

2009

The Association of Finnish Pharmacies

Contents

The reference price slashed	4
The introduction of the electronic prescription delayed	4
Pharmacies dealt with the H1N1 epidemic	6
Medicine guidance achieves substantial savings	8
Comprehensive medication review shown to bear fruit	9
The year of the robot	10
New managers for the AFP	12
Online services improved	14
Exercise is a great medicine	16
Work for public health expanded	17
The Association's companies	18
Regulations governing Finnish Pharmacies	20
The board of the AFP 2009	21
Further information	22





A year of surprises

The reference price system for medicines was introduced, and, in addition, generic substitution considerably expanded as those medicines which had previously been protected by the analogous process patent were brought into the scheme at the beginning of April.

These reforms cut the prices of the medicines included not only in the generic substitution scheme but also in the reference price system more than anyone had expected. The sharp drop in the prices weakened the financial situation of the pharmacies considerably, and as a result pressure grew to reform the whole system by which pharmacies generate income.

The healthcare sector came under strain when the pandemic (H1N1) 2009 virus, commonly known as swine flu, reached Finland. The virus, which was first recorded in Mexico and subsequently spread to become a global pandemic, broke out widely in Finland. The impact, however, remained weaker than feared.

Pharmaceutical staff were among the first to be vaccinated, and the epidemic had no effect on medicine supply. Initially, the authorities had plans to distribute the anti-viral medicines through the public healthcare system, but in the end decided wisely to do it through the pharmacies.

IN MAY, a very important decision regarding the future of the pharmacy business was made at EU-level. Following a legal case involving Italy and Germany, the European Court of Justice (ECJ) ruled that every member state has the right to make decisions about its own pharmacy system, and to decide who is entitled to own a pharmacy. The court ruling also highlighted the benefits of the owner being a qualified pharmacist.

The reform of the Medicines Act – for example changes to online pharmacy services and automated

dose dispensing, and the replacement of medicine chests in rural areas by pharmacy service points – that was planned by the Ministry of Social Affairs and Health was not presented to the government.

Apart from dealing with the swine flu epidemic, the ministry was also occupied establishing the new Finnish Medicines Agency, Fimea, in Kuopio. This new central authority was assigned the task of developing the pharmacy business, which in recent years had almost entirely been the responsibility of the Association of Finnish Pharmacies (AFP) and the pharmacies themselves.

THE YEAR 2009 was a financially weak one for the pharmacies. The total turnover of the pharmacies dropped by 0.4 per cent compared with the year before, and sales of medicine fell nearly one per cent, even though the number of prescriptions dispensed rose about 1.5 per cent, from 47.9 million to 48.6 million. At the same time, running costs of the pharmacies increased nearly six per cent.

At the end of the year, there were 615 private pharmacies and 178 subsidiaries. Including the university pharmacies, the number of pharmacy outlets totalled 811, making the ratio of outlets to population 1:6 600.

Also at the end of the year, 7 717 people were working in the private pharmacies, and 60 per cent had a pharmaceutical degree. Of all working 594 pharmacy owners 71 per cent were women.

A survey carried out by Taloustutkimus for the AFP showed that Finns are very pleased with the pharmacies and their services. The majority are also happy with the number of pharmacies and their opening hours.

Another study, carried out by PricewaterhouseCoopers, clearly showed the value of the contribution of pharmacies to the healthcare sector. ■

The ECJ ruled that every member state has the right to make decisions about its own pharmacy system.

The reference price slashed

The transition to the reference price system proceeded smoothly in the pharmacies despite some problems of availability of reference price medicines, especially at the beginning of the reference price periods. The reform increased the pharmacies' customer guidance work and the stock management duties.

The Ministry of Social Affairs and Health estimated that the reform would cut medicine costs by €85 million per year. In reality, the saving was €140 million, a figure originally estimated by the AFP. The main reason for this was that the prices of those medicines included in the generic substitution scheme and in the reference price system fell more than expected.

The savings achieved in medicine costs impacted directly on the pharmacies, by lowering their turnover. The substantial cut in the price of those medicines included in the generic substitution scheme and in the reference price system dramatically weak-

ened the financial situation of the pharmacies. This was because the pharmacies were not compensated in any way for the effects of the reform.

The prices of prescription medicines have dropped so much that even rising demand or increased sales during the next few years will not be enough to compensate for this loss. Moreover, it is expected that the price competition will continue in the coming years as a result of expanding generic substitution which will follow expiring medicine patents.

A considerable number of pharmacies are finding it impossible to survive financially through the selling of medicines only. Consequently, pressure increased to reform the system by which pharmacies generate income, and also the structures for financing them.

The AFP engaged in negotiations with the Ministry of Social Affairs and Health and the National Agency for Medicines, now called Fimea (Finnish Medicines Agency),

in order to secure the pharmacy sector in the coming years. Based on these negotiations, the AFP drew up proposals for short term and long term measures to guarantee the financial preconditions for the pharmacy system we have today.

The introduction of the electronic prescription delayed

The electronic prescription system, namely *eResepiti*, could not be launched in 2009. Trialling between the various parties in the districts in which *eResepiti* was to be introduced proceeded more slowly than expected. The introduction was also delayed by preparations for the system in Valvira (the National Supervisory Authority for Welfare and Health).

On top of this, legislation to allow nurses the right to prescribe some medicines, which had been drawn up in the Ministry of Social Affairs and Health, resulted in a reassessment of the whole system for electronic prescriptions.

In April 2009, the reference price system was introduced, in addition, generic substitution expanded as those medicines which had previously been protected by the analogous process patent were brought into the scheme.

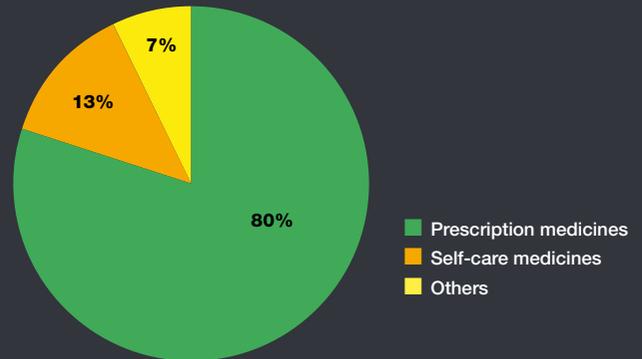
During 2009 the AFP participated in several *eResepiti* working groups. One such group was set up by the Social Insurance Institute of Finland to coordinate the electronic prescription reform. The AFP also took part in regional working groups preparing for the introduction of the electronic prescription.

Despite the introduction being delayed, pharmacy staff were well trained to manage the forthcoming new demands. About 100 people participated in the training events arranged for the pharmacies' data security staff and 350 people, i.e. staff responsible for the introduction of the system in pharmacies, attended the training days for *eResepiti* experts.

This year also saw the completion of an electronic prescription on-line training package, which includes a full description of how the system works. This training course will be open to all pharmacies ahead of the introduction. ■

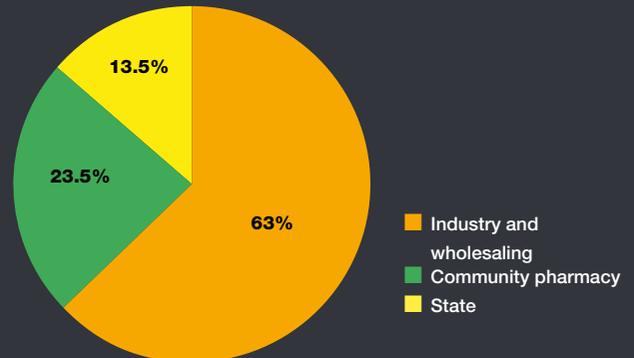
Breakdown of sales in community pharmacies (2009)

Forecast percentages

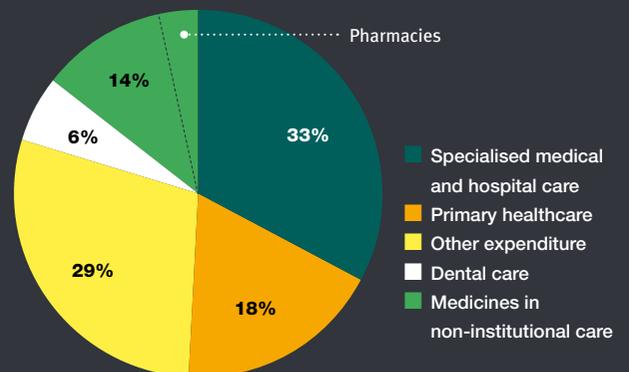


Breakdown of income from medicines sales (2009)

Forecast percentages



Breakdown of total healthcare expenditure (2009 estimated)

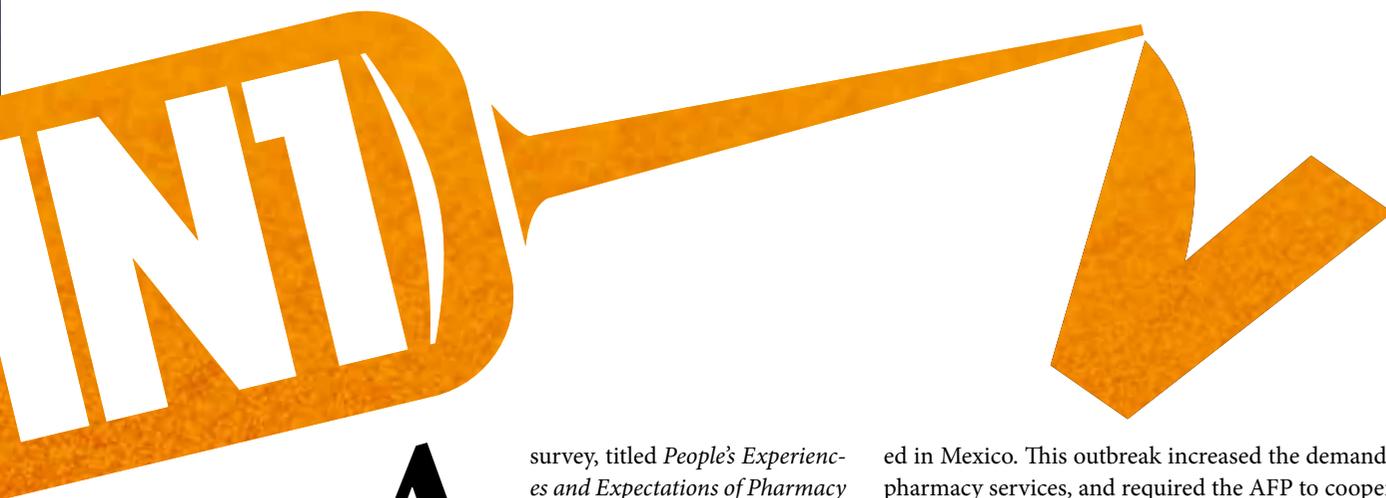


In 2009, the total expenditure on healthcare was about €6.4 billion (9.1% of GNP) or € 064 per capita. Of the total healthcare expenditure, about 3.5% was spent on maintaining the nationwide and dense community pharmacy network.

A survey showed that Finnish customers are satisfied with the pharmacies and the availability of medicines. During 2009, the pharmacies continued to provide services as usual and without problems, even during the swine flu epidemic.



People queued, pharmacies advised



A survey, titled *People's Experiences and Expectations of Pharmacy Services*, carried out by Taloustutkimus for the AFP, showed that the majority of Finns are pleased with the number of pharmacies and their opening hours, and they are also pleased with the service. The survey, in May 2009, interviewed a thousand Finns.

Of those interviewed, 88 per cent reported that there are enough pharmacies and 82 per cent noted that the opening hours are convenient.

When asked about their last visit to a pharmacy, nine out of ten answered that they were very or fairly satisfied. The customers especially appreciate the willingness of pharmacy staff to serve them, with six out of ten mentioning this spontaneously.

Pharmacy staff are a key to medicine guidance

The customers consider the three most important services to be the checking of medicine compatibility, medicine guidance, and the fact that pharmacies reimburse medicines, on behalf of the Social Insurance Institute of Finland, at the time of purchase. Additionally, the survey showed that for customers the pharmaceutical staff's oral medicine guidance is the most important source of information about medicines.

The survey also revealed that the majority of Finns want the medicines to have the same price in all pharmacies.

One of the big challenges regarding health information during the year was the flu pandemic that start-

ed in Mexico. This outbreak increased the demand for pharmacy services, and required the AFP to cooperate closely with the authorities.

It regularly updated its instructions to pharmacies on responding to the pandemic, and medicine supply proceeded normally throughout the duration.

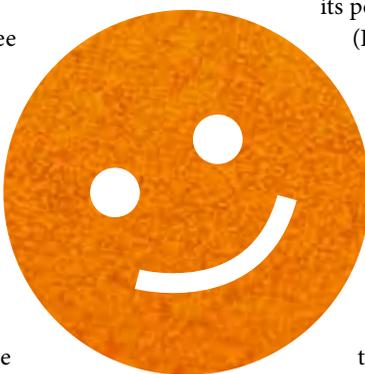
Pharmacies worked centre-stage during the pandemic

Even though the pandemic remained weaker than expected, it was still one of the most widely followed news stories of the year. Initially, every death was reported; the long lines of people in high-risk groups queuing for vaccination caught a lot of attention, too. Reactions among the population at large varied from panic to feelings that the outbreak was exaggerated.

The authorities began to act following the death of an influenza victim in Mexico in April, and Finland was among the first countries to order vaccines for all of its population. The first cases of the pandemic (H1N1) 2009 virus in Finland were confirmed in May, and their number rose rapidly in the autumn, with the epidemic peaking in November.

The pharmacies and their staff found themselves centre-stage. Following pressure from the AFP, the authorities decided that all pharmacy staff were among the first to be vaccinated.

Initially, the authorities planned to distribute the anti-viral medicines through the public health service system, but encouraged by the AFP, they concluded that the pharmacies should be responsible for the distribution. Together, the National Agency for Medicines, the Ministry of Social Affairs and Health, and the AFP agreed on procedures for distributing the vaccines, supplied by the National Emergency Supply Agency, through the pharmacies. ■



300
hospital
inpatient stays/
day

2 000
urgent visits/
day

7 100
prescriptions/
day

Medicine guidance achieves substantial savings

PricewaterhouseCoopers calculated for the first time the value of free-of-charge services in pharmacies in Finland. According to the study, these services result in 6.2 million fewer visits to general practitioners each year, and 750 000 fewer urgent visits.

In addition, these services reduce the need for prescribing medicines, cutting out 2.6 million prescriptions per year. Furthermore, it is estimated that pharmaceutical expertise reduces by 123 000 the number of nights spent in Finnish hospitals.

This is equivalent to savings of around € 565 million annually, of which the biggest part, about € 300 million, results from fewer visits to general practitioners. On top of that, nearly € 70 million are saved on urgent visits yearly.

The advice cuts the costs of both prescriptions and hospital stays by € 100 million each.

The study showed that the free-of-charge health advice given by the pharmacies generated the greatest savings: € 411 million per year. Guidance to ensure appropriate use of prescribed medicines results in savings of € 146 million per year.

**Pharmacy services
bring more savings
to healthcare costs
than the amount spent
on medicines in non-
institutional healthcare.**

The study measured how much work and money is saved elsewhere in the healthcare sector as a result of the free-of-charge services provided by the pharmacies. The services which were assessed were guidance to ensure appropriate use of prescribed medicines, checking of interaction between prescribed medicines, plus other checks, along with general advice about health.

The assessment was based on published research results, the work of a panel of experts, and the findings of questionnaire sent to over 200 pharmacy owners and chief physicians and assistant chief physicians in healthcare centres. This is the first such study of the value of free-of-charge services in pharmacies conducted in Finland. ■

17 000
visits to
a general
practitioner/
day

565 Me
per year

Comprehensive medication review shown to bear fruit

Pharmacy owner **Terttu Puurunen** in Hyrynsalmi pharmacy demonstrated that a comprehensive medication review has many benefits. She led a trialling project (OLKA – appropriate medical treatment combined with a comprehensive medication review) in which the state of health of 50 patients, their medication load and medicine costs were compared first before a comprehensive medication review and then three months after changes had been made.

These changes in medication, which were carried out based on the assessment, improved the well-being of the patients and reduced the costs of medicines.

The comprehensive medication review is a service designed to support the work of doctors. A specially qualified staff pharmacist or a pharmaceutical assistant makes an in-depth assessment of the total medical treatments of a patient and reports her or his observations to the doctor for possible changes to the medication.

The comprehensive medication review benefited the health of more than half of the patients involved in the study. Also, nine patients out of ten came out with reduced medicine costs. On average, the medicine costs to these patients dropped by 22 per cent and the costs to the Social Insurance Institute of Finland by 15 per cent.

This means that on a yearly basis the medicine costs to these patients were cut in total by nearly € 10 000 and the costs to the Social Insurance Institute of Finland by € 14 000.

Puurunen is convinced that it is profitable for society to pay for a comprehensive medication review if it leads, via changes in medication, to reduced use of healthcare services. The trialling project was carried out as part of the Sitra (Finnish Innovation Fund) healthcare programme.

Already well over one hundred staff pharmacists and pharmaceutical assistants are qualified to carry out these assessments. At the end of 2009, 34 AFP member pharmacies offered this service. ■

Number of community pharmacies and subsidiaries (31.12.)

Figures include university pharmacies

	1970	1980	1990	2000	2008	2009
Community pharmacies	561	564	576	595	613	617
Subsidiaries	97	126	173	201	194	194
Total	658	690	749	796	807	811

Private community pharmacies according to size (2009)

Prescriptions/year	Number of pharmacies
200 000 –	9
180 000 – 200 000	4
160 000 – 180 000	13
140 000 – 160 000	18
120 000 – 140 000	32
100 000 – 120 000	53
80 000 – 100 000	89
60 000 – 80 000	111
40 000 – 60 000	124
20 000 – 40 000	132
– 20 000	30

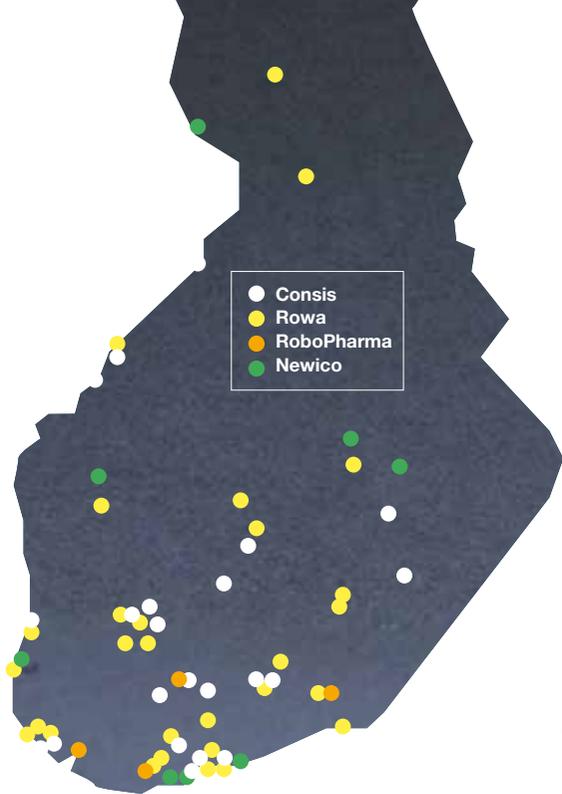
Staff in community pharmacies (31.12.)

Figures include staff in university pharmacies

	2005	2006	2007	2008	2009
Pharmacy owners	584	580	590	582	594
Staff pharmacists	815	804	816	807	802
Pharmaceutical assistants	3 654	3 771	3 839	3 830	3 844
Technical staff	3 288	3 117	3 060	3 070	3 071
Total	8 341	8 272	8 305	8 289	8 311

Turnover of private community pharmacies

Year	EUR million
2000	1 290
2001	1 419
2002	1 548
2003	1 640
2004	1 753
2005	1 835
2006	1 806
2007	1 897
2008	2 038
2009	2 030



Financial pressures boost to the take-up of robots.



The year of the robot

A record number of pharmaceutical staff acquired a new colleague last year – a pharmacy robot.

Pharmacy automation systems, in other words pharmacy robots, were installed in more than 30 pharmacy outlets.

The market leader was the Rowa robot, a German product. Nearly fifty per cent more of these were installed than the combined total of its competitors, namely Consis (also German), Newico (Finnish) and RoboPharma (Dutch). By the end of the year robots were already being used in nearly 70 pharmacies.

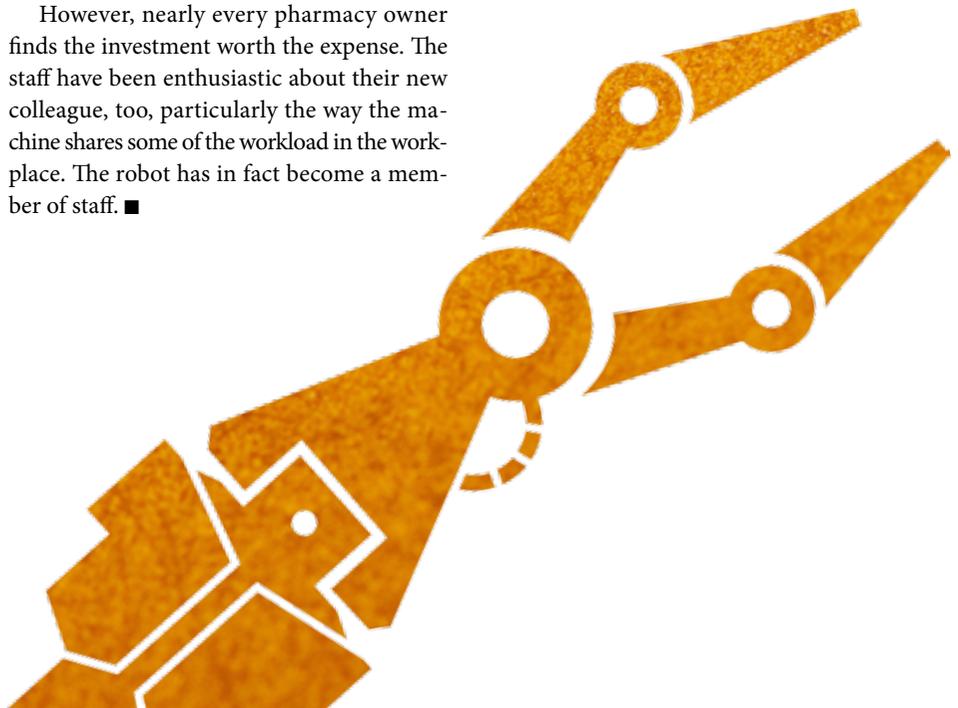
Most pharmacy robots are found in pharmacies in shopping centres in southern and western Finland. Nearly half of these are in pharmacies dispensing over 90 000 prescriptions per year. No pharmacy dispensing fewer than 30 000 prescriptions per year possesses a robot, at least not yet.

Automation in pharmacies is expected to increase in the near future, according to the robot suppliers. For many financially strained pharmacy owners, the opportunity to add an electronic worker to their ranks is especially appealing.

With the help of pharmacy robots pharmacies have been able to improve the efficiency of their stocks logistics and the work of the technical and pharmaceutical staff. An additional benefit is that there is no need to take on new staff to replace retiring workers or those who have left.

A pharmacy robot is a large investment for a pharmacy. Every third pharmacy owner has paid € 80 000 – € 120 000 for a robot, but nearly an equal number have invested as much as € 160 000 – € 240 000.

However, nearly every pharmacy owner finds the investment worth the expense. The staff have been enthusiastic about their new colleague, too, particularly the way the machine shares some of the workload in the workplace. The robot has in fact become a member of staff. ■





TOWARDS NEW CHALLENGES

Ilkka Oksala was appointed new CEO of the AFP, as from 1st March 2010, Jukka Litmanen started as CEO of Pharmadata and Risto Suominen took the helm of PharmaService. Communications pharmacist Tiina Kuosa was appointed editor-in-chief for the customer magazine Terveystieto.





REVAMPING SALKKU

Eveliina Nera joined the AFP in September to overhaul its web services. The first part of this project, the revamped Salkku, is now ready. This information service, addressed to member pharmacies, is both an online tool for all staff, and a web browser window for pharmacies.



Faster, easier.. Electronically!

The revamping of the information service of the AFP for its members, *Salkku*, proceeded rapidly towards its relaunch at the AFP Annual Spring Meeting 2010. At the same time as the revamp of *Salkku*, the AFP also started a renewal of its own intranet (*Santra*) and its public web pages (*Apteekkariliitto.fi*). These will also be ready during 2010.

Silmu facilitates communication

The AFP's new electronic information system, *Silmu*, enables pharmaceutical companies to electronically send information to the data file of medicinal products (*Taksa*) about new products, changes in preparations and price, and withdrawal of medicines from the market.

The electronic information system improves efficiency in pharmaceutical companies and also in the AFP, because all paper versions will be discontinued. *Silmu* makes it easier for companies to follow how their product information is processed and shown in *Taksa*.

Moreover, *Silmu* facilitates communication from pharmaceutical companies to pharmacies. Previously, *Taksa* has only had information about medicine price, availa-

bility on the market and the reimbursement system. Now, companies can provide more information about products, for example by adding descriptions of pharmaceutical preparations, to the service system.

In the future, pharmaceutical companies will be able to use *Silmu* for sending product bulletins, which are published in the *Salkku* service for pharmacies. Thus, *Silmu* replaces e-mail and fax for delivering information.

The Terveystiesi magazine goes online

The *Terveystiesi!* magazine for the customers of the AFP's member pharmacies went online in December. Articles along with the latest health news are published at www.terveydeksi.fi. The magazine's electronic archive goes back to 2006.

These online pages offer services such as *Find a Pharmacy* and the *Health Library*, along with a service to compare prices of medicines.

The web pages allow readers to have a say about the content of the magazine. Thus, they can give feed-back or suggest topics for the magazine, and even take part in competitions.

Online interaction greatly facilitates the work of the editorial staff, as there often are thousands of customer comments per issue of the magazine. ■

The AFP developed new electronic services for its members, co-operation partners and pharmacy customers.



Liikkujan Apteekki project takes multi-professional cooperation into new areas.



“Not only is medical treatment of your illness necessary, non-medical approaches, such as a healthy diet and regular exercise, are important too. Would you like to hear more?”

This is how medicine guidance will proceed in the future if the aims of the *Liikkujan Apteekki* project are realised. The project, started in 2009, aims to routinely incorporate other means of promoting good health, such as emphasising the value of exercise, into customer guidance in pharmacies.

This joint project of the AFP, the *Kunnessa Kaiken Ikää* (Fit for Life) programme, the Pulmonary Association and the Finnish Sports Federation is an extension of a long-standing partnership between the AFP and the Pulmonary Association. The *Liikkujan Apteekki* project supports the pharmacies in their customer guidance service regarding exercise, weight management and lifestyle changes.

The project will be introduced to customers at customer events and on theme days. Pharma-



Let's exe

cy staff are trained and provided with support material to help make exercise part of every-day customer service.

Exercise as part of the asthma service

The idea is that the pharmacy will be able to help customers find exercise services they are interested in if this information is available in one place online. A health exercise module which can be used to help customers according to their needs is being planned as part of the asthma service in pharmacies.

– Once this three-year project is completed, advice about exercise for customers will be routine in pharmacies around Finland, says pharmacist **Johanna Salimäki**, of the AFP.

The AFP's work for enhancing public health carried out via the asthma, diabetes and heart programmes, and the quit-smoking service was extended into a new area. In the spring, the first anti-smoking week was held in Finnish pharmacies.

The AFP received funding for this project

as part of a larger project, which helps adults to quit smoking. Through this project, the AFP will develop and enhance its tailor-made smoking cessation service, and inform customers of it.

Hundreds of contact persons promote national health

By way of its heart programme, the AFP participated in a project called *Valtimoterveyttä kaikille* (Arterial Health for All), a Policy Program for Health Promotion initiative of the Ministry of Social Affairs and Health.

The pharmacies' asthma, diabetes and heart programmes work to enhance the prevention and treatment of Finland's most common major chronic diseases in cooperation with other healthcare professionals. The AFP has trained the contact persons, who play a key role in the implementation of the programmes.

By the end of the year, the pharmacies had 719 asthma, 680 diabetes and 639 heart contact persons. ■

Pharmacist Johanna Salimäki calls for the adoption of exercise guidance as an integral part of normal customer service in pharmacies.



rcise!

Pharmadata Ltd

Pharmadata expanded and appointed a new CEO.

Pharmadata bought a substantial share of the business of Proversa, which is a company specialising in software development for customer service in pharmacies. As a result, *Versa Procuero* and *Versa Interact+*, both software products designed to support medical guidance and medication follow-up, were transferred to Pharmadata. Also transferred were *Versa Presto*, which is software created for document handling and maintenance of a pharmacy's own intranet, and the *Versa Palveluvalinta* service, designed to help pharmacy customers when choosing products.

Pharmadata is now responsible for maintaining and developing these software products. As part of the deal, two employees moved over to Pharmadata. In 2009, the business of AFP's Pharmacy network was also passed over to the company.

The new CEO of Pharmadata, **Jukka Litmanen**, took office at the beginning of September. The aim of this appointment was to seek new visions and greater expertise for the development of data systems for pharmacies.

– A totally new generation of pharmacy systems is coming to the market. This will improve the usability of the systems and make pharmacy work more effective, promised the new CEO.

Pharmadata delivers data technology services along with consultation and training to pharmacies. The company developed *Salix* and *pd3*, and now maintains these two pharmacy data systems. *Pd3* will gradually replace *Salix*.

- Founded in 1989
- Turnover 2009: € 3.6 million
- Staff: 12
- CEO: Jukka Litmanen

PharmaPress Ltd

PharmaPress Ltd is the communications and publishing company that publishes the *Apteekkari*, the journal for its member pharmacies, and also *Terveysteksi!* (For Your Health), the pharmacy customer magazine for AFP member pharmacies, plus a number of books, guides and other literature.

New online was the website of the *Terveysteksi!* magazine (*Terveysteksi.fi*), which was launched in December.

Also, the company arranged an exhibition for the Annual Spring Meeting event at Marina Congress Center in Helsinki in April.

- Founded in 1997
- Turnover 2009: € 1.2 million
- Staff: 5
- CEO: Erkki Kostainen

THE ASSOCIATION'S COMPANIES

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

PharmaService Ltd

Automated dose-dispensing acquired spacious new premises.

PharmaService appointed a new CEO. In addition, the company, prompted by the increasing demand for automated dose-dispensing services, moved to new larger premises, in Herttoniemi, Helsinki.

The move expanded the company's premises by more than 600 m². Production capacity increased substantially during the year: the company bought new dose-dispensing machines and new quality checking machines, and took on more staff. By the end of the year, nine dose-dispensing machines were in use.

Judged by quality criteria, 2009 was the best year in the history of the company. The number of mismatches per pre-packed single doses distributed was extremely small.

PharmaService delivers medicines pre-packed in single doses for over 10 000 patients in 240 pharmacies. Most of the patients covered by this service are elderly people. Typically, they suffer from several illnesses, and are home nursing customers or live in sheltered accommodation.

- **Founded in 2001**
- **Turnover 2009: € 3.2 million**
- **45 Staff: 45**
- **CEO: Risto Suominen**

Medifon Ltd

Medifon Ltd is a wholesale business selling specialist products and general commodities for pharmacies. Its range of merchandise is around 350 products. The most important are thermal signatures, bags, thermometers, foot-care products, wound dressings, labels, foods and cash register rolls.

2009 saw a new range of product groups, for example erotic products.

- **Founded in 1981**
- **Turnover 2009: € 2.8 million**
- **Staff: 4**
- **CEO: Riitta Kauppila**

Pharmacy licence

To establish or run a community pharmacy in Finland requires a pharmacy licence, granted by the Finnish Medicines Agency (Fimea). When a pharmacy licence becomes vacant, Fimea announces that it can be applied for, and grants that licence to the best qualified applicant.

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

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

A community pharmacy owner may hold only one pharmacy licence and up to three subsidiary pharmacy licences at one time. A subsidiary pharmacy can be turned into an independent pharmacy through a decision made by Fimea. Thus, it is not possible to establish a pharmacy chain in Finland.

A pharmacy licence is granted to a specified individual and it may not be sold on 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 68 years.

Several duties are attached to the pharmacy licence, the most important being to ensure that medicines are available.

Medicine tariff

Prices of medicines are the same in all community pharmacies because the Council of State determines retail prices based on the medicine tariff.

In turn, the medicine tariff sets a retail price on a medicine according to a national wholesale price, which is the same for all pharmacies (see table).

The medicine tariff is set to ensure that small pharmacies can be profitable. The medicine tariff is "counter-progressive", i.e. the proportion of the commission from sales decreases as the wholesale price of a medicine goes up.

Pharmacy fee

The pharmacy fee, which is in effect a tax, has a considerable impact on the finances of a community pharmacy. The private community pharmacies pay the pharmacy fee to the state 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). This fee is included in the price of a medicine and is mainly paid only on sales of medicines to the general public.

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

Thus, the medicine tariff and the pharmacy fee even out the variations in financial performances of community pharmacies of different sizes, and share the profits made by the pharmacy sector between the pharmacies and the state. This ensures a nationwide pharmacy network and well functioning distribution of medicines. The fee gives the state an income of about €120 million per year.

Pharmacy is a strictly regulated business

Retail price at pharmacy

Medicine tariff decided by the Council of State 11.12.2002

Wholesale price (EUR)	Retail price at pharmacy (EUR)
0 – 9.25	1.5 x wholesale price + 0.50 EUR + VAT 8%
9.26 – 46.25	1.4 x wholesale price + 1.43 EUR + VAT 8%
46.26 – 100.91	1.3 x wholesale price + 6.05 EUR + VAT 8%
100.92 – 420.47	1.2 x wholesale price + 16.15 EUR + VAT 8%
420.47 –	1.125 x wholesale price + 47.68 EUR + VAT 8%

Pharmacy fee to the state

Change in the Pharmacy fee act 854/2009 6.11.2009

Pharmacy's annual turnover (EUR)	Pharmacy fee at the lower turnover limit (EUR)	Fee-% exceeding turnover limit
837 576 – 976 705	–	6.00
976 705 – 1 255 900	8 348	7.00
1 255 900 – 1 534 782	27 891	8.00
1 534 782 – 1 954 653	50 202	9.00
1 954 653 – 2 511 798	87 990	9.50
2 511 798 – 3 070 493	140 919	10.00
3 070 493 – 3 628 878	196 789	10.25
3 628 878 – 4 606 515	254 023	10.50
4 606 515 – 6 001 545	356 675	10.75
6 001 545 –	506 641	11.00

Prescriptions dispensed by community pharmacies (million prescriptions)

2004	2005	2006	2007	2008	2009
40.8	42.1	43.4	45.6	47.9	48.6

Average pharmacy (2009)

- Turnover: approx. 3.3 million
- Prescriptions/year: 71 500
- Pharmacy fee to the state: about 200 000 (about 6.1% of turnover)
- Staff: 11 (pharmacy owner + staff pharmacist + 5 pharmaceutical assistants + 4 technical assistants)

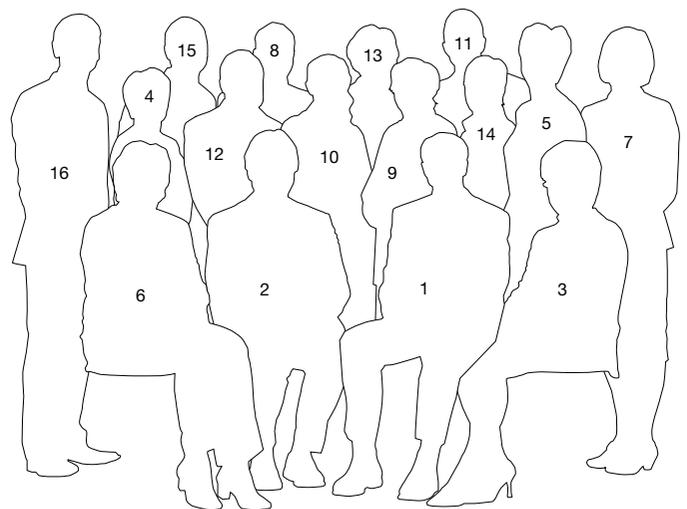


Mika Vidgrén, President (1)
Tapio Ryttilä, 1st V-P (2)
Riitta Andersin, 2nd V-P (3)

Espoonlahti Pharmacy
 Hollola Pharmacy
 Turenki Pharmacy, Janakkala

Riikka Aahe (4)
Aila Aitamurto (5)
Marja-Leena Elovaara (6)
Marjukka Heliövaara (7)
Anders Karlsson (8)
Sinikka Kesseli-Pulkkinen (9)
Helena Latvala*
Martti Mähönen (11)
Kai Nieminen (12)
Marjo Pekkala (13)
Marja Ritala (14)
Olli Sillantaka (15)
Tapio Sundell (16)

Joutsen Pharmacy, Turku
 Joutsen Pharmacy, Oulu
 Keskus-Apteekki Pharmacy, Hamina
 Niinivaara Pharmacy, Joensuu
 Myllypuro Pharmacy, Helsinki
 Pohja Pharmacy
 Vihti I Pharmacy
 Joroinen Pharmacy
 Farma Pharmacy, Järvenpää
 Haka-apteekki Pharmacy, Tampere
 Siltämäki Pharmacy, Helsinki
 Hankasalmi Pharmacy
 Medi-apteekki Pharmacy, Pietarsaari



* **Eeva Savela** (10) deputy member is in the picture.

FURTHER INFORMATION



Ilkka Oksala, Chief Executive Officer;
Overall management of the AFP;
international relations
ilkka.oksala@apteekkariliitto.fi
+358 9 2287 1300, +358 50 301 8590



Hanna Haataja, Pharmacist; Medicine information,
Tietotippa database, self-care guidelines, dose-dispensing,
diabetes programme in pharmacies, secretary of the AFP
pharmaceutical committee
hanna.haataja@apteekkariliitto.fi
+358 9 2287 1405, +358 50 492 2397



Sirpa Peura, Director of Pharmaceutical Affairs;
Direction and planning of pharmaceutical issues,
matters relating to the Social Insurance Institute of Finland,
workplace sickness benefit payments,
sirpa.peura@apteekkariliitto.fi
+358 9 2287 1400, +358 50 567 9005



Ari Jansen, Pharmacist;
Responsible for the AFP database of
pharmaceutical products, IT in pharmacies
ari.jansen@apteekkariliitto.fi
+358 9 2287 1200, +358 40 551 5578



Erkki Kostiainen, Director of Communications;
Coordination and development of AFP communications,
media relations, journals and publications,
web services (content)
erkki.kostiainen@apteekkariliitto.fi
+358 9 2287 1307, +358 50 566 8188



Tiina Kuosa, Pharmacist; Responsible for communications,
Apteekkari journal & *Terveystipsit!* magazine,
and related services,
secretary of the AFP communications committee
tiina.kuosa@apteekkariliitto.fi
+358 9 2287 1208, +358 50 338 9034



Sirkka Paloheimo
Head of Administration;
AFP finance and administration
sirkka.paloheimo@apteekkariliitto.fi
+358 9 2287 1302, +358 50 363 3670



Toni Relander, Pharmacist;
IT in pharmacies, electronic prescription,
the AFP database for pharmaceutical preparations
toni.relander@apteekkariliitto.fi
+358 9 2287 1408, +358 50 324 0707



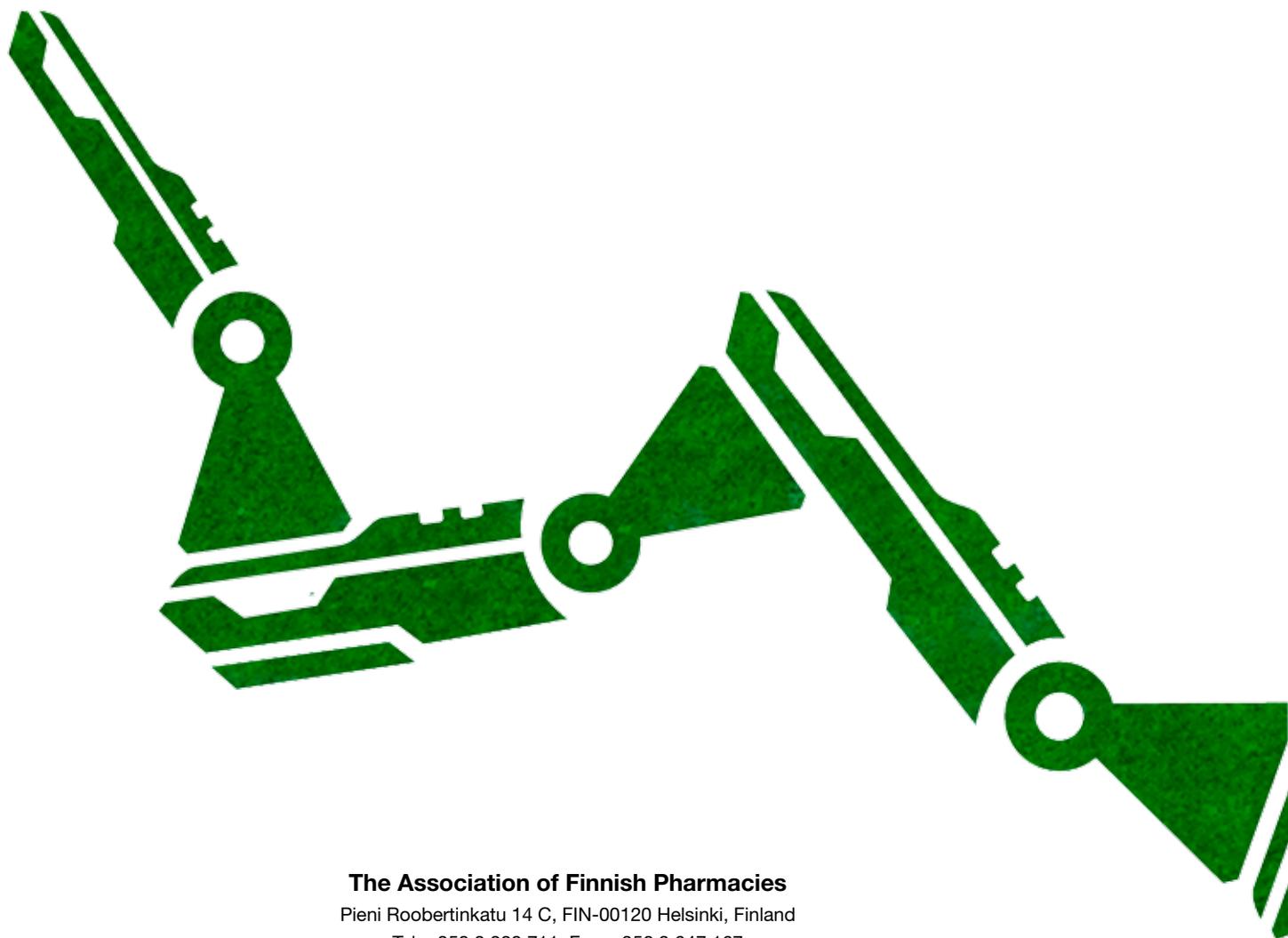
Ilkka Harjula, Financial Consultant;
economy of pharmacies and financial analysis,
secretary of AFP board and financial committee
ilkka.harjula@apteekkariliitto.fi
+358 9 2287 1236, +358 50 538 4458



Johanna Salimäki, Pharmacist;
Medicine information, Tietotippa database,
asthma programme in pharmacies, anti-smoking work
johanna.salimaki@apteekkariliitto.fi
+358 9 2287 1403, +358 50 331 4521



Liisa Backas, Pharmacist;
Training and employment issues,
quality assurance issues, heart programme in pharmacies,
secretary of the AFP education committee
liisa.backas@apteekkariliitto.fi
+358 9 2287 1204, +358 50 535 9531



The Association of Finnish Pharmacies
Pieni Roobertinkatu 14 C, FIN-00120 Helsinki, Finland
Tel: +358 9 228 711, Fax: +358 9 647 167
info@apteekkariliitto.fi, www.apteekkariliitto.fi