



**THE ASSOCIATION
OF FINNISH
PHARMACIES**

2021

OUR TASKS

The Association of Finnish Pharmacies (AFP) develops high standards of ethical and professional competence in pharmacy services within the broader healthcare sector. It also produces services for its members to support their pharmacy work.

OUR VISION

Member pharmacies of the Association of Finnish Pharmacies (AFP) – the Green Cross Pharmacies – are part of the healthcare sector and offer the best pharmacy services in the world for its customers and society.

The Strategy of the Association of Finnish Pharmacies 2025

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REFORMS AND PRESSURES TO MAKE SAVINGS

Despite the coronavirus, the health and social services reform was completed. The amendments to the Medicines Act were also approved by Parliament, and the reform of pharmaceutical matters took steps forward.

DESPITE VACCINES AND MASS VACCINATIONS, the coronavirus pandemic continued as the virus developed new variants. At the end of the year, the Omicron variant, which spreads more easily than the previous variants of the virus, increased the number of infections higher than ever before during the pandemic. However, the hospital load did not increase proportionately, thanks to vaccines and vaccinations to protect against the serious form of the disease.

The pandemic kept the government busy, but the health and social services reform was still able to be finalised when Parliament passed legislation related to the reform during the summer. In the reform, the responsibility for organising health and social services will be transferred to 21 wellbeing services counties from the beginning of 2023. Only Helsinki will continue to organise its health and social services independently. The decision was made to hold county elections in January 2022 to elect the members of the county councils that start their term in March 2022.

THE CHANGES TO THE MEDICINES ACT WERE ALSO completed when the amendments to the Medicines Act which expired during the two previous government terms were approved by Parliament in the autumn to enter into force at the beginning of April 2022.

The changes to the Medicines Act made it possible for pharmacies, among other things, to price their self-care medicines competitively in such a way that the retail price set by the medicine tariff would be the maximum price below which pharmacies would be able to compete by cutting their own margin. However, pharmacies were not given the opportunity to accept discounts on the wholesale price of medicines. It remained unclear how pharmacies could market price discounts for self-care medicines.

In contrast to the government's proposal, Parliament excluded self-care medicines requiring further advice from the price competition for self-care medicines. Parliament also required the government to monitor the impact of the government's proposal on the operation of

the nationwide pharmacy network and on the resourcing of pharmaceutical work in pharmacies, and to take the impacts into account in the context of further legislative development.

THE AMENDMENTS TO THE Medicines Act also shortened the appeals processes related to new pharmacy licences. The notification procedures for the pharmacy licences to be applied for were simplified and the information content of the public notices on pharmacy licences was improved. Changes in pharmacy ownership were made smoother and faster than before.

The amendment also made it possible to freely locate the pharmacy self-collection lockers within the pharmacy's catchment area. Social welfare's residential care housing units were given the right to maintain a limited stockpile of medicines for shared use in case the residents encounter any acute medication needs.

Fimea was given the opportunity to temporarily close a pharmacy if patient safety is threatened. The two-week storage obligation for medicines was extended to also apply to the subsidiary pharmacies.

The reform of pharmaceutical matters was initiated in the pharmaceutical division of the Ministry of Social Affairs and Health by defining the tasks and objectives of pharmacies. The review also included pharmaceutical economy and online pharmacy operations. However, the reform proposals were not promised to be presented until the turn of the year 2022–2023.

THE MINISTRY WAS ALSO PREPARING extensive pharmaceutical savings, as the government decided in spring 2020 that the binding nurse-patient ratio, which will enter into force at the beginning of 2023, will be partly financed by the pharmaceutical service. The government decided that the amount of the savings would be 60 million euros, and the means assessed by the Ministry were the promotion of the use of biosimilar medicines and cutting from the pharmacy's profit. The work also continued in 2022.



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1 The Association of Finnish Pharmacies increased its shareholding in Farmania, which provides human resources services to pharmacies, to 75%. Risto Kanerva, President AFP, and Marianne Hovi, CEO of Farmania, signed the deed of purchase in April. | 2 The portrait of Marja Ritala, the pharmacist who chaired the AFP from 2015 to 2018, was unveiled in October. The portrait was painted by artist Timo Vuorikoski. | 3 The APTEEKKARI 2021 event was held in November at Messukeskus.

Minister of Social Affairs and Health Hanna Sarkkinen brought the government's greeting to the event. | 4 In April, the AFP sold its stake in the Pharmadomus property located in the heart of Helsinki, completed in 1930. In spring 2022, the AFP office will move to new premises in Vallila, Helsinki. | 5 The Pharmacy Week organised in the autumn highlighted the importance of monitoring pharmacotherapy. The letter combination TKOK was used to pay attention to the efficacy, use,



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problems and control of medicines. | 6 In May, the Association of Finnish Pharmacies published the sustainability principles that guide the operations of pharmacies in Finland. | 7 The Association of Finnish Pharmacies supported the gaming company Psyon Games in the development of the Antidote COVID-19 game. The game rectifies any disinformation associated with the coronavirus and encourages people to get vaccinated.

THE LIGHT WAS SWITCHED ON

The year 2021 sharpened the role of pharmacies as the last lock in the customers' medicine safety. The national medicine safety programme of pharmacies, Valo, was born.

The Valo programme ("Light"), launched by the Association of Finnish Pharmacies together with the Finnish Centre for Client and Patient Safety, aims to improve the safety of the out-patient medicinal treatment process in cooperation with other social and healthcare services.

As the first step in the Valo programme, pharmacies joined Haiipro, a tool for reporting patient safety incidents, in September. The system is widely used in social and healthcare services and enables anonymous, smooth communication between different organisations. Reporting incidents can be used for learning and building new practices and safeguards.

"When a mistake occurs, you do not ask who, but why. There is no point in repeating the same mistake," explains Tiina Koskenkorva, project manager of the Valo programme.

Errors related to medication have been identified as the single biggest risk to patient safety in healthcare. One in four visits to the emergency room for specialised medical care for older people is due to adverse effects by pharmaceuticals.

By the end of the year, pharmacies had already reported more than 3,000 safety incidents or close-call incidents through Haiipro.

As part of Valo, medication safety pharmacists were appointed in pharmacies to, among other things, enable the Haiipro system to be introduced in pharmacies. The intention is

that medication safety pharmacists will act as contact persons elsewhere in social and healthcare services, so that in the future, the safety of pharmacotherapy can be developed in an agile manner across organisational boundaries.

Valo's vision is that every new wellbeing services county would have a regional pharmacovigilance coordinator for pharmacies. Their work, on the other hand, would be guided nationally by the person responsible for developing the cooperation between pharmacovigilance operations in pharmacies and health and social services.

THE MINISTRY OF Social Affairs and Health has set a target for Finland to be a model country for customer and patient safety by 2026. The inclusion of pharmacies in national pharmacovigilance work will enable the expertise of pharmaceutical professionals to be utilised more efficiently as part of the health and social services system.

"The Valo programme is not only about incident prevention, but also about the will and ability to promote safety through the control of safe operations, the active use of safety-supporting operating models and tools, and the continuous development of competence and learning," Koskenkorva describes. ■



VALO, in other words, the national pharmacovigilance programme of pharmacies, is a project launched by the Association of Finnish Pharmacies and the Finnish Centre for Client and Patient Safety that will extend until 2026.

The vision of the programme is "Let's work together to light up the path of pharmacotherapy to be safe".

Valo's partners are Awanic Oy, Farmasian oppimiskeskus (Pharmacy Learning Centre) and the University of Helsinki.



TOWARDS CONTROLLED CHANGE

Over the past few decades, more than 20 proposals have been made to amend the medicine tariff, pharmacy tax and pharmacy fee. Proposal after proposal has remained in the starting blocks and the ever-increasing costs for government medicine reimbursements have been cut over the years by clipping from the drug prices.

nearly 2021, the coordination group of the project, previously known as the Roadmap of Pharmaceutical Matters and now called the Reform of Pharmaceutical Matters, appointed a pharmaceutical division, which is responsible for supporting the preparation of the overall development of the pharmaceutical economy and the distribution of medicines in the reform of pharmaceutical matters.

One of the objectives of the reform of pharmaceutical matters is to reduce the share of the pharmacy system in the costs of pharmacotherapy without compromising the availability of medicines, the accessibility of services or rational pharmacotherapy.

In February, the Association of Finnish Pharmacies encouraged the government to launch a reform of the pharmaceutical economy as soon as possible so that there would still be time to implement the plans during this government term. The Association already published its own proposal to reform the pharmaceutical economy the previous summer. The model would reduce the prices of prescription drugs by an average of 4.3 per cent, and the price of the most expensive drugs by up to 9 per cent.

"If the will to do so exists, during this government term, we will have time to implement a reform that will reduce the prices of medicines, reverse the increase in Kela's pharmaceutical reimbursement costs and reduce the differences in the income of pharmacies," said Pharmacist Risto Kanerva, President of AFP.

Additional pressure on the reform was also brought about by the nurse-patient ratio set out in the government programme, which is to be partly financed by savings created in the pharmaceutical service.

According to a study published in the spring by Aalto University, the Research Institute of the Finnish Economy Etla, the Finnish Institute for Health and Welfare (THL) and the VATT Institute for Economic Research, the real increase in the cost of prescription medicines for outpatient healthcare in Finland has been 87 per cent over the last 20 years. Most of the growth has come from expensive original medicines. The study listed the increase of price competition in biological medicines as one of the most interesting ways to create savings.

According to calculations published by AFP in the autumn, the substitution of biological medicines in pharmacies would result in savings of dozens of millions of euros in pharmaceutical costs. The Association also proposed that a system of reference prices be established for biological medicinal products, which would further increase price competition between products.

"If Finland decides to try the substitution of biological medicines in pharmacies, the pharmacies will be ready," assured Charlotta Sandler, Director of Pharmaceutical Affairs at AFP. ■



BIOLOGIC MEDICINE AND BIOSIMILAR

BIOLOGICALS contain one or more active substances, which are biological agents and produced by or originating from a biological source. A biosimilar is a biologic medicine developed to be similar and comparable to its reference biologic reference medicine known as the original medicine. The biosimilar contains the same active substance as the original medicine, but in a different version. A biosimilar is as effective, safe and of high quality as its reference product. According to the Finnish Medicines Agency (Fimea), the products are of equal value in treatment use and interchangeable under the supervision of a healthcare professional. ■

Pharmacies would have had the potential and willingness in the autumn to participate in organising COVID-19 testing of asymptomatic persons for official coronavirus certificates. According to a survey conducted in August, more than 60 per cent of pharmacies were ready to start rapid COVID-19 testing after some precision training.

THE PANDEMIC REVEALED POTENTIAL

The coronavirus pandemic highlighted the importance of pharmacies in many European countries in a completely new way. In many countries, pharmacies took on new tasks and eased the burden on other healthcare providers. Finnish pharmacies would also have liked to have done more: however, their offer was not accepted.

Right at the beginning of the pandemic, the Association of Finnish Pharmacies reiterated the proposal it had already made in the last decade on the right of pharmacists to vaccinate and receive appropriate training for it. As the coronavirus situation suddenly worsened towards the end of the year, AFP appealed to the government to take measures to promote the matter. A nationwide network of pharmacies and the long opening hours would be a significant addition to Finland's vaccination capacity and the fight against the coronavirus pandemic.

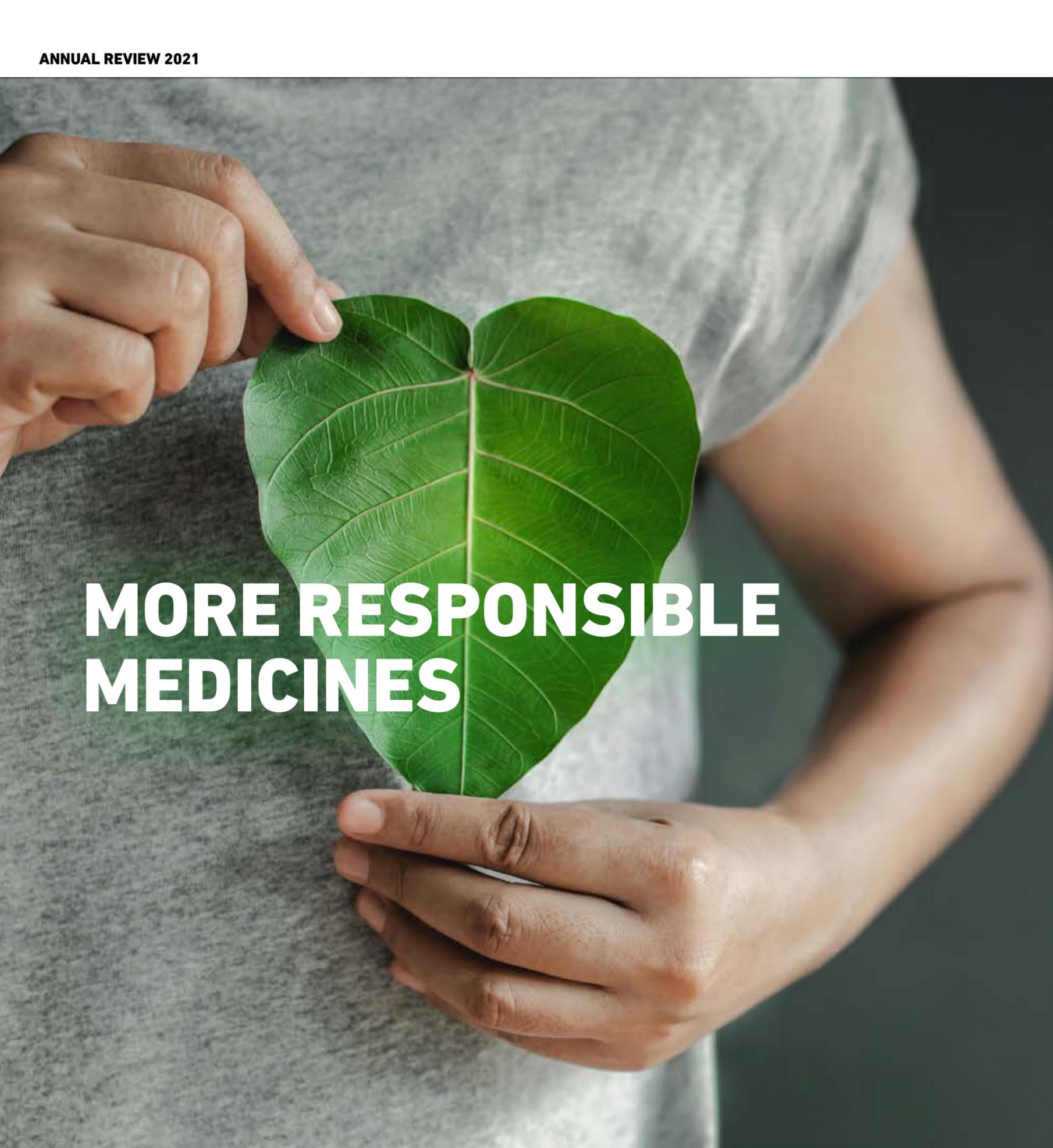
Nearly 100 pharmacies would have been ready to begin vaccinations immediately and up to 440 announced their readiness to open a corona vaccination point at the beginning of 2022.

Vaccinations at pharmacies also received support from politicians. In April, Minna Reijonen (Finns Party), Member of Parliament and the Social Affairs and Health Committee, submitted a written question on the matter, and Sari Sarkomaa (National Coalition Party), Vice Chair of the National Coalition Party Parliamentary Group, appealed in December for the government to take immediate action to include pharmacies in the coronavirus vaccinations.

According to the Pharmaceutical Group of the European Union (PGEU), pharmacy vaccinations are an effective way of increasing vaccination coverage: they reach people who might not otherwise seek to be vaccinated. In 2021, in altogether seven European countries, coronavirus vaccinations were administered in pharmacies.

"Hopefully, the potential of pharmacies as part of healthcare will also be better utilised in Finland in the future," said Charlotta Sandler, Director of Pharmaceutical Affairs at the Association of Finnish Pharmacies. ■

"Right at the beginning of the pandemic, AFP reiterated the proposal it had already made in the last decade on the right of pharmacists to vaccinate and receive appropriate training for it."



MORE RESPONSIBLE MEDICINES

The Pharmaceutical Group of the European Union (PGEU) called for action by various actors to prevent the environmental impact of medicines. Among other things, the PGEU also encouraged investment in the training of healthcare and pharmaceutical professionals from an environmental point of view.

The call was answered and the University of Helsinki launched a project to establish the world's first professorship in sustainable development in pharmacy. In the future, a permanent professorship will help in training experts in pharmacy and the pharmaceutical sector with the skills to make the operating methods of the industry more environmentally friendly.

This means taking environmental impacts into account both in the development, production and distribution of medicines and in managing the environmental impacts of the use of medicines.

The Association of Finnish Pharmacies donated 100,000 euros from the Pro Farmasia Fund it manages to the University of Helsinki to promote the professorship in sustainable development in pharmacy.

The Faculty of Pharmacy will continue its fundraising efforts until the end of 2022. The aim is to open the world's first pharmacy sustainability professor for applications in spring 2023.

THE ENVIRONMENTAL ASPECT WAS also taken into account in the pharmacy sustainability principles published in the spring. Finnish pharmacies have been ensuring the reception and proper disposal of expired and unused medicines for a long time now.

In addition, pharmacies undertake to reduce the amount of medical waste by encouraging customers to only use the necessary medication. Pharmacies are also working to raise awareness of the environmental impact of medicines and are involved in the battle to reduce the threat of antibiotic resistance.

AT THE END OF THE YEAR, THE FINNISH PHARMACEUTICAL INFORMATION CENTRE PUBLISHED an environmental classification of pharmaceuticals intended for pharmacies and other healthcare professionals. The classification provides information on, among other things, the risks of pharmaceuticals and the environmental load. The aim is that the classification will later be able to take into account the carbon footprint, which covers the entire life cycle of the medicine, i.e., the environmental impacts related to the production and transport of the medicine, for example.

According to the PGEU, one way to reduce the environmental footprint of the pharmaceutical sector is to dispense customers their medicine as close as possible, preferably within walking distance, from their own local pharmacy.

"Our extensive network of pharmacies also supports the environment," notes Charlotta Sandler, director of pharmaceutical affairs at AFP. ■

In 2021, big steps were taken towards greener pharmacy.



GRADE: EXCELLENT

Pharmacies also coped excellently in the second year of the pandemic. The prices of prescription medicines continued to fall and the availability of medicines remained excellent.

PRICES OF PRESCRIPTION MEDICINES FELL

THE DOWNWARD TREND IN THE PRICES OF PRESCRIPTION MEDICINES continued. According to Statistics Finland's consumer price index published in January, Finns paid more than 15 per cent less for their prescription medicines at the end of the previous year than a decade ago.

The prices of self-care medicines have remained almost unchanged, rising by just over one per cent in 10 years. By comparison, consumer prices went up by 11 per cent over the same period and taxi rides by 28 per cent, for example. ■

94%

Despite the increase in online pharmacies, the majority (94%) of Finns still obtain their medicines by physically visiting a pharmacy.

FINNS PREFER A LOCAL FINNISH PHARMACY

THE FINNS GAVE an excellent mark to pharmacies for their services during the pandemic. According to the One Thousand Finns survey published in January 2021, 64 per cent of Finns who used pharmacy services were very satisfied with the operations of pharmacies during the coronavirus pandemic.

Despite the increase in online pharmacies, the majority (94%) of Finns still obtain their medicines by physically visiting a pharmacy, and almost as many also consider it to be the preferred way to obtain medicines in the future.

Up to 97 per cent of the population feel that it is important to have a pharmacy in their municipality of residence. More than a quarter puts it among the three most important services in the municipality.

Finns also feel it is important that pharmacies are domestically owned and that taxes on pharmaceutical sales are paid to Finland. Nearly 90 per cent of Finns consider domestic ownership and taxation to be at least fairly important. ■

FOR 99 PRESCRIPTIONS OUT OF 100, THE MEDICINE WAS FOUND IMMEDIATELY.

THE RELIABILITY OF SUPPLY OF MEDICINES from pharmacies remained excellent despite the pandemic and increased shortages of medicines.

According to a survey conducted in mid-March, the reliability of supply of Finnish pharmacies even improved slightly from the previous year, ending at 99 per cent.

The majority (71%) of drug deficiencies were resolved by means of a generic substitution made by the pharmacy without contacting a doctor.

One in ten drug deficiencies was due to a shortage of medicines, i.e., the medicine was not available from pharmaceutical wholesalers.

The medicine search service, called Lääkehaku, developed by AFP on the Apteekki.fi website proved to be an effective tool for drug shortages: it was used to find the missing medicine for two out of three customers. ■

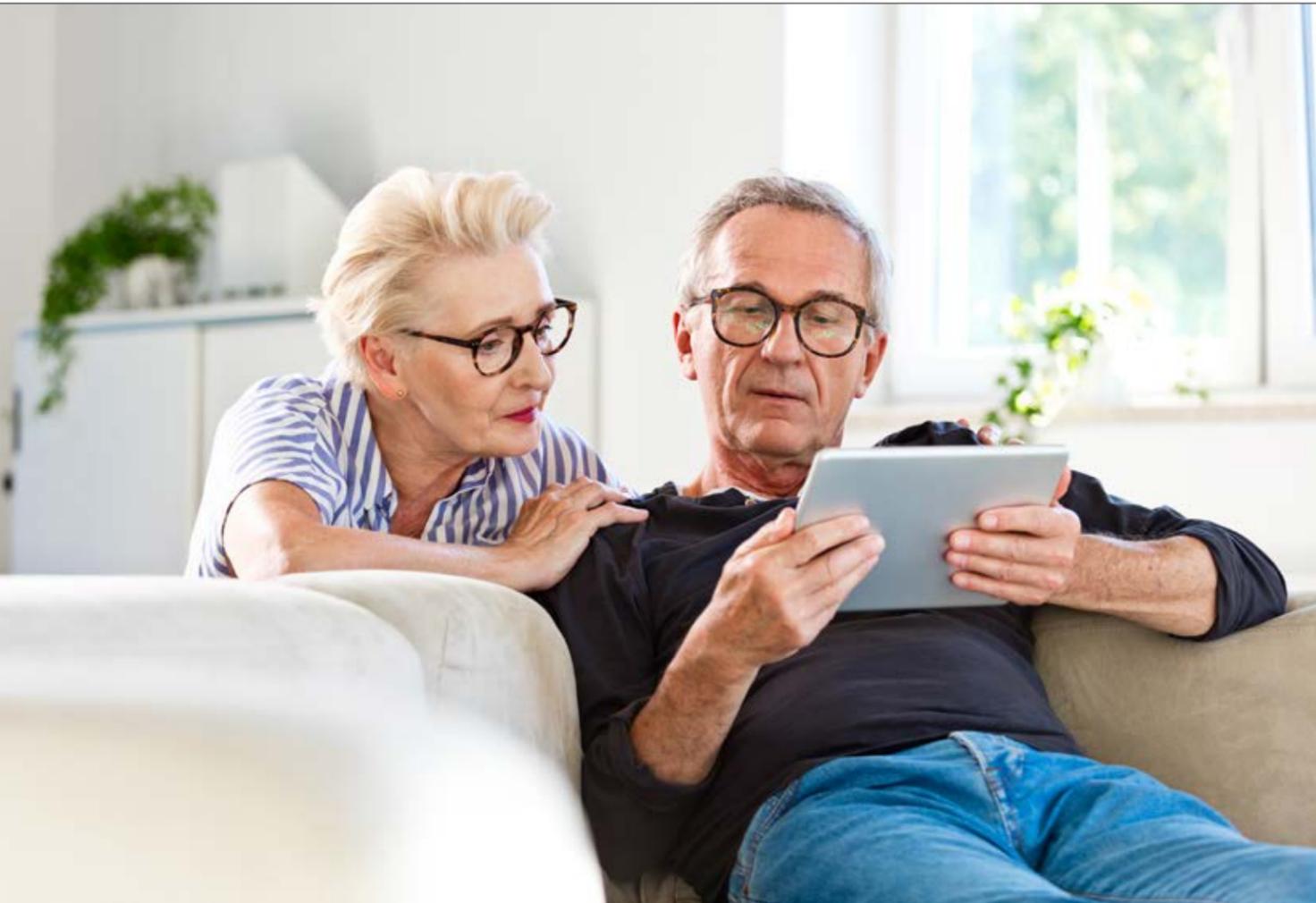
THE PANDEMIC AFFECTED THE SALE OF MEDICINE

HAND HYGIENE AND AVOIDING SOCIAL contacts reduced infections and shrunk the sale of antibiotics. According to statistics published by Kela, the number of buyers of antibiotics decreased by up to 27 per cent in the first year of the pandemic compared to 2019.

Over the same period, the number of those purchasing NSAIDs with prescription decreased by five per cent. In particular, the number of buyers of the most commonly used NSAID ibuprofen decreased.

As the pandemic progressed, research results on how certain drugs can help with coronavirus symptoms were regularly published in the media. The media coverage affected the pharmacy sales of medicines. Sales spikes were observed, for example, for hydroxychloroquine used to treat malaria and rheumatoid arthritis, and for dexamethasone. ■





EXAMINING THE FUTURE OF ONLINE PHARMACIES

AS PART OF THE REFORM OF PHARMACEUTICAL MATTERS, the Ministry of Social Affairs and Health also highlighted the development of distance sales of medicines and online pharmacy activities.

Several actors in the retail distribution of medicines, advocacy organisations, patient organisations and authorities participated in a discussion organised by the Ministry of Social Affairs and Health in November on the future guidelines for online pharmacies.

The discussion was based on a study conducted by the Ministry in the autumn on online pharmacy activities in the various Nordic countries and on the regulation related to distance selling of medicines. In Finland, an online pharmacy licence is connected to a brick-and-mortar pharmacy, but Swedish and Danish legislation also allows online-only pharmacies.

Everyone involved in the discussion agreed that the development proposals should be based on customer needs and any changes should serve the customers and users of medications.

“Pharmaceuticals differ significantly from many other commodities, for example, because medicines must also be available nearby, for acute needs. Therefore, online pharmacy operations must be developed primarily from the objectives of the pharmaceutical service and by ensuring a nationwide network,” said Merja Hirvonen, CEO of the Association of Finnish Pharmacies. ■

“Online pharmacy operations must be developed primarily from the objectives of the pharmaceutical service and by ensuring a nationwide network.”

PURCHASES MADE ON BEHALF OF SOMEONE ELSE INCREASED IN ONLINE PHARMACIES

IN THE SUOMI.FI SERVICE it has been possible to authorise pharmacy services for someone else to handle for a couple of years now. In October, the possibility to acquire services on behalf of someone else expanded to also apply to some online pharmacies. The aim is that during 2022, acquiring services on behalf of someone else will expand to cover all ePharmacies.

In online pharmacies where the option to acquire services on behalf of someone else is in effect, it is possible to act simultaneously not only on your own behalf, but also on behalf of two other people. ■



A COUNTY ELECTION OBJECTIVE IS TO MANAGE THE OVERALL MEDICINAL TREATMENT SYSTEM

In November, **THE ASSOCIATION OF FINNISH PHARMACIES** announced its objectives for the county elections. According to the Association, pharmacies must be strongly integrated into the health and social services system in the wellbeing services counties.

In its objectives, the Association reminded us that the pharmacy is by far the most used and often the closest healthcare service. Local pharmacies can support the operation of the wellbeing services counties by offering advice, low-threshold services and guiding customers to choose the correct healthcare service unit.

Pharmacies should be used especially to manage the overall medicinal treatment of a patient.

“The core competence of pharmacy professionals is the review and evaluation of pharmaceutical treatments. Evaluations should be regularly available to older people and others who could benefit from them,” said Risto Kanerva, President of AFP at the APTEEKKARI 2021 event for pharmacists. ■

CHANGES TO THE MEDICINES ACT

THE LONG-PREPARED reform of the Medicines Act reached its final stages in November, when the Parliamentary Committee on Social Affairs and Health published its report on the proposed amendments.

The aim of the legislative amendments is to increase the number of pharmacies, enable price competition for self-care medicines and improve the availability of medicines and pharmacy services.

The committee mainly supported the adoption of the bill, but proposed, for example, that self-care medicines requiring further advice, and which may involve particular risks, should be excluded from price competition for self-care medicines.

The Committee also required the government to monitor the impact of the government’s proposal on the operation of the nationwide pharmacy network and on the resourcing of pharmaceutical work in pharmacies, and to take the impacts into account in the context of further legislative development.

According to the Committee’s proposal, the amendments will enter into force on 1 April 2022. ■



THE PHARMACY SYSTEM IN BRIEF

ALMOST EVERY MUNICIPALITY has at least one pharmacy. The pharmacies' online services complement the services of bricks-and-mortar pharmacies, and the pharmacy service points provide medicines in areas where there is no pharmacy.

The running of a pharmacy in Finland requires a licence, which is 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 in line with the criteria defined in the Medicines Act.

Fimea also makes decisions based on an assessment of needs regarding the establishment of new pharmacies and subsidiary pharmacies. A new pharmacy or a subsidiary pharmacy is often established on the initiative of a municipal authority.

Citizens of countries other than Finland may apply for a pharmacy licence, but such a licence cannot be granted unless they have received Finnish authorisation to be a pharmacist in Finland.

A community pharmacy licence is granted for a specific catchment area, typically a municipality. In large municipalities and in cities, there may be several such pharmacy catchment areas and each of them may have several pharmacies. Within a particular catchment, a pharmacy may be located without restrictions, for example close to an existing pharmacy. However, the siting of a subsidiary pharmacy is more strictly regulated.

A proprietary pharmacist is permitted to hold only one pharmacy licence and a maximum of three subsidiary pharmacy licences at one time, except in the case of a change of ownership of a pharmacy. Fimea may also grant permission to a proprietary pharmacist to establish service points within the outlying districts of the pharmacy's own catchment area or beyond into a neighbouring municipality or 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, i.e., an online pharmacy, through which to also sell prescription medicines.

PHARMACY CHAINS ARE PROHIBITED IN FINLAND

A PHARMACY LICENCE is granted to a specified individual and it may not be sold or leased out, nor may the licence obligations be transferred to a third party.

The proprietary pharmacist has both professional and financial responsibilities for their pharmacy. A pharmacy licence is terminated when the proprietary pharmacist reaches 68 years. The Medicines Act classes a proprietary pharmacist as a private entrepreneur and the pharmacy as a sole trader business entity.

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

AVERAGE PHARMACY 2021 [estimated]

Turnover:	3.9 million
Prescriptions/year:	76,700
Pharmacy tax to the state:	approx. €288,000 (about 7.4% of medicine sales)
Staff (incl. part-time staff):	10 (proprietary pharmacist, staff pharmacist, 5 pharmacists, 3 technical assistants/others)

Source: The Association of Finnish Pharmacies

THE NUMBER OF PHARMACIES AND SUBSIDIARIES [31 DEC.]

Figures include university pharmacies

	1970	1980	1990	2000	2010	2021
Pharmacies	561	564	576	595	618	632
Subsidiaries	97	126	173	201	194	190
Total	658	690	749	796	812	822

Source: The Association of Finnish Pharmacies

PRESCRIPTIONS DISPENSED BY COMMUNITY PHARMACIES [millions of prescriptions]

	2016	2017	2018	2019	2020	2021*
	58.8	61.3	63.3	65.7	67.1	68.5

Source: Fimea | *estimate/AFP

MEDICINE TARIFF

THE COUNCIL OF STATE Decree on Medicine Tariffs sets the retail price of a prescription medicine according to a wholesale price (see table). Hence, a pharmacy never decides the price of a prescription medicine; it is decided by the state.

The amendment to the Medicines Act, which entered into force on 1 April 2022, changed the retail price of a self-care medicine as the maximum price, i.e., the pharmacy can sell the self-care medicine at a lower price, but not below the wholesale price. The wholesale prices of medicines are the same for all pharmacies, and the medicine wholesaler cannot give the pharmacy a discount. The medicine tariff is degressive, i.e., the pharmacy's gross margin decreases proportionally as the wholesale price of the medicine increases.

822

THE TOTAL NUMBER OF COMMUNITY PHARMACIES IN FINLAND IS 822

PHARMACY TAX

PHARMACIES PAY pharmacy tax to the State on the basis of a table decided by Parliament each year. The pharmacy tax provides an income of approx. €200 million per year to the State. The tax is based on the turnover of the sales of prescription and self-care medicines and it is progressive.

In particular, the pharmacy tax gives the state a bigger cut of the incomes of large pharmacies and thus adjusts the financial result of pharmacies of different sizes. The effect of the pharmacy tax is that a small pharmacy will earn a higher margin from the sale of the same medicine than a large pharmacy.

The smallest pharmacies are exempt from the pharmacy tax; for the larger pharmacies, the tax is over 10 per cent of the turnover from the sale of medicines.

MEDICINE RETAIL PRICE AT THE PHARMACY

The Council of State Decree on Medicine tariff decided by the Council of State, 17 October 2013

Wholesale price (€)	Prescription drug	The maximum price of 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%
over 420.47	1.1 x wholesale price + €36.65 + VAT 10%	1.125 x wholesale price + €47.68 + VAT 10%

An administration fee of €2.39 (incl. VAT) per transaction is added to the price obtained by the adjacent formula for a prescription medicine and self-care medicines dispensed by prescription, which is independent of the number of packages sold.

PHARMACY TAX TO THE STATE

Pharmacy Tax Act 770/2016 (in force since 1 January 2017)

Pharmacy's annual turnover (€)	Pharmacy tax at the lower turnover limit (€)	Tax % exceeding turnover (€) at the 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 TAX WHEN A PHARMACY HAS A SUBSIDIARY PHARMACY

Total turnover of the main pharmacy and the subsidiary pharmacy (€)	Pharmacy tax
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, a subsidiary pharmacy deduction

STAFF AT PHARMACIES [31 Dec.]

The figures also include employees of the university pharmacies

	2010	2012	2014	2016	2018	2021
Proprietary pharmacists	594	588	592	594	603	619
Staff pharmacists	813	749	741	772	792	751
Pharmacists	3,840	3,664	3,691	3,724	3,868	4,088
Technical, etc.	3,032	3,486	3,498	3,486	3,399	3,191
Total	8,279	8,487	8,522	8,576	8,662	8,649

At the end of 2021, there were 619 proprietary pharmacists working in Finland. The pharmacies employed a total of about 8,650 people (including staff in university pharmacies and pharmacy students).

Source: Association of Finnish Pharmacists

PRIVATE COMMUNITY PHARMACY OUTLETS ACCORDING TO SIZE 2021

Prescriptions/year	Number of pharmacies
200,001 –	25
180,001 – 200,000	14
160,001 – 180,000	26
140,001 – 160,000	38
120,001 – 140,000	53
100,001 – 120,000	73
80,001 – 100,000	88
60,001 – 80,000	96
40,001 – 60,000	105
20,001 – 40,000	155
– 20,000	101

Source: The Association of Finnish Pharmacies, incl. 96% of all pharmacy units

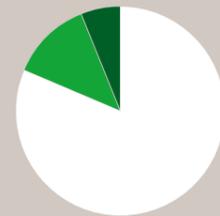
TURNOVER OF PRIVATE COMMUNITY PHARMACIES [ex. VAT]

Year	€ Million
2012	2,134
2013	2,163
2014	2,235
2015	2,281
2016	2,387
2017	2,356
2018	2,403
2019	2,499
2020	2,571
2021	2,635*

Source: Fimea's financial statement analysis, Association of Finnish Pharmacies *estimate.

The statistics will be updated at apteekkariliitto.fi

BREAKDOWN OF SALES IN COMMUNITY PHARMACIES 2021 [estimated]



Prescription medicines	82%
Non-prescription medicines	12%
Others	6%

Source: The Association of Finnish Pharmacies

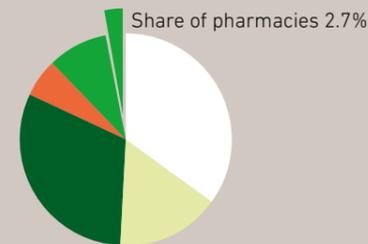
DISTRIBUTION OF THE PHARMACEUTICAL EURO IN 2020



Product manufacturers and wholesaling	65%
Community pharmacy	19%
State	16%

Source: The Association of Finnish Pharmacies

BREAKDOWN OF TOTAL HEALTHCARE EXPENDITURE IN 2019



Specialised medical and hospital care	37%
Primary healthcare*	13%
Other expenditure	34%
Oral hygiene	4%
Medicines in non-institutional care	12%
* excluding occupational healthcare, student healthcare and dental care	

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

The total expenditure on healthcare at current prices in 2019 was approx. €22 billion in total (9.2% of GNP), or approx. €3,983 per capita. Of the total healthcare expenditure, only 2.7% was spent on maintaining the nationwide community pharmacy network.

THE AFP GROUP OF COMPANIES

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

OY MEDIFON AB

FOUNDED: 1981

OWNERSHIP: THE ASSOCIATION OF FINNISH PHARMACIES 100%

TURNOVER 2021: APPROX. €74 MILLION

STAFF: 57

CEO: MIKA FLINK

MEDIFON is the wholesale business, distributor and importer for proprietary pharmacies. From its distribution centre, located in Espoo, the company distributes its own products throughout the country and also the products of its principals. The company is responsible for the AFP member pharmacies' company-label product line, APTEEKKI products; also, it buys, distributes and markets these products. Additionally, the company markets and distributes a wide range of other free-trade products and other special pharmaceutical supplies. It also has wholesale rights for medicines.

PHARMADATA OY

FOUNDED: 1989

OWNERSHIP: THE ASSOCIATION OF FINNISH PHARMACIES 100%

TURNOVER 2021: €7.4 MILLION

STAFF: 46

CEO: ILKKA TOIVOLA

PHARMADATA is the leading company for producing data systems and data communication solutions for pharmacies. Its products are the pharmacy systems pd³ and Salix, and the pharmacy network Apteekkiverkko, plus EasyMedi, SecureMedi, Procuero, Presto and other pd-products. Pharmadata also offers Service Desk services, software training and project- and pharmacy-specific services, and automated invoicing services.

PHARMAPRESS OY

FOUNDED: 1997

OWNERSHIP: THE ASSOCIATION OF FINNISH PHARMACIES 100%

TURNOVER 2021: €1.12 MILLION

STAFF: 2 + 5 (IATOD)

CEO: ERKKI KOSTIAINEN

PHARMAPRESS is a communications and publishing company that produces high quality and effective communications services for both the AFP and its member pharmacies. It produces and publishes journals within the pharmacy field: APTEEKKARI, the journal for proprietary pharmacists and partners; Terveystiesi!, the magazine for pharmacy customers; Meidän APTEEKKI, the magazine for proprietary pharmacists, their staff and pharmacy students. Additionally, Pharmapress arranges further training for pharmacy staff, events and exhibitions, and also publishes books, guides and other literature, together with their electronic applications.

FARMANIA OY

FOUNDED: 2012

OWNERSHIP: THE ASSOCIATION OF FINNISH PHARMACIES 75%

TURNOVER 2021: €7.1 MILLION

STAFF: APPROX. 250

CEO: MARIANNE HOVI

FARMANIA is the market leader in pharmacy personnel leasing services, with an aim to provide its customers with everyday life as smoothly as possible. The company employs approximately 250 pharmaceutical professionals across Finland. Farmania offers its customers a personal HR service tailored to each customer's needs. The pharmacy digital support service helps pharmacies set up an online pharmacy and train pharmacies in matters related to online pharmacies and social media. The company also provides services to the pharmaceutical industry and healthcare companies.

THE BOARD OF THE ASSOCIATION OF FINNISH PHARMACIES ELECTED AT THE 2021 ANNUAL AUTUMN MEETING



RISTO KANERVA
PRESIDENT TAPIOLA
PHARMACY ESPOO



SARI WESTERMARCK
1ST VP KARKKILA
PHARMACY



KIRSI PIETILÄ
2ND VP AURINKO
PHARMACY RIIHIMÄKI



TIMO AUVINEN
SAVONLINNAN
UUSI APTEEKKI



AHRI HIRVONEN
ILOMANTSI PHARMACY



RISTO HOLMA
LAUTTIS PHARMACY
HELSINKI



LENITA JOKINEN
RUNOSMÄKI PHARMACY
TURKU



TOMI JÄRVINEN
SEPPÄLÄ PHARMACY
JYVÄSKYLÄ



**HELENA KESKI-
HYNNILÄ**
NEW PHARMACY
KOUVOLA



SOILI KIRKINEN
LIEVESTUORE
PHARMACY
LAUKAA



JANNE NISSLÄ
SAMMONLAHTI
PHARMACY
LAPPEENRANTA



NINA RONIMUS
KOSKENMÄKI PHARMACY,
NOKIA



ANNA SCHOULTZ
APTEEKKI PUNAVUORI
HELSINKI



PETTER STRÖM
KUNINKAAN APTEEKKI
VAASA



RISTO SUOMINEN
EKENÄS I PHARMACY



ANU TÖYRÄS
KÄRSÄMÄKI PHARMACY

EXECUTIVE BOARD



MERJA HIRVONEN
Chief Executive Officer;
overall management and
promotion of interests
040 588 0841



CHARLOTTA SANDLER
Director of
Pharmaceutical
Affairs; management
of pharmaceutical and
professional matters,
matters relating to Kela
050 543 0411



ILKKA HARJULA
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promotion
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ERKKI KOSTIAAINEN
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PharmaPress Oy
050 566 8188



TOUKO AALTO
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Relations; stakeholder
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interests
040 516 9332



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ICT Director; information
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040 148 8009

STAFF



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**MONNA APAJALAHTI-
MARKKULA**
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APTEEKKI magazine
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REET HABONEN
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010 6801 413



ARTO HOKKANEN
Pharmacist; ePharmacy,
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010 6801 424



HANNA HYVÄRINEN
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SONJA KALLIO
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Specialist; lobbying,
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services cooperation
010 6801 414



MILLA KEMI
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TietoTippa databases,
Salama information
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010 6801 415



TIINA KOSKENKORVA
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Valo project manager
010 6801 428



HENNA KYLLÖNEN
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training concerns
010 6801 402



PAULA LAINE
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Pharmacy Calendar Online
010 6801 417



SUVI LEVÄNEN
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Apteekkituubi business
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010 6801 412



MARKUS MANNER
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information
010 6801 429



ULLA RAAPPANA-JÄNIS
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Läkehaku service
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010 6801 421



SANNA RASIMUS
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TietoTippa databases,
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010 6801 425



NINA SILLANTAKA
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Press webinars
010 6801 463



TUA SJÖSTRÖM
Pharmacist; Taksa &
TietoTippa databases,
Salama information
service, dispensing
videos
010 6801 433



TIINA VAINIKAINEN
Financial Assistant;
billing, sales ledger
010 6801 431



MARJO VAINIO
Pharmacist; member-
ship services for phar-
maceutical issues and
HaiPro support, dose
dispensing, Liikkujan
apteekki concept
010 6801 422



TARU VANHALA
Pharmacist, commu-
nications; Terveystieto
magazine, materials
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student cooperation,
daily communications
010 6801 462



JENNI VARTIAINEN
Organisational Manager;
Assistant to the
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to the AFP board
010 6801 423



APTEEKKI

Auttaa lähelläsi.



SUOMEN APTEEKKARILIITTO – FINLANDS APOTEKAREFÖRBUND

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