

THE ASSOCIATION OF FINNISH PHARMACIES

2013



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

CONTENTS

DECISIONS IN THE PIPELINE _____	3
SAVINGS CUT MEDICINE COSTS _____	4
OUR VISION _____	5
OUR GOALS _____	5
PHARMACIES OFFER HELP NEAR YOU _____	6
PHARMACY DEVELOPMENT _____	10

ACROSS THE YEAR _____	12
STATISTICS _____	15
THE PHARMACY SYSTEM _____	18
THE AFP COMPANIES _____	20
THE AFP BOARD 2013 _____	22
MORE INFO FROM OUR EXPERTS _____	23

DECISIONS IN THE PIPELINE

Decisions to reform the medicine tariff and the pharmacy fee were finally made.

FROM THE PHARMACIES POINT OF VIEW, two important reforms were finally completed in late 2013. In October, the government decided to reform the medicine tariff; in December, Parliament passed an amendment to the Pharmacy Fee Act.

The reform of the medicine tariff came into force at the beginning of 2014 and the prices of expensive prescription medicines fell, while those of cheap medicines rose slightly. The new medicine tariff is based on a tariff model proposed by the Finnish Medicines Agency (Fimea) in June 2012.

The new medicine tariff seeks to maintain nationwide availability of medicines. This is achieved by reducing the dependency of a pharmacy's sales margin on the wholesale price of a medicine which in turn guarantees adequate resources for pharmaceutical expert work in pharmacies and statutory medicine guidance. The reform did not lead to changes in the tariff on self-care medicines.

As regards prescription medicines the medicine tariff was reformed in such a way that the pharmacy's remuneration became less dependent on the wholesale price. This was achieved by raising the dispensing charge (ex.VAT) for prescription medicines from € 0.39 to € 2.17, and by reducing the coefficients and fixed components of the medicine tariff.

The reform was carried out in a cost-neutral way, in other words, the new tariff will not increase a pharma-

cy's income but will divide the income between pharmacies in a new way. The impact on an individual pharmacy depends on its sales structure: pharmacies that mostly sell cheap prescription medicines will benefit from the reform.

The new tariff changed the contribution of the Social Insurance Institution (SII) and the patient's contribution in the favour of the SII. Patients were compensated by lowering the yearly co-payment ceiling to € 610 from the current € 670.

THE PHARMACY FEE WAS REFORMED

In December, Parliament approved an amendment to the Pharmacy Fee Act to ensure the survival of pharmacy services in sparsely populated areas.

The amendment seeks to ensure that it is economically more profitable for small pharmacies to have a subsidiary pharmacy. The financial benefits of this law, which came into force at the beginning of 2014, thus focus on those small pharmacies which have a small subsidiary pharmacy. The majority of pharmacies experienced a rise in the pharmacy fee.

Under the new Pharmacy Fee Act, the pharmacy fee is charged in whole or in part separately for the main pharmacy and its subsidiary, when their total turnover is below certain limits.

Also, the change to the pharmacy fee was carried out cost-neutrally, i.e. the way it now is calculated does not affect the income the state receives from the fee.

ONGOING DEVELOPMENT WORK

At the end of 2013, the Ministry of Social Affairs and Health decided to continue the work to develop pharmacy operations, and it set up a working group to consider how to improve pharmacy operations and distribution of medicines.

The goal of this group is to develop the services for the distribution of medicines to ensure they meet the needs of the population in the wake of the structural reforms of the social and health services. The group is expected to conclude its work by the end of 2014.

The group's task is to draw up proposals for regulatory changes to the way the distribution of medicines is organised. The aim is to increase cooperation between the pharmacies and the other distributors of medicines and also the social and healthcare system. Moreover, the services will tie in with the social and healthcare reform, as well as the changing needs of the population.

Another task of the working group is to submit proposals for development projects and their funding which support the implementation of Medicines Policy 2020.

The chair of the working group is Sinikka Rajaniemi, Director General of Fimea. The Association of Finnish Pharmacies is represented by its CEO, Ilkka Oksala.

SAVINGS CUT MEDICINE COSTS

Cost-saving measures targeted at medicine costs carried out in pharmacies were more successful than expected. These costs have progressed in a direction opposite to the cost of food, for example.

THE GROWTH OF THE COST OF MEDICINES has in many ways been restrained in Finland over the past decade, and the share of the total healthcare expenditure made up of those costs is clearly shrinking. Recent statistics indicate that their current contribution has never been as low as this since 1996.

Three important reforms have been carried out to hold down medicine costs: generic substitution (2003), the five per cent cuts in wholesale prices of medicines (2006 and 2013), and the medicine reference price system (2009).

The result of these measures was that the rise in the cost (€) of prescription medicines in non-institutional care

started to decline in 2008. The share of medicine costs of the total healthcare expenditure started to drop clearly already in 2004.

Generic substitution was introduced in 2003, and in 2013 statistics showed it had brought significant savings to society. In ten years, the substitution of medicines in pharmacies made savings to the customers totalling around € 433 million. At the same time, the state had saved approximately € 117 million in health insurance costs for medicine reimbursement.

The price competition generated between interchangeable medicines has had an even greater impact on the price

of medicines than generic substitution as such. This competition has achieved savings to at least the same extent as the medicine substitution carried out in pharmacies. In other words, the overall impact of the saving measures has been billions.

As a proportion of the total sales of medicines, cost savings contributed by generic substitution have been substantial. According to Finnish medicines statistics, in 2012 the sales of medicines in non-institutional care was € 2 266 million, thus the savings are at least 50%.

During the first ten years since its introduction, generic substitution of medicines in pharmacies saved customers and the Social Insurance Institution more than half a billion euros in total.

OUR VISION

THE AFP IS THE MOST MEMBER-FOCUSSED ASSOCIATION IN FINLAND. WE FURTHER A PHARMACY SECTOR STRONGLY BASED ON PRIVATE ENTREPRENEURSHIP, INFLUENCE ITS REGENERATION AND ENSURE A SUSTAINABLE ECONOMIC BASIS FOR PHARMACY FINANCES. WE HELP OUR MEMBERS TO OFFER THE BEST PHARMACY SERVICE IN THE WORLD.

OUR GOALS

- 1** The distribution of medicines is carried out by a nationwide pharmacy network based on entrepreneurship and professionalism.
- 2** All pharmacies have a sound financial base which enables them to ensure high quality services.
- 3** Self-care and prescription medicines are sold and dispensed to customers exclusively through pharmacies.
- 4** The pharmacy service is customer-based and high quality, and customers trust the pharmacies' pharmaceutical competence.
- 5** Pharmacies offer new services to support the wellbeing of their customers.
- 6** Pharmacies are perceived as an essential part of the Finnish healthcare system and appreciated by everyone.
- 7** The image of proprietary pharmacies as enterprises is positive and strong throughout the country.
- 8** A large number of the AFP members participate in the activities of the Association and its regional associations, and they influence the views of the AFP, not only through traditional channels but new ones as well.
- 9** The AFP and its companies operate as an effective group.
- 10** The AFP is — both at national and international level — a competent organisation which attracts pharmacy owners to take up AFP posts, and in which the best experts want to work.

PHARMACIES OFFER HELP NEAR YOU

*Research, services and campaigns by the AFP
promoted correct and safe use of medicines.*



DID YOU REMEMBER TO TAKE YOUR MEDICINES?

THE AFP has developed a reminder service to help elderly people, patients with memory disorders and patients who are using several medicines to take their medicine.

The service means that the pharmacy's pharmaceutical staff check the customers' medication and tailor the appropriate time for each one of them to take their medicines. The information is stored in a small flash drive that will beep when it is time to take the medicine.

The customer also gets a medication card on which there is information not only about when to take the medicines but also other essential details about medicines in an easy to understand format. Besides reminding customers when to take their medicines, the device also registers how promptly they are taken, which is valuable information for the customer's doctor.

The reminder service is necessary because, for example, studies by the World Health Organization (WHO) show that up to half of medicine users do not follow the directions for taking their medication. The service improves commitment to medical care and the success of the treatment.

WHO studies show that up to half of medicine users do not follow the directions for taking medicines.

A VIDEO GIVES ADVICE HOW TO USE ASTHMA MEDICINES

THE AFP PUBLISHED on its website twenty videos about administering medicines and correct use of asthma medicines.

Most asthma medicines and assistive devices that have been granted marketing rights in Finland are included. Short video clips lasting a couple of minutes show in detail how, step by step, to take asthma medicines, which are inhaled into the lungs.

Surprisingly, many asthmatics do not use their medicine dispensers correctly. For example, some of the medicines need careful shaking before use or require patients to hold their breath after inhalation. If patients forget the instructions given in the pharmacy, they may not necessarily get the maximum benefits from the medicine.

PROPRIETARY PHARMACISTS TAKE PART IN FUND-RAISING

THE AFP launched a campaign among its members to raise money to support the building of the New Children's Hospital 2017. This new hospital will be built in Meilahti, in Helsinki, and it will replace the outdated facilities in the Children's Hospital (Lastenkliniikka) and the Children's Castle Hospital (Lastenlinna).



BE SURE OF YOUR CHOICE OF MEDICINE

THROUGH THEIR BE SURE OF YOUR CHOICE campaigns, the AFP and its member pharmacies promote safe and appropriate self-care. In 2013, there were two themes. In May, customers were informed about the treatment of diarrhoea and constipation, and in October, a campaign focussed on the prevention of osteoporosis. This campaign, for better bone health, was carried out in collaboration with the Osteoporosis Association.

LUJAT LUUT, LÄPI ELÄMÄN.

D-vitamiini | Kalsium | Proteiini | Liikunta

KYSY ASIAANTUNTIJALTA - HYVÄT NEUVOT SISÄLTÄVÄT HINTAAN.

APTEEKKI
Auttaa lähelläsi.



UNCLEAR PRESCRIPTIONS ON A DAILY BASIS

PHARMACY employees have a duty to clarify any doctors' prescriptions which contain confusing or even incorrect information.

Such errors are called prescription errors. According to a study by the AFP, around 1.6 per cent of prescriptions include an error. Each year, the staff in Finnish pharmacies spend 17 person-work-years rectifying these errors.

In order to improve medicine safety, the AFP carried out a study of errors in prescriptions. The results help to improve the procedures and, in turn, help to avoid more errors occurring or to ensure that such errors are detected in time, and therefore do not put the patient at risk.

BULLETIN SERVICE EXPANDED

THE AFP'S bulletin service Salama expanded in 2013. This bulletin service embraces the members of the AFP, together with all pharmacy outlets in Finland, hospital pharmacies, medicine centres and the military pharmacy.

Salama enables companies to send information about medicine safety, the availability of medicines and matters related to medicine reimbursement.

The AFP member pharmacies and subsidiary pharmacies receive information bulletins via the Salkku information service, others via e-mail. When required, the bulletin can also be delivered by regular postal services. If urgent, a text message can be sent to alert the receiver to read a bulletin.



PHARMACY DEVELOPMENT

*New services introduced during the year
brought the pharmacies closer to the Finns.*



MEDICINES FROM A MOBILE LIBRARY TO YOUR DOORSTEP

SINCE MARCH 2013, residents in Sodankylä have been able to order prescription medicines from a pharmacy to be delivered to their door. This service is offered to people living in one of the 1 500 households which are on the route of the mobile library.

Proprietary pharmacist Marjo Rajamäki set up a pharmacy outlet in a mobile library in order to make life easier for those who live in remote villages. Distances are great in the municipality of Sodankylä and almost all the village shops have already closed down.

This additional pharmacy service point is supervised by the proprietary pharmacist. It sells self-care medicines, and delivers prescription medicines on request.

By the end of 2013, more than 60 pharmacies had applied for permission from Fimea to establish one or several of this kind of service points.



FIND THE NEAREST PHARMACY

APTEEKKI.mobi brings help when there is an acute need for a pharmacy. The optimised network service for smart phones makes it easy to find the pharmacy nearest to you or on your route. You can also search for pharmacies by name, the municipality where they are located or the post code.

APTEEKKI.mobi shows the location of the pharmacy on a map along with the contact information, opening hours, service languages and special services. You can also call the pharmacy via this service. Equally, it is easy to visit the pharmacy's website or online shop. In addition to using your smart phone, you can access the service on tablets and computers.

THE DOOR IS OPEN TO ON-LINE SERVICES

eAPTEEKKI.FI is a door to on-line pharmacy services. The portal which was launched in spring is maintained by the AFP and provides access to those member pharmacies that sell medicines and self-care products on-line.

The number of pharmacies included in the portal will increase when several other pharmacies are ready to launch their own web service.

The AFP is responsible for the portal, but each individual pharmacy maintains its own on-line service and makes decisions regarding, for example, its product range, delivery methods and prices of free trade products. Prices of medicines are defined by the medicine tariff act and are the same everywhere in Finland.

eAPTEEKKI runs smoothly on mobile, too. The on-line service selection already includes over 3 000 products.

SII CARD INFORMATION ELECTRONICALLY

AN ELECTRONIC SERVICE for enquires regarding SII card information was introduced in Finland in 2013. Pharmacies are now able to electronically check the customer's right to reimbursement from the Social Insurance Institution (SII).

When dispensing medicines, the pharmacies now have access to up-to-date information about all circumstances affecting direct reimbursement, such as the right to special reimbursement, any membership of a workplace sickness fund and the accumulated annual co-payment ceiling for medicines. Direct reimbursement of medicines means that the pharmacy deducts the SII reimbursement directly from the price of the medicine at the point of sale.

The advantage of an electronic enquiry is that the SII information always is up-to-date. In addition, it makes it possible to purchase electronically prescribed medicines via the pharmacy's online service.

ACROSS THE YEAR

THE MINISTER TOOK A CLOSE LOOK AT ANJA, THE AUTOMATED DOSE-DISPENSING SERVICE

MINISTER OF SOCIAL AFFAIRS AND HEALTH Paula Risikko visited the PharmaService to take a close look at the automatic dose-dispensing service Anja. Her guide was Chairman of the Board Marja Ritala (right), CEO Risto Suominen (left) and the AFP's CEO Ilkka Oksala. Production coordinator Suvi Töyrylä (front) showed the minister how the quality of automated dose-dispensing is ensured by a number of checks.



PRESCRIPTIONS RAPIDLY BECAME ELECTRONIC

THE USE OF ELECTRONIC PRESCRIPTIONS spread rapidly in 2013. Pharmacies dispensed a total of more than 130 000 electronic prescriptions a day, and by the end of the year nearly three million Finns had received an e-prescription. Totally, about 20 million electronic prescriptions were written and approximately 27 million had been dispensed by the end of 2013.

The first Finnish ePrescription was issued in Turku in May 2010. Since April 2013, all public healthcare units have used electronic prescriptions. The private actors, such as occupational healthcare units, will join during 2014.

Pharmacies all over Finland have been prepared for electronic prescriptions since the spring of 2012. The introduction of these prescriptions has strengthened cooperation between pharmacies and primary healthcare in many places in Finland.

The AFP collects feedback and ideas from pharmacies for the improvement of ePrescription. Then, together with the Social Insurance Institution and the National Institute for Health and Welfare it considers these ideas. Citizens are able to view their own prescription data via the Omakanta service (www.kanta.fi).

LIIKKUJAN APTEEKKI RECEIVED AN INNOVATION AWARD

IN FEBRUARY, the Fit for Life Program rewarded the Karhu pharmacy in Pori for the innovative implementation of the concept of an exerciser's pharmacy (Liikkujan Apteekki).

The Karhu pharmacy has organised for example special theme days for its customers.

The concept was launched in 2010 as a joint effort by the Fit for Life Program, the AFP and the Organisation for Respiratory Health in Finland. It introduces health exercise to the selection of pharmacy services and thus creates added value.

KOKKOLAN KESKUSAPTEEKKI TRAINING PHARMACY OF THE YEAR

KOKKOLAN KESKUSAPTEEKKI pharmacy was awarded the title of training pharmacy of the year at the Pharmacy Days event for its long-term work during the training period for pharmacy students which it has carried out in an exemplary manner.

The panel that announced the award highlighted the very active role of the pharmacy in this training and also the contribution of the considerable experience of the staff in guiding the students.

FINLAND BETTER THAN SWEDEN IN RELIABILITY OF DISPENSING

FINNISH pharmacies reliability of dispensing is first rate, according to a survey conducted in March. According to the survey, pharmacies guarantee almost 100 per cent same-day dispensing of prescription medicines to customers. In only 1.6 per cent cases is the waiting time longer.

The situation is considerably better than in Sweden, where every tenth customer has to wait for more than 24 hours for his/her medicine.

Reliability levels of dispensing in Finnish pharmacies have remained very high throughout the 2000s, despite difficulties experienced with generic substitution and the reference pricing system. In Sweden, the waiting time increased significantly after 2009, following a change to the pharmacy system.

The reliability of dispensing in Finnish pharmacies is considerably greater than in Swedish pharmacies.

MEDICINE DISPENSED WITHIN 24 HOURS

[% of prescriptions]

Finland 99.7%
Sweden 89%



PHARMACY DENSITY

[inhabitants/pharmacy]

Finland 6 670
Sweden 7 500
Norway 6 760



OPENING HOURS

[hours/week]

Finland 57
Sweden 53
Norway 53



PHARMACIES PREFER FINNISH WORK WEAR

THE AFP started co-operation with two Finnish manufacturers of work clothing. When it chooses these partners, the AFP highlights the importance of the quality of the work and the fact that the products are Finnish.

Family business E. Laiho, in Lohja, and the family-owned company ScanPoint, in Tampere, have produced their own pharmacy work attire collections, which the AFP's member pharmacies can buy.



EU PRESCRIPTIONS ON THEIR WAY TO PHARMACIES

AT THE END OF 2013, preparations were made to allow customers to purchase medicines in Finnish pharmacies using prescriptions written in other EU countries, EEA countries or Switzerland. The act enabling this came into force at the beginning of 2014.

Mutual recognition of medical prescriptions is part of the EU directive on patients' rights, which gives EU citizens the right to receive treatment in another EU country, and to receive reimbursement of the healthcare costs on the same grounds as in their home state.

Finnish pharmacies dispense European prescriptions as laid down in Finnish national legislation, and, for example, the period of validity is the same for these prescriptions as it is for domestic prescriptions. There is no standard prescription form within the European Union. However, the SII produced a new, European prescription form for Finnish doctors to use.

DOCTORS ARE PLEASED WITH PHARMACIES

A SURVEY OF DOCTORS carried out by the Apteekkarilehti magazine showed that they are very satisfied with pharmacies and with the way the two professions work together. Altogether, nearly 400 doctors took part in the survey.

Collaboration with pharmacies works well: fewer than three per cent of the respondents disagreed with this. Many would even like to have more cooperation.

The most important pharmacy services, according to the doctors, are medicine guidance, self-care advice and the possibility to renew prescriptions via a pharmacy.

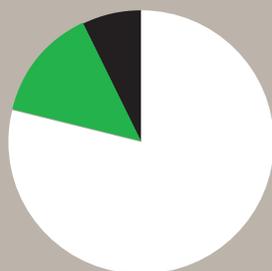
In the survey, the doctors rejected the extension of sales of self-care medicines to retail stores. Almost nine in ten (89%) doctors in public healthcare centres and nearly as many (84%) private doctors think that self-care medicines should be sold only in pharmacies.

24%

Pharmacies' share of the income from medicines sales is on average less than a quarter.

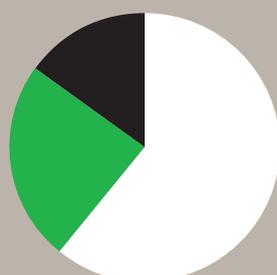
BREAKDOWN OF SALES IN COMMUNITY PHARMACIES 2013

[estimated]



■ Prescription medicines	79%
■ Non-prescription medicines	14%
■ Others	7%

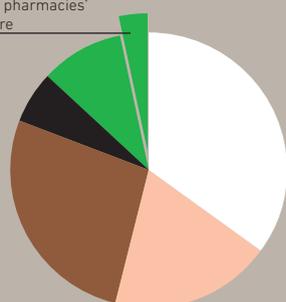
BREAKDOWN OF THE INCOME FROM MEDICINES SALES 2012



■ Industry and wholesaling	61%
■ Community pharmacy	24%
■ State	15%

BREAKDOWN OF TOTAL HEALTHCARE EXPENDITURE 2011

The pharmacies' share



■ Specialised medical and hospital care	35%
■ Primary healthcare*	19%
■ Other expenditure	27%
■ Oral hygiene	6%
■ Medicines in non-institutional care	13%

* excluding occupational healthcare, student healthcare and dental care

In 2011, the total expenditure on healthcare was € 17 052 billion (9.0% of GNP), or about € 3 165 per capita. Of the total healthcare expenditure, only 3.2% was spent on maintaining the nationwide and dense community pharmacy network.

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

STAFF IN COMMUNITY PHARMACIES (31.12.)

Figures include staff in university pharmacies

	2008	2009	2010	2011	2012
Proprietary pharmacists	582	594	594	585	588
Staff pharmacists	807	802	813	780	749
Pharmaceutical assistants	3 830	3 844	3 840	3 635	3 664
Technical staff	3 070	3 071	3 032	3 456	3 486
Total	8 289	8 311	8 279	8 456	8 487

Sources: The Association of Finnish Pharmacies, University Pharmacies, Pharmacy Pension Fund

PRIVATE COMMUNITY PHARMACIES ACCORDING TO SIZE 2013

Prescriptions/year	Number of pharmacies
200 000 –	6
180 000 – 200 000	6
160 000 – 180 000	7
140 000 – 160 000	20
120 000 – 140 000	26
100 000 – 120 000	47
80 000 – 100 000	84
60 000 – 80 000	99
40 000 – 60 000	125
20 000 – 40 000	198
– 20 000	139

Source: The Association of Finnish Pharmacies, incl. 95 % of all pharmacy outlets

TURNOVER OF PRIVATE COMMUNITY PHARMACIES (EX.VAT)

Year	€ millions
2003	1 640
2004	1 753
2005	1 835
2006	1 806
2007	1 897
2008	2 038
2009	2 041
2010	2 026
2011	2 051
2012	2 134
2013	estimated 2 162

Source: The Association of Finnish Pharmacies

Statistical data are up-dated at Apteekkariliitto.fi.

WELCOME TO THE PHARMACY

The first pharmacy outlets branded for the AFPs member pharmacies opened their doors to customers. This concept uses a common design for the layout of the pharmacy premises.



EEKKI



HOW THE PHARMACY SYSTEM WORKS

There is at least one pharmacy in almost every municipality. The total number of community pharmacies in Finland is 816.

THE PHARMACY LICENCE

To operate 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.

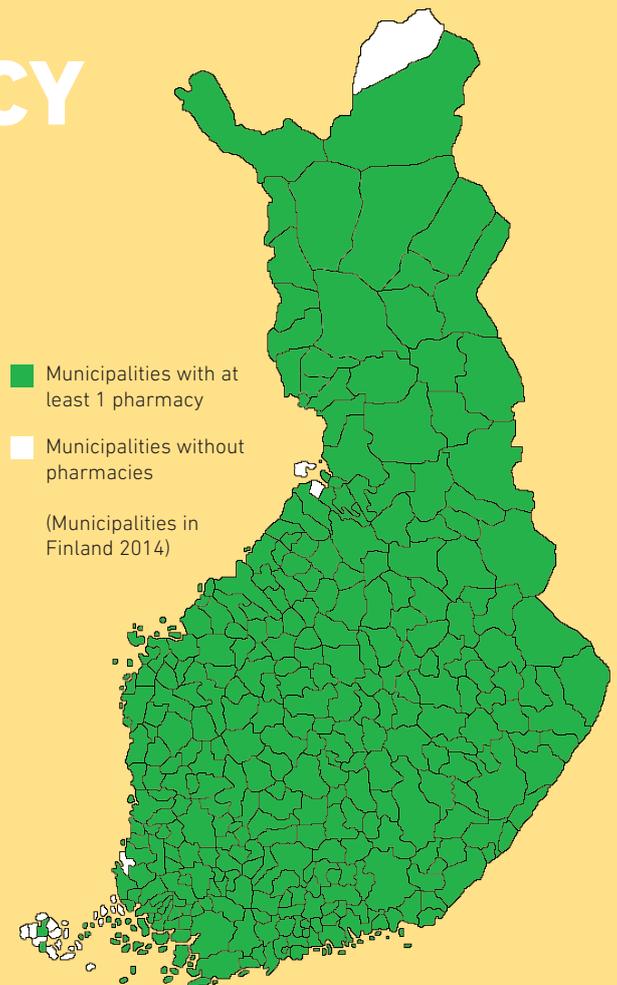
A community pharmacy licence is granted for a specific catchment area, typically a municipality but, in a city, there may be several such catchments. Within a particular catchment area a pharmacy may be relocated freely, for example close to an existing pharmacy. However, the siting of a subsidiary pharmacy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

A proprietary pharmacist may hold only one pharmacy licence and up to three subsidiary pharmacy licences at one time. Fimea can also grant a licence to establish pharmacy service points within the outlying districts of the pharmacy's own catchment area or beyond into a neighbouring municipality or a village centre. These service points may only be established in areas where there are no preconditions for running a pharmacy or a subsidiary pharmacy. Also, subject to the permission of Fimea, a proprietary pharmacist may establish an online service through which to sell medicines.

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

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

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



AVERAGE PHARMACY 2013 [estimated]

Turnover:	€ 3.6 million
Prescriptions/year:	72 700
Pharmacy fee to the state:	about € 221 000 (about 6.2% of turnover)
Staff: (incl. part-time staff)	11 (proprietary pharmacist, staff pharmacist, 5 pharmaceutical assistants, 4 technical assistants)

Source: the Association of Finnish Pharmacies

NUMBER OF PHARMACIES AND SUBSIDIARIES [31.12]

Figures include university pharmacies

	1970	1980	1990	2000	2010	2013
Pharmacies	561	564	576	595	618	617
Subsidiaries	97	126	173	201	194	199
Total	658	690	749	796	812	816

Source: The Association of Finnish Pharmacies

PRESCRIPTIONS DISPENSED BY COMMUNITY PHARMACIES [millions of prescriptions]

2008	2009	2010	2011	2012	2013
48.3	48.7	50.4	48.5	51.7	52.9*

* estimated/The AFP

Source: Finnish Statistics on Medicines 2012

MEDICINE TARIFF

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

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

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

816

THE TOTAL NUMBER OF COMMUNITY PHARMACIES IN FINLAND IS 816.

PHARMACY FEE

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

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

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

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

RETAIL PRICE AT PHARMACY

Medicine tariff decided by the Council of State 17.10.2013

Wholesale price (€)	Prescription medicine	Self-care medicine
0 – 9.25	1.45 x wholesale price + VAT 10%	1.5 x wholesale price + 0.50 € + VAT 10%
9.26 – 46.25	1,35 x wholesale price + 0.92 € + VAT 10%	1,4 x wholesale price + 1.43 € + VAT 10%
46.26 – 100.91	1,25 x wholesale price + 5,54 € + VAT 10%	1,3 x wholesale price + 6.05 € + VAT 10%
100.92 – 420.47	1,15 x wholesale price + 15.63 € + VAT 10%	1,2 x wholesale price + 16.15 € + VAT 10%
yli 420.47	1,1 x wholesale price + 36.65 € + VAT 10%	1,125 x wholesale price + 47.68 € + VAT 10%

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

PHARMACY FEE TO THE STATE

Change in the Pharmacy Fee Act 977/13.12.2013

Pharmacy's annual turnover (€)	Pharmacy fee at the lower turnover limit (€)	Fee % exceeding turnover at lower limit
871 393 — 1 016 139	0	6.10%
1 016 139 — 1 306 607	8 830	7.15%
1 306 607 — 1 596 749	29 598	8.15%
1 596 749 — 2 033 572	53 245	9.20%
2 033 572 — 2 613 212	93 432	9.70%
2 613 212 — 3 194 464	149 657	10.20%
3 194 464 — 3 775 394	208 945	10.45%
3 775 394 — 4 792 503	269 652	10.70%
4 792 503 — 6 243 857	378 483	10.95%
6 243 857 —	537 406	11.20%

PHARMACY FEE WHEN THE PHARMACY HAS A SUBSIDIARY PHARMACY

Total turnover of the main pharmacy and the subsidiary pharmacy (€)	Pharmacy fee
under 2.6 million	Separately for the main and the subsidiary pharmacy, no subsidiary pharmacy deduction
2.6 – 3.5 million	Partly separately and partly together for the main and the subsidiary pharmacy (according to a separate table)
over 3.5 million	Main and subsidiary pharmacy together, subsidiary pharmacy deduction

THE AFP GROUP OF COMPANIES

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

PHARMAPRESS LTD

FOUNDED: 1997

OWNERSHIP: THE AFP (100%)

TURNOVER 2013: € 1.5 MILLION

STAFF: 4 + 3 (IATOD)

CEO: ERKKI KOSTIAINEN

PHARMAPRESS, the communications and publishing company, produces communications services for both the AFP and its member pharmacies. It also produces guides and other literature within the pharmacy field. It publishes the *Apteekkari* journal for AFP members and partners and *Terveydeksi!* pharmacy customer magazine. It also publishes the *Meidän APTEEKKI* magazine for the staff in the AFP member pharmacies and pharmacy students. *Meidän APTEEKKI* was published three times.

This year, 2013, saw the first mobile version of the *Apteekkarikalenteri*, a directory for smart phones and other data terminal equipment. PharmaPress arranged an exhibition in conjunction with the Annual Spring Meeting event, held at the Marina Congress Center, in Helsinki, in April 2013. This exhibition was the biggest to date.

PHARMADATA LTD

FOUNDED: 1989

OWNERSHIP: THE AFP (100%)

TURNOVER 2013: € 6.9 MILLION

STAFF: 23

CEO: JUKKA LITMANEN

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

Delivery of the company's new pd³ pharmacy system began. Pd³ is the first centralised new generation data system to do away with the necessity for pharmacy staff to carry out such tasks as backing up copies and program updates.

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

The updated technical solution for Apteekkiverkko was delivered to 370 pharmacy outlets. 80% of these also equipped themselves with a wireless backup connection.

MEDIFON LTD

FOUNDED: 1981

OWNERSHIP: THE AFP (100%)

TURNOVER 2013: € 5 MILLION

STAFF: 16

CEO: MIKA FLINK

MEDIFON is a wholesale business, a distributor and an importer for proprietary pharmacists. From its distribution centre located in Pitäjänmäki, Helsinki, the company distributes both its own products and those of its principals throughout the country.

The company's product range includes the AFP member pharmacies own private label product line: APTEEKKI products. Additionally, the company markets a wide range for example of foot-care products (Luga and Mills), plus other free trade products. Medifon also supplies pharmacies with special pharmacy products, such as thermal signatures, plastic bags and neon signs. It is the only commercial company that is entitled to use the AFP's member pharmacy logo, the green cross, on its products.

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

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

PHARMASERVICE LTD

FOUNDED: 2001

OWNERSHIP: THE AFP (51%), ORION (49%)

TURNOVER 2013: € 15.3 MILLION

STAFF: 55

CEO: RISTO SUOMINEN

PHARMASERVICE produces services for the pharmacies to support the automated dose-dispensing of medicines. In addition, it subcontracts out the preparation of some nutrient additives for sale in pharmacies. The Espoonlahti pharmacy is the contracted manufacturer for other pharmacies, as laid down in the medicine legislation.

More than 300 pharmacies use the Anja dose-dispensing service and at the end of 2013 it covered 18 000 customers. Most of these customers use a range of medicines, suffer from several illnesses, and are either home nursing care patients or they live in sheltered accommodation.

In order to raise public awareness of the Anja dose-dispensing service, the company used the Apteekki Media and marketing events. It also offered pharmacies its support for marketing of the service by providing human and material resources. A new edition of the medicines catalogue was published on the (AFP) home pages: anjakuivat.apteekkariliito.fi.

Pharmacies were also offered a report of the Salko database, together with the preview, in order to improve the pharmacies ability to check the medication of the dose-dispensing customers. The process of dose-dispensing was demonstrated and the staff were offered training, too.

The reliability and quality further improved in 2013. The company raised its productivity and introduced a production incentive. The capacity and reliability of dose-dispensing successfully kept up with the increase in the number of customers and pharmacies, and the company's financial situation further improved.

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