



Pharmacy system in Estonia

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- 493 community pharmacies in 2016
- Total turnover 352 million euros in 2016 (increased 10% compared to 2015)
- Availability of pharmacy services is very good - 99% of population have a pharmacy within 15-minutes transport



- About 70-80% of the market is divided between 5 chains, 2 of them have about 50-60% of the market
- One third of pharmacies belong to pharmacists (about 170 of 493), mostly small pharmacies in rural areas
- We have 1 pharmacy per 2670 people (EU's average is about 4600)
- We have an acute shortage of labor force



Law change

- Transition period in Estonia – by 1 April 2020 will be pharmacist-based system, which means that majority shares (>50%) in a pharmacy must be owned by pharmacists
- Pharmacist can own up to 4 pharmacies, the same rule applies to minority shareholders too
- Vertical integration is also prohibited as from 1 April 2020



Risks of the vertical integration

- If a pharmacy is owned by a wholesaler (or a manufacturer), there is a risk that assortment of medicines is influenced. It can affect availability of medicines adversely
- That's why the ownership restrictions are necessary, vertical integration ban alone is not enough
- Ownership restrictions and vertical integration ban together can ensure independence of pharmacists and protection of public health



Why do we want this regulation?

- Head of a pharmacy - *proviisor* – has too little power, decisions come from the headquarters of the chain
- Managers of chains may not be pharmacists
- Pharmacists can develop health services, which are truly needed by patients and health care system
- It is important to find balance between health care and business interests
- Professional ethics of pharmacists helps



Will the change really happen?

- The Chamber of Pharmacists and Association of Pharmacists strongly support the change
- About 10 pharmacists have created pharmacies so far
- Wholesalers have to prepare for selling pharmacies and figure out prices
- Pharmacists have to find funds for buy-outs (banks etc)
- Pharmacists must be trained for running the businesses
- All is feasible and in the process



Pharmacy system in Finland

- Is one of best in Europe
- Restrictions have made it possible to operate on high standard level and to develop new services
- Finnish pharmacists are a highly valued part of the first level of health care thanks to the current system
- We have to make a hard effort to catch you up



Thank you!