tobacco and Health Days in Lahti, in December. The aim of the competition was to encourage smokers to give up tobacco or snuff for four weeks in May.

Development of Prevention and Treatment of Diabetes

By the end of 2006, 635 pharmacy outlets were participating in the Diabetes Programme for Pharmacies, and a total of 674 contact persons. The AFP also provided training for new contact persons.

The Diabetes Programme for Pharmacies was presented at DEHKO Days, in

Tampere, in February. The Development Programme for the Prevention and Care of Diabetes (DEHKO 2000–2010) is the Finnish national diabetes programme. It aims at preventing type-2 diabetes, and the diseases associated with it. It also works to improve the treatment of diabetes and the quality of this treatment, and, furthermore, it supports self-care for diabetics.

DEHKO is coordinated by the Finnish Diabetes Association.

Pharmacies helped in quitting smoking

The pharmacies offer an individualised quit-smoking service to help those customers who are thinking of quitting smoking. By the end of the year, 28 pharmacies were offering this service, for which customers must pay a fee.



Medication review – a new service was introduced

Medication review is a new pharmacy service. Following notification from a doctor, a specially trained pharmaceutical professional will run a medication review in order to rectify any problems. The purpose of this service is to remove unnecessary medicines and possible harmful duplication, to help identify any interacting medicines and generally to improve the life of the medicine users. A further objective is to cut out unnecessary medicine costs. The first 26 pharmacy professionals specially trained for this service graduated in May.



The AFP: working for its member pharmacies



The AFP provided a range of both professional services and training and communications services to support the work of the community pharmacies.

The AFP maintained and developed the Tietotippa database, which acts to support medicine guidance in pharmacies. The AFP also regularly provided information about new medicines, and drew up a summary of these new medicines for the pharmacy staff.

Together with the Diabetes Association the AFP created a new tool for medicine guidance: a CD-rom about administering insulin. Using short video clips, the CD shows how to use various insulin preparations on the market.

The AFP furthered customer guidance in pharmacies by offering the Duodecim Terveysportti services via the AFP pharmacy data network, which is administered and maintained by the AFP. Also, new services were introduced into this network, and generally, greater emphasis is now placed on links to other healthcare providers.

Enhanced emphasis placed on quality

The AFP enhanced quality assurance in pharmacies by drawing up a quality evaluation form with which to help pharmacies improve their businesses. The Association supports quality assessment, which is performed by collecting background information about the pharmacy, by analysing the evaluation forms which have been filled in by all pharmacy staff, and by arranging for a consultant to visit. The quality standards developed for pharmacies can be applied to evaluating the quality of the business of an individual pharmacy and also to the national pharmacy network.

A broad range of training

The AFP arranged, in association with JOKO Executive Education Ltd and Amiedu,

a training programme for pharmacy management and business. The Pharmacy Management Training II course was held for a third time, and, in addition, two new training courses, one in August, the other in November, leading to a professional qualification in management (JET) were run.

For the pharmacy sector, the AFP planned entrepreneurial training leading to a qualification. It is scheduled to start in January 2007.

The AFP organised a quality training programme for pharmacies. Talent Partners Ltd, a partner, ran this programme, which received good feedback from the participants.

Together with the Finnish Pharmacists' Association and the Pharmaceutical Learning Centre the AFP organised a refresher course about pharmacy work today for staff pharmacists and pharmaceutical assistants returning to the profession.

In February, Professional Development

(PD) courses for those specialising in the field of community pharmacies were run for the seventh time, in Kuopio and Helsinki. This training was coordinated by the Education and Development Centres of Helsinki University and Kuopio University.

On top of that, the AFP set up a working group to investigate alternatives for improving this specialist training, and particularly to look at how the training is organised and financed.

Effective communication

The media reported widely both on the automated dose dispensing system, developed by the AFP, and on the new pharmacy service offering a medication review. The media was also interested in the expansion of the sale of nicotine replacement products to shops, and the changes in the reimbursement of medicines for treating cholesterol levels.

In order to raise the profile of the pharmacies as experts on self-care and self-medication, the AFP arranged two national media campaigns in spring 2006.

Apteekkari, which is a journal for the AFP's members, and the pharmacy magazine for customers Terveysdeksi! (For your Health!) were for the first time published in full on the Internet.

Also for the first time, the readership of Terveysdeksi! exceeded 1 million. With readers totalling 1 092 000 readers (KMT Lukija 2006), this magazine was the fourth most popular in Finland in 2006.

The AFP also maintained these Internet services: www.apteekkariliitto.fi, www.apteekkit.net, www.apteekkiduuni.net, www.itsehoito-opas.net and salkku.apteekkariliitto.fi. The most interesting news in the field and most urgent messages were sent to members' mobile phones.

The AFP produced two new customer

leaflets for its member pharmacies. The Association also participated as an exhibitor in the biggest events in the medicine and health sector.

The Mediabarometri 2006 survey, which looked at communication by 12 actors in the medicine and health sector, showed that journalists considered the AFP to have the most effective communication.



A CD-ROM about administering insulin was released.



Salkku, the pharmacy data network information service, delivers important information to the pharmacies quickly.



Terveysdeksi! readership exceeded one million



An Internet version of Apteekkari was launched





Savings in medicine costs and safer medication

An automated dose dispensing service, offered by the AFP to its member pharmacies, first provides a check of the customer's total medication regime, after which the pharmacy then dispenses the doses of those regularly taken tablets and capsules pre-packed in plastic sachets and ready for use. This service improves medicine safety, enhances successful self-care and saves medicine costs. It is particularly useful to those who regularly use several medicines.

By the end of the year, 123 AFP member pharmacies were already offering automated dose dispensing of medicines to nearly 3 700 customers altogether. The AFP ar-

ranged training for all those pharmacies in the process of introducing the service.

Under the reform of the Sickness Insurance Act, the fee charged by the pharmacy for automated dose dispensing was, for a three year trial period, included in the medicine reimbursement system. The reform came to force at the beginning of 2006. The reimbursement applies to both automated dose dispensing and manual dispensing. The AFP initiated together with the National Public Health Institute a study to assess the impact of dose dispensing both on the health insurance system and society in general.

Check of the total medication regime



Medicines for 2 weeks in pre-packed doses



A medication card



Automated dose dispensing of medicines helps patients remember when to take the medicine, makes medical treatment safer and brings savings in medicine costs. The service is being used here in Mäntsälä Kotokartano sheltered accommodation.

Medicines are pre-packed in a dose dispensing unit in Helsinki.

Trialling of e-prescriptions ends

The AFP participated in the work of the steering group for electronic prescriptions, which had been set up by the Ministry of Social Affairs and Health at the end of 2004.

At the beginning of 2006, more pharmacies in the Kymenlaakso region began trialling e-prescriptions. It became possible to dispense prescriptions electronically in all pharmacies in Kotka, and also Voikkaa Pharmacy in Kuusankoski. At the end of June, trialling ceased in all regions.

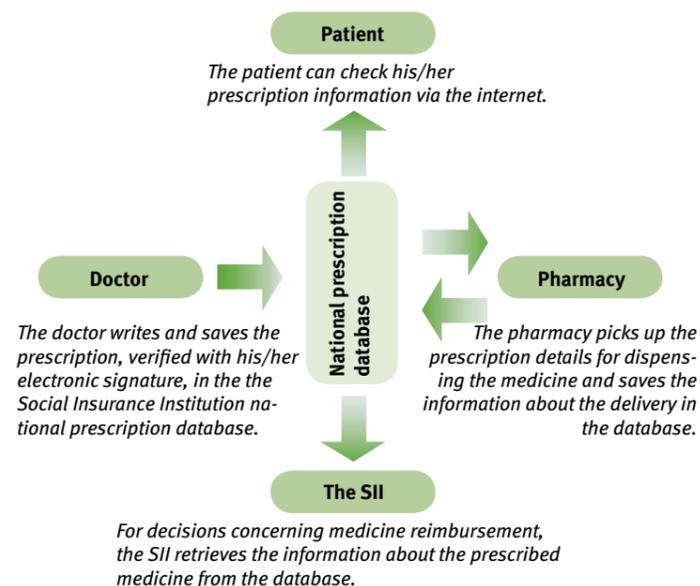
The Ministry of Social Affairs and Health decided to bring in legislation to speed up the introduction of electronic prescriptions. Accordingly, the law proposal was debated in Parliament at the end of the year. Under this reform, the responsibility for further developing electronic prescriptions would be transferred to the Social Insurance Institution.

The AFP also worked together with Turku School of Economics in a research project, which was financed by Tekes. This project

aims to support the healthcare sectors when they introduce electronic services. One objective of the project was to review current means of dispensing prescriptions in pharmacies, and how much time was spent in the process.



Electronic prescriptions: how the system works



The pharmaceutical preparations file was improved

A new classification system in which general merchandise was recategorised in more detail was created for the AFP's pharmaceutical preparations database.

Preparations to deal with a pandemic

The national pandemic working group published its contingency plan in the spring. The AFP drew up its own plan to pharmacies to supplement this.

Anti-narcotics campaign continued

The AFP revised its statement about the role of the pharmacy in the fight against use of narcotics. The association encouraged pharmacies to continue the sale of syringes and needles and to direct drug users to places where they can get health guidance services.

Ethical questions were discussed

The pharmacies' professional ethics consultative committee gave its view on the relationship between pharmacies and children and young people. It stated its opinion on the responsibility of pharmacies' regarding over-use of medicines, the right of a child to self-medication, customers who use threatening behaviour, and problems associated with medicine reimbursement.



European co-operation was strengthened

The professional work of the pharmacies was also developed in cooperation with international pharmaceutical organisations. These organisations focused chiefly on enhancing health of patients, and the role of pharmacies in healthcare.



PGEU – successful promotion of interests

The AFP actively participated in the work of the Pharmaceutical Group of the European Union (PGEU), its working groups, its board meetings and annual general meeting. The PGEU took part in the preparatory work of several EU projects impacting on the work of the pharmacies.

The most important of these issues was the European Commission's new proposal for a directive on services within the internal market. The PGEU successfully promoted the interests of the pharmaceutical field and as a result of that pharmaceutical services were excluded from the scope of the directive.

In September, in the light of the possible introduction of a separate directive on health services, the Commission made an announcement about the issue, to which the PGEU drafted a response.

The Commission's DG Competition continued its efforts to repeal the rules on liberal professions, such as pharmacy owners. The DG has sought to show that liberating the regulations would lower the medicine costs but not weaken the quality of the services.

President of the AFP Klaus Holttinen was a member of the board of the PGEU. Finland will have a representative on the board until the end of 2009, and in 2008, Finland will chair the organisation.

Nordic co-operation strengthened the role of pharmacies in the healthcare sector

The Nordic Pharmacy Association sought to develop the pharmacy work and enhance the role of the community pharmacies in the healthcare sector in line with the Nordic concept of community pharmacies. The AFP hosted the 74th Nordic meeting for presidents in August.

The Association's working groups focused on, among other things, defining the added value of pharmacies, quality measurements, the use of information technology, and analysing and comparing economic parameters for pharmacywork in the Nordic countries.

EuroPharm Forum focused on professional programmes

European pharmaceutical organisations work together within the EuroPharm Forum, and at the annual meeting of the organisation a new general strategy was agreed. This will determine how professional programmes will be developed in the future.

Within the framework of these professional programmes, future focuses will be on safe use of medicine, mental health, cancer, weight control, avian flu, the role of pharmacies as part of the healthcare sector, medicine safety, and training. Pharmacy owner Eeva Teräsalmi stayed on as a member of the EuroPharm Forum board.

Pharmacy world congress in Brazil

The annual congress of the International Pharmaceutical Federation (FIP) was held in Salvador Bahia, Brazil, in late August 2006. This five-day congress gathered together pharmacy professionals from countries all over the world for the 66th time.

The main theme of the congress was innovations in the treatment of patients. New scientific and technical applications in the field were discussed during the sessions. Totally, 40 Finns participated in the event.

The president of the AFP, Klaus Holttinen, represented the Association at the FIP meetings.



Mr. Klaus Holttinen, represented the Association at the FIP.

Pharmaceutical Group of the European Union PGEU

The Pharmaceutical Group of the European Union (PGEU) is the official body representing pharmacies in the EU. It follows issues that are under discussion in the EU and which directly or indirectly affect pharmacies, with the purpose of influencing those issues. The AFP is a member of the organisation and the AFP president is a member of the board. Portugal presided over the PGEU in 2006.

The Nordic Pharmacy Association

The four-member Nordic Pharmacy Association (Nordisk Apoteksforening, NA) was founded in 2002 by the national pharmacy associations of Finland, Denmark and Norway, and Apoteket AB, Sweden. This Nordic association works to enhance the Nordic professional model for community pharmacies, in order to strengthen the role of those pharmacies in the healthcare sector. The NA also works to exert influence within the EU, by coordinating activities, especially through the PGEU.

EuroPharm Forum

EuroPharm Forum works in cooperation with the World Health Organisation (WHO), and represents European pharmaceutical organisations. It helps in promoting the health policy goals of the WHO. The members of the organisation comprise around 50 professional pharmaceutical organisations from those 25 countries in the Regional Office for Europe. There are about 10 observer organisations in EuroPharm Forum.

The International Pharmaceutical Federation FIP

The International Pharmaceutical Federation (FIP) was founded in 1912 and is an organisation for pharmaceutical professionals working within the field, and also for pharmaceutical researchers. It arranges an annual pharmacy world congress, and a number of other congresses and symposia. In addition, it draws up professional standards and recommendations in the form of statements and guidelines. The AFP is a member of FIP.

Mrs. Haatainen: a working group to look at the pharmacy system



Social Affairs and Health minister **Tuula Haatainen** (Soc. Dem.) announced in January that she was going to set up a working group to establish means of securing the supplies of medicines, and also to improve the pharmacy system.

“Although we are satisfied with the current pharmacy system, it remains necessary to examine how effective the supply of medicines will be in the future”, Haatainen said at the opening of the Doctors’ Days in Helsinki.

Mrs. Haatainen said that the ageing population and the changes in the requirements and structures of healthcare coupled with changes in both domestic

and international competition also imposed new demands upon the pharmacy system.

The AFP declared its support for Mrs. Haatainen’s plans, the starting point of which would be healthcare issues, but added that it did not think this would be enough to slow the rise of medicine costs.

Later, Mrs. Haatainen, added that before she set up the working group, she would hear, at a forthcoming seminar, the views of representatives from the medicine and pharmacy sectors about the impact of previous actions. The setting up of the working group was postponed until October.

Changes in the Medicines Act

The changes in the Medicines Act that had been prepared and approved in 2005 came into force at the beginning of February 2006. One of the reforms permitted retail shops, petrol stations and kiosks that sell tobacco similarly to sell nicotine replacement products (NRP). Another change was to forbid discounts on wholesale prices of medicines offered to individual pharmacies.

A change in the Act governing pharmacy fees, excluded NRPs from the scope of the pharmacy fee. The pricing of the products was deregulated when the changes in the Medicines Act came into force.

Changes to generic substitution were also introduced, and, as a result, customers became entitled to ask for the replace-

ment of a generic substitution by the medicine initially prescribed by their doctor, and without the need for a new prescription. Some products that are protected by method patents in Finland but are protected by product patents in other EU countries were excluded from the list of interchangeable medicines.



Nicotine replacement products reached the shop shelves.

Prescription and distribution of Tamiflu was restricted

In January, the Ministry of Social Affairs and Health restricted the prescription of Tamiflu. It stated that Tamiflu should only be prescribed for treating seasonal influenza because the availability of the medicine was limited. Also, the



National Agency for Medicines (NAM) asked pharmacies not to dispense Tamiflu prescriptions that had been written before the beginning of 2006.

Later, distribution of Tamiflu to pharmacies was suspended because the NAM wanted to secure sufficient supplies of the medicine for treating seasonal outbreaks of influenza.

The availability of Tamiflu had been limited by widespread prescription of the medicine as a precaution against a possible outbreak of avian flu.

The pharmaceutical industry demanded a change to the reimbursement system

The pharmaceutical industry demanded a change to the medicine reimbursement system, calling for reimbursements to be directed more specifically at those who suffer from chronic diseases.

The pharmaceutical industry said that it could not understand why small reimbursements that made little difference to the customer were paid out by the reimbursement system. It further criticised the system, saying that the change in the patient’s contribution introduced at the turn of the year only reinforced this situation.

The industry proposed that the current medicine reimbursement system should be replaced by a system in which the reimbursement percentage paid to the patient rises in proportion to the increase in the medicine costs.



The threat of avian flu worried the public

Members of the public who were worried about avian flu jammed the phone lines and e-mail services of the authorities to such an extent that free phone helplines were set up.

The Ministry of Agriculture and Forestry provided an e-mail address for questions about avian flu, and many authorities put information about the disease and a possible pandemic on their Internet pages.

In the end, not a single bird that had the form of avian flu that is dangerous to humans was found in Finland, and

there was no pandemic. The AFP drafted instructions for the pharmacies about how to be prepared for a pandemic.



At the children’s Medical Science Days in February, youngsters, helped by pharmacy students, enthusiastically prepare a fragrantly scented “Heureka wonder lotion” in a mock-up pharmacy created by the AFP at Science Centre Heureka. The children also weighed out genuine pharmacy salmiakki (salt licorice) pastilles to take home.

Pharmaceutical services excluded from the scope of the EU services directive

In February 2006, the European Parliament voted and came out in favour of limiting the scope of the directive. Thus, it excluded health services from the scope of the directive. The exclusion

covered in practice all health services, public as well as private.

The European Parliament accepted an addition to the definition of health services, according to which health services em-

brace the pharmaceutical services provided by health professionals, thereby also excluding pharmaceutical services from the scope of the directive.

The AFP: VAT on prescription medicines should be abolished and the pharmacy fees paid to the SII



The AFP revealed at its annual Spring Meeting in April its prescription for holding down medicine costs.

The AFP suggested that the value added tax on prescription medicines should be removed, because that would bring down prices on medicines more than the abolishing of the pharmacy fee. Additionally, such a move would not negatively impact on the comprehensive pharmacy network. The AFP also suggested that the pharmacy fees, paid by the pharmacies to the state, should instead go to the Social Insurance Institution and be used for medicine reimbursements.

The AFP also proposed that doctors should be more active in holding down medicine costs. They could do this by only prescribing new, expensive medicines when there is a good reason, or in cases where treatment with a cheaper medicine would make no sense.

Further savings in medicine costs could be achieved by the medication review, and the AFP proposed that this should be widely introduced. It also noted that automated dose dispensing reduces waste of medicines.

Other means put forward by the AFP to hold back costs were to increase multiprofessional

cooperation between doctors, nurses and pharmacies, to take better advantage of the expertise of the pharmacy staff in order to assure successful medication, and more effective prevention and treatment of diseases.

The AFP added that better use of IT for prescribing medicines would bring savings, as would electronic prescriptions if they were widely introduced.

The ministry group for the Information Society programme, led by prime minister Matti Vanhanen, decided that the Social Insurance Institution would become the national data administration body for the social and healthcare sector. The main task of this body is to maintain the national electronic archive service for patient details, and the accompanying communications and data network services.



Picture: The Council of State

The Finnish Competition Authority gave up discount investigations

The Finnish Competition Authority ceased its investigations of the agreements between pharmaceutical companies and pharmacies, because the changes called for by the competition authority were made, and the requirement that the wholesale price of a medicine be the same in all pharmacies came into force at the beginning of February.

The National Agency for Medicines (NAM) initiated in 2005 a study of discount agreements between pharmaceutical companies and pharmacies. According to the NAM, these agreements had not contravened the Medicines Act, because at that time there was no separate regulation in the Act to forbid discounts for individual pharmacies.

After this, the Ministry of Social Affairs and Health began preparations to revise the Medicines Act, stating that the wholesale price must be the same for all pharmacies.

Haatainen called attention to the rules

Minister of Social Affairs and Health Tuula Haatainen (Soc. Dem.) reminded the participants at the AFP annual Spring Meeting of the change in the Medicines Act which forbids all benefits to an individual pharmacy gained from the purchase of medicines.

Mrs. Haatainen also emphasised that the ministry did not approve of previous discounts given by pharmaceutical companies to individual pharmacies.

“Because medicines cost the same to the consumers, they must also cost the same to pharmacies”, the minister stated.

Mrs. Haatainen said that she had set up a working group to monitor the impact of the extension of the sale of nicotine replacement products (NRP). She stressed that the liberalisation of the sale of NRPs was a separate decision and that the ministry was not preparing for liberalisation of any other sales of medicines.

Mrs. Haatainen stated that she wished to maintain a comprehensive distribution of medicines, but in her opinion the pharmacy fee system was not necessarily the best solution.

The minister thanked the pharmacies for their good work, and especially for carrying out the changes at the turn of the year as planned.

No broadening of sales of self-care medicines

The government stated that it would not propose any changes regarding sales of self-care medicines when it debated a report on the retail sector.

The Ministry of Trade and Industry had earlier discussed liberalisation of the sales of self-care medicines, but minister Mauri Pekkarinen (Centre Party) said that there will be no moves in that direction because the issue must mainly be looked at from the point of view of the public health authorities.

Oriola cut its local operations

Orion, the parent company of Oriola announced consultative talks regarding the closing down of local operations in Seinäjoki and Kuopio, and the concentration of these businesses in Espoo and Oulu. The reason for the decision, Oriola said, was reduced profitability.

Orion stressed that these actions had nothing to do with the fact that Orion had been split up, but rather were caused by prevailing market conditions and competition, and would have been necessary in any case.



AFP CEO Reijo Kärkkäinen shows Minister of Social Affairs and Health Tuula Haatainen automated dose dispensing at the AFP annual Spring Meeting.

Mrs. Haatainen invited actors in the pharmaceutical field to meet

Minister of Social Affairs and Health Tuula Haatainen (Soc. Dem.) invited actors within the pharmaceutical field to a seminar. She wanted to hear the opinions of experts on how the pharmaceutical industry, pharmacies, and doctors can together, along with the reimbursement system, ensure that medical treatment gives the best possible health value for money.

Pharmacy owners' image remained good

A survey by Taloustutkimus for the Apteekkari showed that the reputation of pharmacy owners is sound and their public image good. Finns see pharmacy owners as being competent, responsible, service-minded and trustworthy. The survey also showed that Finns respect both pharmacy owners and pharmaceutical assistants more or less equally.



British lawyer John Chave was elected new president of the PGEU. The previous president, Flora Giorgio-Gerlach, moved to a post in the European Commission.

Pharmacies launch a new service



Minister of Health and Social Services Liisa Hyssälä encouraged pharmacies to introduce the new service. On a tour, the minister visited Vehmaa Pharmacy, and pharmacy owner Juha Lammi shows her around.

The first 26 pharmacists and pharmaceutical assistants specially trained for medication review graduated from Kuopio University in May. Cooperation between pharmacy professionals and doctors enables medication review, a new pharmacy service.

The model for the new service was found in Australia, where nearly 92 000 Australians were included into a scheme at the end of 2005. In Australia, a pharmacist runs the check in the customer's home and draws up a report for the doctor, who then makes necessary changes in the medication.

A successful medication re-

view can have a very positive effect on the quality of life for patients taking many different medicines. Multi-medicine treatment of people over 75 has become more common in recent years, despite efforts to the contrary. The elderly often have to take medicines which reduce their quality of life and increase the costs of their treatment unnecessarily.

Some medicines are simply used for treating the side-effects of other medicines, and other medication which is meant to be short-term is often administered for too long. Inappropriate medication can in the worst situation lead to expensive hospital treatment.

The minister gave her support

Minister of Health and Social Services Liisa Hyssälä (Centre Party) called for the health services to take advantage of the new expertise of the pharmacy staff.

She also said that the Ministry of Social Affairs and Health had plans to draw up national guidelines for the medical treatment of the elderly which would ensure that the total medication of an elderly person would be checked regularly.

"If, for example, an elderly person takes more than four different medicines, the total

medication regime should be checked every sixth month," said Mrs. Hyssälä at a seminar arranged by the ministry on developing geriatric care.

Mrs. Hyssälä added that ideally everyone involved in the treatment, including the elderly person, should take part in the check of the medication.

Mrs. Hyssälä considered that the automated dose dispensing, which is provided by the pharmacies and includes a check of the medication, to be a helpful instrument.

The new training for medication review started already in the autumn of 2006.



Reimbursement of Lipitor and Crestor restricted

The Pharmaceuticals Pricing Board decided to restrict the reimbursement of two medicines for managing cholesterol, namely Lipitor and Crestor.

The Board took the view that reimbursement of these medicines was justified where they were used to treat high-risk patients suffering from severe lipid metabolic disturbance, and when a diet, weight loss or less expensive statins had not helped to attain the desired cholesterol level, or when a

patient has not been able to use less expensive statins because of their side-effects or unwanted interaction of medicines.

Initially, the pharmaceutical industry thought that the Pricing Board's decision was a sensible compromise. However, instructions by the Social Insurance Institution (SII) angered the pharmaceutical industry: it took the view that demands by SII for patients using Crestor or Lipitor preparations to return to

cheaper statins were excessive. The pharmaceutical industry found it ethically very unsound that an effective treatment of a patient should be jeopardised in order to test a cheaper medicine. It considered that the SII's demands placed considerable costs on municipalities for visits to a doctor and a laboratory. Also, the industry censured the need to try cheaper medicines might reduce the likelihood of a successful outcome to treatment.

A report on geriatric care was published

Professor Sirkka-Liisa Kivelä was asked by the Ministry of Social Affairs and Health to make proposals for measures to develop geriatric care and medical treatment through taking advantage of the latest scientific knowledge.

Mrs. Kivelä proposed that in the elementary training within the healthcare sector more emphasis should be put on preventing harmful medication being given to the elderly, and also on good medical treatment, and treatment without medicines.

Mrs. Kivelä said that further education of doctors and nurses in respect of medical treatment should be broadened and developed. Mrs. Kivelä also proposed that a national project focusing on preventing harmful effects of medication on the elderly should be started, and that automated dose dispensing of medicines be more widely used.



A working group to discuss a reference price system

In June, the Ministry of Social Affairs and Health set up a working group to discuss a reference price system.

The working group was given the task of determining what kind of a reference price system would be suitable for Finland, how the current reimbursement system should be changed if a reference price system were introduced, and how a reference price system would impact on the procedures for determining the

reimbursement and the price of a medicine.

The working group is also looking into how a reference price system would impact on reimbursement costs and the patient's contribution.

A reference price system or similar reimbursement price system is used in most west, north and south European countries.

Pharmaceutical Director Sirpa Peura represented the AFP in the working group.

Mrs. Siimes at the helm of Pharma Industry

The former leader of the Left Alliance, Member of Parliament Suvi-Anne Siimes was unexpectedly elected to the post of CEO of Pharma Industry following Jarmo Lehtonen's retirement. Mrs. Siimes said that she would give up the membership of the Left Alliance and all her political commitments. Her election was given much attention in the media.



The AFP awarded scholarships

The AFP furthered pharmaceutical research and the development of pharmacy praxis by offering grants ranging from € 500 – € 3 000. Totally, these grants amounted to € 25 300.



The first 26 pharmacists and pharmaceutical assistants specially trained for medication review received their certificates at an evening party in the AFP's premises at the end of May.

Ministry sets up a working group to discuss pharmacy issues

In October, the Ministry of Social Affairs and Health set up a working group to assess the constitutional legality of the pharmacy licence system, to make preparations for abolishing the pharmacy fee and to discuss how to secure pharmacy services in sparsely populated areas in Finland.

The working group's brief to establish whether the pharmacy licence system concurs with the regulations in the constitution governing freedom of trade. It also defined the prerequisites for abolishing the current pharmacy fee and what effect that would have on the finances of the state, on universities and on small pharmacies. It also identified means to develop medicine distribution and ensure distribution, especially in the sparsely populated areas in the country.

The working group should have given its proposals for the necessary legislative reforms and other measures by the end of February 2007, but it continued its work beyond this deadline.

The working group was chaired by government counsellor Pekka Järvinen at the Ministry of Social Affairs and Health. The other members were budget counsellor Tuomas Sukselainen (Ministry of Finance), government counsellor Kristian Tammivuori (Ministry of Trade and Industry), senior inspector Laura Hansen (Ministry of Education), chief medical officer Terhi Hermanson (Ministry of Social Affairs and Health), director Sinikka Rajaniemi (Pharmaceuticals Pricing Board) and chief pharmaceutical officer Sami Paaskoski (National Agency for Medicines).



Pharmaceuticals Pricing Board restricted the reimbursement of cholesterol medicines

The Pharmaceuticals Pricing Board decided to restrict the reimbursement of two cholesterol controlling medicines, namely Lipitor and Crestor, from the beginning of October. The limits were imposed to slow the rise of SII reimbursement costs.

Thus, it only became possible to receive reimburse-

ment for these medicines if a doctor specified in a prescription that a patient suffered from severe lipid metabolic disturbance. In other words, reimbursement is only for two groups of high-risk patients: those whose successful treatment cannot be achieved by means of lifestyle changes and cheaper cholesterol

management medicines, and those who cannot take the less expensive medicines because of the side-effects or unwanted interaction of medicines.

All pharmacy customers taking cholesterol controlling medication were thoroughly informed of the consequences of the limitation.

Nicotine replacement products most expensive in petrol stations and kiosks

In October, the State Provincial Office of Southern Finland compared the prices of nicotine replacement products (NRP) at various sales outlets. The survey showed that NRPs are more expensive in petrol stations and kiosks than in pharmacies. However, compared with shops, the prices in pharmacies were on average only seven per cent higher. Moreover, in shops, customers do not get information about the use and suitability of the products.

Also, the range of NRPs in supermarkets, kiosks and petrol stations was clearly more limited than in pharmacies.

"In pharmacies, the price of nicotine products and other

self-care medicines includes information about safe and proper use of the products. And, at the same time, a pharmacist checks whether the medicine can be used safely in conjunction with other medicines," Pharmaceutical Director Sirpa Peura of the AFP pointed out.

The State Provincial Office of Southern Finland collected information on prices in 55 sales outlets altogether. The survey looked at 9 pharmacies, 7 kiosks and 7 petrol stations, and 32 supermarkets of different sizes belonging to different chains. Totally, 68 NRPs were compared, 31 Nicorette products and 37 Nicotinell products.



The Finnish Pharmacists' Association called for comprehensive medicine distribution to be ensured

In September the Finnish Pharmacists' Association demanded that comprehensive medicine distribution nationwide be maintained.

"In order to secure pharmacy services, the pharmacy fee must be maintained in its current form. The money which is collected through that fee should, however, be better allocated across the state administration in order to support national health and rational medical treatment. However, the essential point is to ensure the same on-going accessibility to pharmaceutical services for everyone wherever they live," stressed Chairman

of the Association Inka Puumalainen.

She also emphasised that the pharmaceutical field produces innovative solutions for developing healthcare. Good practical examples are the pharmacies' new services, namely dose dispensing of medicines and a check of the total medicine regime. In order to make these services available to all, support from society is required and thus the Finnish Pharmacists' Association proposed that the medication review should be included in the sickness insurance scheme.

Terveydeksi! readership exceeded one million

The readership of AFP magazine for the customers Terveydeksi! (For your Health!) exceeded one million, according to the National Media Survey in September. With its readership of 1 027 000 the magazine was the fifth most popular in Finland.

The survey found that only Pirkka, Yhteishyvä, Helsingin Sanomat and Aku Ankka had more readers. Terveydeksi! gained ground at the expense of Helsingin Sanomat and Aku Ankka.

Of all the magazines about health, Terveydeksi! has for a long time been well ahead of its rivals, and the A-lehden publication Kauneus ja Terveys had the second widest readership – 525 000.

The annual National Media Survey interviews over 28 000

people over the phone. Terveydeksi! was first published in 1983, and in 2006, there were 4 editions. It is published by PharmaPress Ltd, the AFP's communications and publishing company. The magazine is edited jointly with Kynämies Ltd, a member of the United Magazines Ltd.



Terveydeksi! readership over a million!



In October, the AFP arranged Forum Apotheca, a seminar for its partner groups: The Pharmacy Today and in 2015. Journalist Aarno "Loka" Laitinen presented the patient's viewpoint.



Hengitysliitto Heli, a pulmonary association, and the AFP again encouraged people to use the one hour gained when the clocks go back in autumn for exercise, and for doing things their families.

Mika Vidgrén: new president of the Association of Finnish Pharmacies



Pharmacy owner Mika Vidgrén (right) easily won the election of a new president in the first round of voting. Outgoing president Klaus Holttinen congratulates his successor.

E spoonlahti Pharmacy pharmacy owner Mika Vidgrén (45) was elected new president of the AFP at the association's annual Autumn Meeting in Helsinki in November. His predecessor, pharmacy owner Klaus Holttinen, retired from the post after being at the helm for four years.

Vidgrén qualified as a pharmacist at Kuopio University in 1983 and became a Ph.D. (Pharm.) in 1987. He started his career as a pharmacy owner in September 2001, in Linnaportti Pharmacy in

Savonlinna, before moving on to become pharmacy owner in Esponlahti Pharmacy in February 2006. He has been a member of the board of the AFP since 2004.

Before starting his career as a pharmacy owner, Vidgrén had worked both in pharmaceutical industry, and in teaching and research in Kuopio and Helsinki Universities, and also in Harvard University, USA. From 1992 to 1997 he was a deputy professor and from 1998 to 2000, a professor at Kuopio University.

Training pharmacy of the year: Aulanko Pharmacy

At the national Pharmacy Days in November, Aulanko Pharmacy, in Hämeenlinna, was awarded the title of Training Pharmacy of the Year. The honour was bestowed on the pharmacy for its consistent training of its pharmacy students, and particularly acknowledged the training programme, which focused on the students' background and personal qualities. The panel of judges especially valued the development and feedback discussions that formed a central element of the programme,

and which had been built into the pre-training plan and subsequent training.

The title of Training Pharmacy of the Year is awarded to a community pharmacy where the six month training period for pharmacy students has been arranged in an exemplary manner. The process of the selection for this award is based on student feedback. A panel of representatives from training units and pharmacy organisations makes the final decision. This is the fifteenth such award.

Patients' organisations demanded a reform of the medicine reimbursement system

The Finnish Heart Association, the Finnish Diabetes Association and the Stroke and Dysphasia Federation demanded major reforms of the medicine reimbursement system at a seminar held in conjunction with the Health Fair in Helsinki. The organisations demanded that a yearly payment ceiling for individual families should be placed on all charges for social and healthcare services and medicine costs.

"Attempts to patch up the system merely to save money have been worrying, and in no way do they improve the situation of the patient. The impacts of savings should be investigated in order to deter-

mine whether, for example, expensive hospital care will increase, and thus cancel out savings achieved in medicine care", said chief medical officer Hannu Vanhanen, of the Finnish Heart Association.

The patients' organisations pointed out that well planned medicine regimens can help to lower other healthcare costs. Many diseases which earlier required surgical treatment can nowadays be treated effectively using medicines.

Pharmaceutical assistant of the year: Pirjo Raatikainen

In November, the Finnish Pharmacists' Association awarded the title of Pharmaceutical assistant of the year to Pirjo Raatikainen. The award acknowledges her pioneering work to develop hospital ward pharmacies in small units, and her outstanding work in enhancing the role of pharmacy professionals in multi-professional healthcare teams.

Raatikainen has been involved in creating a model for patient-oriented medicine

treatment in Haukipudas health centre.

"The nurses have been satisfied with the information about medicines provided by the pharmaceutical assistant to patients returning home from a hospital. When there is enough time for guidance, the patient gets better information, for instance, about the effect of the medication. Possible revisions to the medication can also be checked together," noted Raatikainen.

Break-up of the state pharmacy monopoly began in Sweden

In December, the Swedish government appointed Lars Reje the task of finding a way to break up the existing state monopoly of medicine sales, and to reform the supply of medicines.

"The goals are to extend availability of medicines, to lower prices of medicines and to improve effectiveness, all without sacrificing safety and appropriateness of retail supplies", said Sweden's minister of social affairs Göran Hägglund.

Reje's remit was to be carried out in two-stages. During the first phase, Reje has to come up with a proposal for extending the right to sell medicines to the public and to hospitals beyond Apoteket AB to other retail outlets.

However, everyone running a pharmacy business must have the appropriate pharmaceutical competence.

During the second phase, Reje has to produce a proposal which permits retail outlets as well as pharmacies to sell some self-care medicines. Sweden is the only Nordic country in which the state maintains a monopoly on the sales of self-care medicines, with all such medicines being sold exclusively through Apoteket AB. Those who sell these medicines in the future will not be required to have pharmaceutical competence.

Any changes in the supply of medicines in Sweden are not expected until 2009 at the earliest.



The AFP's campaign on Channel 4 reminded viewers that only appropriate use of necessary medicines improve health and quality of life.

The AFP and its companies presented their products at the Pharmacy Days in November.



Pharmacy owner Helena Rantanen and her staff received the Training Pharmacy of the Year award at the Pharmacy Days.



Sales of Lipitor and Crestor plummeted

As a result of restrictions imposed by the Social Insurance Institution on reimbursement, the value of sales of two cholesterol management medicines, Lipitor and Crestor, fell by nearly 50 % between October and December. Lipitor also lost some of its share of the market to simvastatin preparations, and, thus, its position as the best selling medicine of the year.



Finnish community pharmacy system in brief

To establish or run a community pharmacy in Finland requires a pharmacy licence, granted by the National Agency for Medicines (NAM). The NAM also makes decisions about the establishment of new pharmacies, and pharmacy outlets. When a pharmacy licence becomes vacant, the NAM announces that it can be applied for and grants the licence to the best qualified applicant. 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, usually a municipality, but there may be several pharmacy catchments in a city. A pharmacy may be freely set up within a particular area, for example next to another pharmacy. But the regulations governing where

a subsidiary pharmacy may be established are tighter.

A community pharmacy owner may only hold one pharmacy licence and up to three subsidiary pharmacy licences at one time. A subsidiary pharmacy can be turned into an independent community pharmacy in decision by the NAM. This prevents the formation of pharmacy chains.

A pharmacy licence is granted to a specified individual and it may not be sold or leased out. The pharmacy owner has both professional and financial responsibility for the pharmacy. It is terminated when the pharmacy owner reaches 68 years of age.

Several conditions are attached to the licence, the most important of which is that medicines must always be available.

The economy of a community pharmacy is regulated by two main factors: the medicine tariff and the pharmacy fee.



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 966/2006 17.11.2006)

Pharmacy annual turnover (€)	Pharmacy fee at lower limit (€)	Fee-% exceeding the lower limit
719 076 – 838 521	–	6
838 521 – 1 078 215	7 167	7
1 078 215 – 1 317 640	23 945	8
1 317 640 – 1 678 108	43 099	9
1 678 108 – 2 156 427	75 541	9,5
2 156 427 – 2 636 078	120 982	10
2 636 078 – 3 115 463	168 947	10,25
3 115 463 – 3 954 783	218 084	10,5
3 954 783 – 5 152 443	306 212	10,75
5 152 443 –	434 961	11

Medicine pricing is regulated

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 on a medicine according to a national wholesale price. The wholesale price must be the same for all pharmacies.

The medicine tariff is “counter-progressive”, in other words the proportion of the 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 have considerable impact on the finances of a community pharmacy. The private community pharmacies pay the pharmacy fee to the state and whereas the university pharmacies pay it to the universities that own them. The pharmacy fee is based on the turnover of the pharmacy and it is progressive (0–11 % of turnover). The pharmacy fee is included in the price of a medicine and thus it is mainly collected via 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 enables small community pharmacies to survive and in turn to ensure a nationwide pharmacy network. It also gives the state an income of more than 120 million euros per year.

Number of community pharmacies and subsidiaries 1970 – 2006

	1970	1975	1980	1985	1990	1995	2000	2005	31.12.2006
Community pharmacies	561	564	564	576	576	584	595	606	608
Subsidiaries	97	108	126	135	173	204	201	193	194
Total	658	672	690	711	749	788	796	799	802

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

Staff in community pharmacies 2002 – 2006

	31.12.2002	31.12.2003	31.12.2004	31.12.2005	31.12.2006
Pharmacy owners (M.Sc.Pharm.)	578	576	580	584	580
Staff pharmacists (M.Sc.Pharm.)	737	769	793	815	804
Pharmaceutical assistants (B.Sc.Pharm.)	3 339	3 548	3 659	3 654	3 771
Technical assistants	2 949	3 106	3 284	3 288	3 117
Total	7 603	7 999	8 316	8 341	8 272

Over 60 % of staff in community pharmacies have a pharmaceutical education. These figures include the university pharmacies.

Prescriptions dispensed by community pharmacies 2002 – 2006 (million prescriptions)

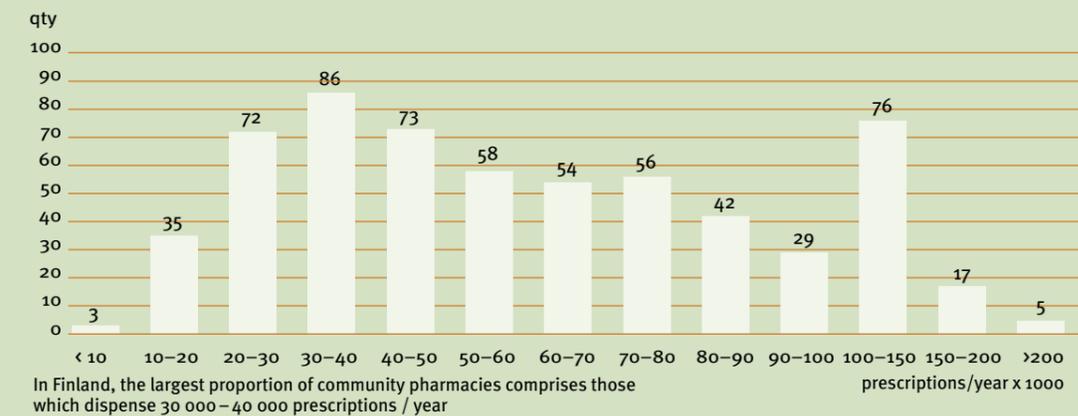
	2002	2003	2004	2005	2006
	38,5	39,9	40,8	42,1	43,4

Community pharmacies delivered nearly 43,4 million prescriptions in 2006, in other words about 8,2 prescriptions per capita.

Average community pharmacy 2006

Turnover	about 3.0 million euros
Prescriptions / year	about 63 500
Pharmacy fee	about 200 000 euros (about 6,7 % of turnover)
Staff	11 (1 + 1 + 5 + 4)

Community pharmacies according to volume of prescriptions 2006

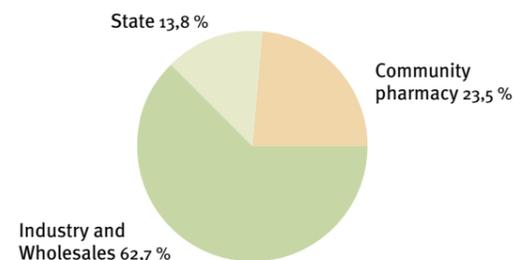


Preparation of medicines in community pharmacies 2006

Dosages in powder form	2 992 542
Capsules	334 225
Tablets	518 000
Ointments (kg)	925
Preparations in liquid form (kg)	23 991

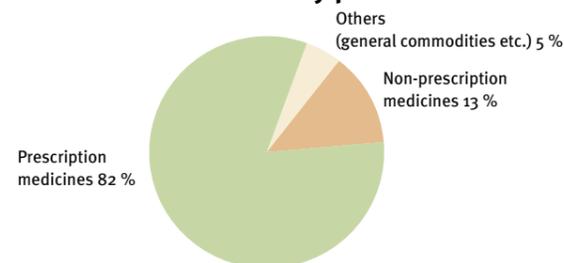
Pharmacies themselves continue to make up medicines even though generally such preparation of medicines has decreased in recent years. Additional to the medicines included in the table, some medicines prescribed by a doctor are also prepared in community pharmacies. Their number in 2006 was 73 700 prescriptions.

Breakdown of medicine expenditure



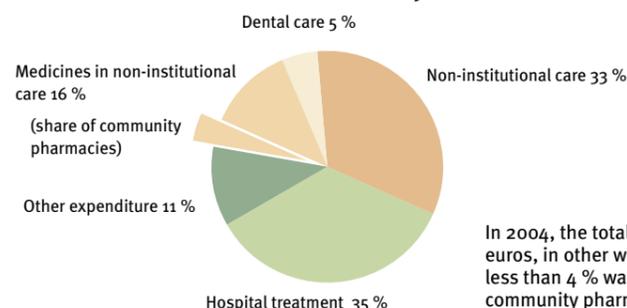
The community pharmacies' share of the medicine price is less than one quarter on average. The share going to the state is a combination of VAT on medicines and the pharmacy fee.

Share of sales in community pharmacies



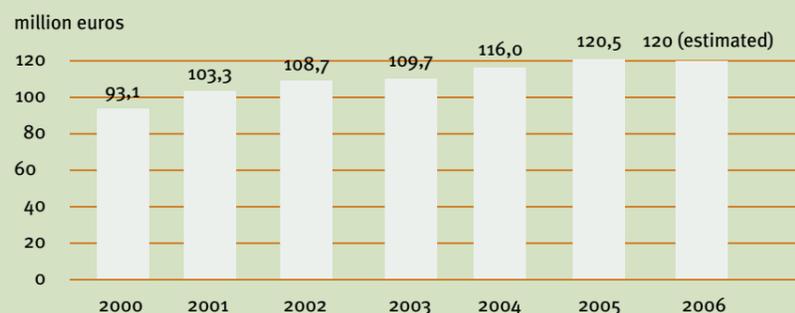
Sales in community pharmacies mainly comprise medicines. Pharmacies also sell liquids for washing and cleansing, cosmetics, skincare products, plus dressings and plasters.

Breakdown of total healthcare expenditure



In 2004, the total expenditure on healthcare was about 11.24 billion euros, in other words 7.5 % of GNP. Of the total healthcare expenditure less than 4 % was spent on maintaining a nationwide and dense community pharmacy network.

Pharmacy fee to the state 2000 – 2006



Private community pharmacies pay about 120 million euros per year in pharmacy fees to the state.

Turnover of private community pharmacies 2000 – 2006



The growth of the turnover of community pharmacies declined in 2006.

Medicine reimbursements paid by the Social Insurance Institution (SII)

Upper special refund

The patient's contribution is 3 euros per purchase, the remainder of the medicine cost is paid by the SII.

Lower special refund

72 % of the medicine cost is paid by the SII.

Basic refund

42 % is paid by the SII.

If the patient annual contribution for reimbursed medicines exceeds the given ceiling (627.47 euros in 2007), then above that amount, the customer pays € 1.50 per reimbursed medicine and the SII will reimburse the rest. To qualify for medicine reimbursement directly from the community pharmacy the customer must show his/her social insurance card.

Medicine reimbursements 2006

	(million euros)
Upper special refunds	393
Lower special refunds	226
Basic refunds	367
Additional refunds	114
Total	1100



The Association's Companies

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

Medifon Ltd

Medifon Ltd is a wholesale business for special products and general commodities for community pharmacies. It has a range of about 400 products. The most important product groups are thermal signatures, polythene bags, thermometers, foot care products, dressings, labels and paper rolls for cash tills.

In 2006, Medifon opened its net-shop and continued to market the logo, the green cross, for the AFP member pharmacies.

In 2006, the turnover of the company was about 2.2 million euros, and posted a positive annual result.

Pharmadata Ltd

Pharmadata Ltd is a data technology company. The company delivers the Salix data system to community pharmacies and is responsible for developing the system. By the end of 2006, Salix was being used in 444 pharmacy outlets and Pharmadata's share of the market stood at 56 %.

Improvements to the Salix system focused on the planning and testing of the changes required to enable the electronic transactions between pharmacies and the Social Insurance Institution. Pharmadata also began preparing a new Salix system. In 2006, the turnover of the company was about 2.3 million euros, and posted a positive annual result.

PharmaPress Ltd

PharmaPress Ltd is a communications and publishing company. The company publishes both Apteekkari, the AFP journal for its member pharmacies, and the pharmacy customer magazine Terveydeksi! (For your Health!), plus a number of books, guides and other literature.

In 2006, PharmaPress began publishing an Internet version of both magazines. The total readership of Terveydeksi! (For your Health!) for the first time exceeded one million.

PharmaPress produced two new printed products: the Register of Proprietary pharmacists, and a 2007 wall calendar, featuring old pharmaceutical working methods and instruments. Also, the company arranged an exhibition for the annual Spring Meeting in April. In 2006, the turnover of the company was about 1.4 million euros, and posted a positive annual result.

PharmaService Ltd

PharmaService Ltd 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 (ANJA) to serve AFP member pharmacies. The company also delivers the services of the AFP pharmacy data network. In addition, PharmaService had ordered the preparation of three nutritional supplements, and then sold them to the pharmacies.

By the end of the year, automated dose dispensing had been introduced in 123 community pharmacies and for nearly 3 700 customers. By the end of the year, 547 community pharmacies had joined the AFP pharmacy data network. In 2006, the turnover of the company was about 2.1 million euros and posted a positive annual result.

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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



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