



**THE ASSOCIATION OF  
FINNISH PHARMACIES**

**2020**



**PHARMACY**

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.

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THE YEAR OF THE CORONA VIRUS

The corona virus set the pace for 2020. Despite the pandemic, reforms of medical issues moved forward.

**THE WORLD HEALTH ORGANIZATION** declared a new disease caused by a corona virus (SARS-CoV-2) to be a pandemic in mid-March.

In Finland, the government stated that the country was experiencing exceptional circumstances due to a pandemic, and the Emergency Act was invoked. Under this law, wide-ranging restrictive measures and limits to movement were taken in order to curb the spread of the virus. The most stringent of these was the sealing off of the region of Uusimaa for almost three weeks.

Effects of the pandemic immediately began to appear in pharmacies, with citizens supplementing their medicine cabinets with self-care medicines to relieve pain and fever. Customers took to buying up in just a few days quantities that would normally be sold in three weeks. Moreover, some people also wanted more than three months’ worth of their prescription medicines.

**THE SPIKE IN THE DEMAND** for medicines led to wholesalers becoming overburdened for several days, resulting in product shortages in pharmacies for a couple of weeks.

Under the Emergency Act, the Ministry of Social Affairs and Health limited the number of medicines that could be dispensed at one time. Additionally, it required pharmacy owners to modify their working practices to reduce the exposure of customers and pharmacy staff to the virus.

In the summer, amendments were rapidly made to the Medicines Act, the Infectious Diseases Act and the Obligatory Storage of Medicines Act to ensure the availability of medicines and in sufficient quantities. The obligation of pharmacies was clarified to make sure that they always stocked enough medicines to generally meet the average needs of their regular customers for up to at least two weeks.

Despite the focus of decision-makers being primarily on dealing with the pandemic throughout the year, the broader reforms of the pharmacy sector already agreed in Prime Minister Sanna Marin’s government programme progressed. In the autumn, the Ministry of Social Affairs and Health asked for responses to the amendments to the Medicines Act which had been under preparation for a long time, but which did not reach parliament for the changes to be made.

Amendments to the Medicines Act aimed, for example, to shorten the appeals process for new pharmacy licences, to allow price competition among pharmacies for self-care med-

icines, and also to permit the pharmacy self-collection lockers to be located throughout the pharmacy’s catchment area.

**THE MEDICINES ROAD MAP** moved forward. In order to prepare for a reform of the economy of the pharmacies, the Ministry of Social Affairs and Health commissioned the Finnish Medicines Agency (Fimea), the Social Insurance Institution of Finland (Kela), and the Finnish Institute for Health and Welfare (THL) to carry out a preliminary study to compare pharmacy tariffs in other Nordic countries with those in Finland. This study was published in late January.

In the discussions about the budget framework which took place in the spring, the government set aside EUR 12 million for the implementation of the pharmaceutical roadmap during the current government term. The government also decided to finance staffing for elderly care from 2023 by reducing the state’s share of medicine reimbursements by EUR 60 million.

In September, the ministry said one of the aims of this reform is to reduce the pharmacy system’s share of the cost of medicine treatment. At the same time, however, the ministry emphasised that neither the availability of medicines nor the access services must be jeopardised, and the same must apply to the implementation of rational medicine treatment. The ministry added that it will examine self-care medicines as part of pharmacy work in the reform.

The implementation of the roadmap was divided into three development packages, namely the management and financing of medicines treatment, the economy of pharmacies and medicine distribution; information management and digital tools were included, too. A coordination group was set up in November to monitor the implementation.

The Finnish Competition and Consumer Authority (KKV) published its own pharmacy market report in November. Its contents were largely in line with its previous positions, and the justification for the need for change was connected to lower medicines prices and pharmacists’ incomes.

KKV would like to change all the four basic pillars of the current pharmacy system: control of the locations of pharmacies, establishment and ownership of pharmacies, same prices for medicines and the distribution channel for self-care medicines.

At the end of the year, more than 36 600 laboratory-confirmed coronavirus infections had been diagnosed in Finland and more than 550 Finns had died from the disease.

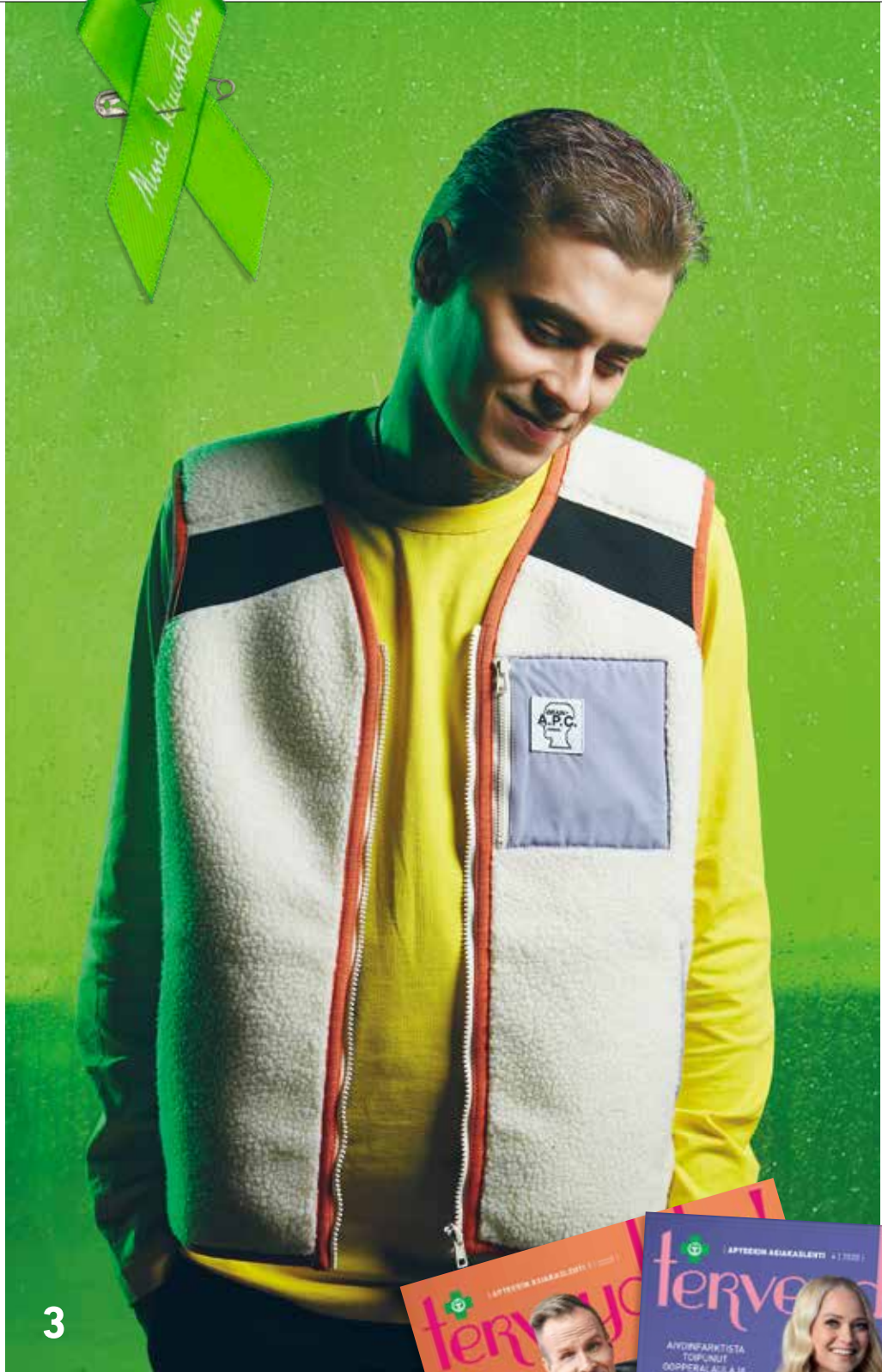




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1 The Association of Finnish Pharmacies (AFP) participated in the Red Nose Day campaign as the second main partner. During the autumn, pharmacies raised a pot of more than 60 000 euros for the world's most vulnerable children. | 2 The corona pandemic forced the APTEEKKARI 2020 event to be held online. Tyyne Kettunen, a major consumer of social and healthcare services,

was among the guests who popped into the studio to see AFP Chairman Risto Kanerva. | 3 For the third time, the member pharmacies of the AFP participated in the Mielinauha fundraising event. This year, the donations were directed entirely to domestic crisis assistance. Singer Mikael Gabriel was the celebrity face of the campaign. | 4 During the annual Pharmacy Week at the end of Sep-



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tember an animated video was shown describing both the stages of prescription dispensing and the digitalisation of pharmacies. | 5 Terveystiete, the customer magazine of the AFP, is Finland's most widely read health magazine. According to a national media survey (Media Audit Finland 2020), the publication has as many as 787 000 readers.



## THE PANDEMIC IMPACTED PHARMACIES UNEVENLY

**THE CORONA PANDEMIC** did not affect pharmacies uniformly. Pharmacies located in the centres of major cities, in shopping malls and at transport hubs suffered severe customer loss. Smaller bricks-and-mortar pharmacies on the outskirts of cities, on the other hand, were able to raise their customer numbers as working from home pushed people to increasingly use local neighbourhood services.

According to a survey conducted in October, almost one third of pharmacies experienced weaker turnover during the early part of 2020 than during the same period of the previous year. Moreover, one in five pharmacies expected to run into financial problems if the pandemic situation persisted for a long time.

During the year, a small number of pharmacies had to lay off their staff and reduce opening hours due to fewer customers. By contrast, others extended their opening hours. ■

**T**he corona pandemic arrived and spread forcefully across Finland in March. First, worried citizens rushed to top up their stocks of food and toilet paper, then they rushed to the pharmacies. An unprecedented spike in purchasing temporarily emptied shelves of hand disinfectants and painkillers throughout the country, and as many as 50% more prescription medicines were dispensed compared with the same period of the previous year.

After the initial rush, a sense of calm returned to the country. The forthcoming challenges, however, were just beginning to unfold. Pharmacies had to urgently reshape their operating models following government advice to the elderly and other at-risk groups to limit themselves to conditions similar to quarantine.

These exceptional circumstances led pharmacies to offer their customers alternatives to in-person visits, namely online pharmacy services and telephone services.

Moreover, new and agile operating models quickly supplemented in-store 'bricks and mortar' transactions. For example, a number of pharmacies served their customers outside their premises when needed, and medicines were delivered to customer's cars in car parks. In addition, several pharmacies set aside some of their opening hours specifically for at-risk groups, and the risk of infection was also minimised by limiting the number of customers inside the pharmacy at one time.

These new ways of operating were quickly adopted. Transactions carried out on behalf of a customer had already been made easier following the introduction during the summer of 2019 of the Suomi.fi

service, an electronic authorisation for pharmacy transactions. In March 2020 alone, the number of new authorisations made through this service doubled.

The popularity of online pharmacies immediately started to rise rapidly during the spring. The eAP-TEEKKI online platform, maintained by the AFP, received up to 14 times more customers in April than in the December of the previous year.

By the end of March, 90% of pharmacies were already offering home delivery of medicines either as their own service or in cooperation with municipalities, or as an outsourced service.

The onset of the corona pandemic also increased the popularity of ordering medicines for delivery to pharmacies' automated self-collection lockers. Their number almost doubled during 2020, and by the end of the year, there was a self-collection locker inside or near every fifth pharmacy.

### PHARMACIES DID WELL IN EXCEPTIONAL CIRCUMSTANCES.

In the autumn, both the Ministry of Social Affairs and Health and Fimea praised the pharmacies for their success in helping to ensure the availability of pharmacy services and medicines throughout the country.

According to a survey in March regarding the reliability of supply, during the peak demand period pharmacies were able to dispense 98.2 per cent of prescription medicines on the spot.

In addition, pharmacies also successfully kept their premises safe for their customers and closures of pharmacies were almost completely avoided. Laboratory-confirmed covid-19 infections were detected in only 4% of pharmacies during the year, and no internal chains of infection occurred in any of them. ■

# A YEAR OF THE CORONA VIRUS



# A REFORM WOULD LOWER PRICES

*In June, the AFP presented its own solution to curb the ever-increasing costs of medicine reimbursement.*

**T**he reform model proposed by the Association of Finnish Pharmacies (AFP) would reduce the prices of all prescription medicines by an average of 4.3 per cent, and the most expensive ones by almost 9 per cent. This price cut would be achieved by adjusting the existing relationship between the medicine tariff and the pharmacy tax.

– This medicine tariff-pharmacy tax mechanism continues to have a place because it guarantees equality for citizens, a nationwide pharmacy network and transparency in the pricing of medicines, said Merja Hirvonen, CEO.

In the AFP's proposal, the total amount of the pharmacy tax would be halved and thereafter it would be based on the gross margin of medicines sales and not on the turnover of those sales, as at present.

The pharmacy tax rebate would be transferred in full onto

the prices of medicines. The medicine tariff would be cut to match the halving of the pharmacy tax by reducing wholesale price coefficients and adjusting those parts of the tariff that are fixed.

The reform would be immediately visible in the wallets of citizens, because the deductibles, i.e. what the customers pay for their medicines would fall, as would the tax-payers' share of the reimbursement of medicines.

For the state, the model would start to generate savings, albeit with a delay. But after about three years, the state's savings in medicine reimbursement costs would compensate for the state's pharmacy tax losses. In the long run, the benefits to the state would in fact increase due to falling prices of expensive medicines.

The reform model proposed by the AFP would also significantly reduce income disparities between pharmacies and target the pharmacy tax more fairly. ■

## MEDICINE REIMBURSEMENT COSTS CONTINUED TO RISE

**DESPITE COST-CUTTING** measures, state medicine reimbursement costs have continued to rise in recent years. In 2019, more than 1.5 billion euros in reimbursements were paid, which was €90 million more than during the previous year.

In the long run, however, medicine reimbursement costs have increased more moderately than total spending on healthcare.

The increase in 2019 is partly explained by the lowering of the medicine ceiling, i.e. the annual deductible, from €605 to €572 in the previous year. However, the main reason for the upward trend of medicine reimbursement expenditure results from both new and expensive medicines that are not part of the reference price system. Another phenomenon that has raised costs in recent years is the broadening of the scope of what medicines are used for, i.e. existing medicines may be used for new purposes and therefore become reimbursable.

The greatest savings potential lies in biosimilars. The AFP estimates that more effective use of them could generate several tens of millions of euros in annual savings.

Expensive biological medicines are not covered by medicine substitution, therefore doctors currently play a key role in increasing the use of their copies, i.e. biosimilars. ■



# DIGITAL LEAPS



In June, the Association of Finnish Pharmacies launched a new medicine search service, called Lääkehaku. This browser-based service for customers rapidly searches for the nearest pharmacy where the required medicine is available on the spot.

When a wholesaler runs out of a medicine, it leads to pharmacy stocks rapidly dwindling, and hunting for a medicine may require dozens of phone calls. The Lääkehaku service provides an easier way to find medicines, especially in situations of availability disruptions, which have become more common in recent years.

In addition to being useful for customers, Lääkehaku is also a great tool for healthcare professionals. With the help of a search, particularly when prescribing a rarer medicine, the doctor can refer a patient directly to a pharmacy where it is in stock.

By the end of the year, a quarter of a million Finns had already discovered the service, which received positive feedback from both citizens and stakeholders, and also aroused interest in other Nordic countries. Sweden and Norway, like Finland, have struggled with ever-worsening availability problems in recent years, and the need for a similar system has been identified in both countries.

—When a pandemic breaks out, it is even more important to know where and how many medicines are available at any one moment. We in Finland have been leading the way in developing this service, says Charlotta Sandler, the pharmaceutical director of the AFP. ■

## THE CORONA PANDEMIC JOLTED THE PHARMACY BUSINESS

**FOLLOWING THE ARRIVAL** of the corona pandemic, more and more Finns discovered online pharmacy services. A record number of new online pharmacy services were opened in 2020, and by the end of the year, as many as nearly one quarter of all pharmacies were also offering online services to their customers.

According to the most recent Medicines Barometer survey, conducted in 2019, online services of pharmacies are of most interest to consumers under the age of 40. The corona pandemic, however, led to older age groups also using online pharmacies. The share of people over the age of 65 using online transactions increased to 28 per cent in May, from being only 9 per cent a few months earlier, in February.

The eAPTEEKKI online platform, created and maintained by the AFP, enables even a small pharmacy with a few employees to serve its customers in a variety of ways, including online. ■



# THE PHARMACY IS A HEALTH SERVICE

*Finns value the professionalism and service-mindedness of pharmacy staff.*

A pharmacy is not just a place to buy medicines, it is above all an easily accessible, low-threshold health service point. As many as 70 per cent of the respondents to a 2020 survey of pharmacy customers named the pharmacy as one of their most important sources of medical information.

According to the latest Medicines Barometer survey, concerns about the side effects of self-medication and its interactions with prescription medicines have clearly increased in recent years. This concern is most noticeable among those over 65 years.

In patient workshops arranged by the Finnish Medicines Agency (Fimea) and held during the autumn, the most requested pharmacy services were assistance in managing overall medicine treatment, various counselling services and support for self-care. Moreover, patients hoped that in the future the pharmacy will be a key actor linking the patient to the broader healthcare system and monitoring medication.

**OUTI ANTILA**, Director General of Kela, who spoke at the Apteekkari 2020 event held in the autumn, stated that co-operation between pharmacies, primary healthcare and specialised healthcare should be further increased. At the same time, she highlighted the need to develop information systems to make communication between healthcare and pharmacies as smooth as possible.

Municipal decision-makers also view cooperation with pharmacies as important. According to a survey commissioned by the AFP, municipal decision-makers generally agree that there should be a statutory obligation to ensure medicine safety in home care and service housing units. About half of the municipal decision-makers are already familiar with the service, developed by the AFP, to support safe medicines treatment ■

## LOTTA REVEALS RISKS

**ELDERLY PATIENTS** are particularly susceptible to both adverse medicine reactions and medication errors. According to a peer-reviewed doctoral study at the University of Oulu in the spring, medicine-related harm accounts for almost a quarter of all emergency visits by such patients to specialised care units.

In March, on Pharmacotherapy Day, the LOTTA checklist, which is a pharmacovigilance success checklist, was published. This checklist, developed by researchers at the University of Helsinki, is a tool for those aged 65 and over to self-assess medication risks.

The LOTTA list uses eight questions to reveal the risks associated with medication; it also reminds users of the need for keeping their personal medication list up to date, for example. LOTTA can be used across the healthcare systems.

The AFP participated in the development of the LOTTA list together with the Finnish Medicines Agency (Fimea). ■



The spike in consumption of medicines during the corona spring prompted action to secure the availability of medicines by way of amendments to the law. Also, the wider reform of the Medicines Act took small steps forward.

### CHANGES TO THE MEDICINES ACT

**DURING THE SUMMER**, Parliament made rapid changes to the Medicines Act to ensure the availability of medicines. Following these changes, which came into force in June, the Ministry of Social Affairs and Health (STM) can now temporarily restrict the distribution and sale of a medicine in the event of a supply disruption or the threat of one. In this way, scarce medicine stocks are distributed equally and as widely as possible.

The new law was applied immediately in August when the ministry decided to restrict sales of paracetamol and dexamethasone to ensure the availability of these medicines if the corona pandemic dragged on.

The pharmacies' obligation to maintain their stocks of medicines was also clarified by the amendment to the law. In the future, pharmacies will be required to have at least a two-week stock of medicines corresponding to the average needs of its regular customers. Expensive medicines having a retail price of more than one thousand euros and rare medicines, i.e. very rare medicines, were excluded from the obligation. ■

## CHANGES AND PROPOSED CHANGES



### THE REFORM OF THE MEDICINES ACT PROGRESSED TO A CONSULTATION STAGE

**THE REFORM OF** the Medicines Act, which had been on the back burner during the previous two terms of government, returned for discussion during the autumn when a new proposal to amend the Act moved forward to stakeholder consultation.

The new proposal contains many of the same elements as the 2018 proposal. The aim is to expand Fimea's possibilities to establish new pharmacies and to simplify the procedures for applying for and issuing pharmacy licences. In particular, there is a desire to remove lengthy pharmacy licence appeals processes in order to speed up changes in pharmacy ownership and the establishment of new pharmacies.

The new law proposal would apply price competition to self-care medicines. According to the proposal, the retail price of such medicines, set by the medicine tariff, would be the maximum price, meaning that pharmacies could also sell these self-care medicines at a lower price by reducing their own margin. ■



### PRICE COMPETITION WOULD DISCRIMINATE AGAINST CITIZENS

**PRICE COMPETITION** for self-care medicines proposed in the Medicines Act is questionable, according to experts in the pharmacy field. In the autumn, Riitta Ahonen, Professor of Pharmacy at the University of Eastern Finland, stated in an interview with the Apteekkari magazine that price competition may lead to hoarding and unnecessary use of medicines.

– At the same time, the principle of the same price for the same medicine is being scrapped, leaving citizens in regionally unequal positions.

According to Marja Airaksinen, Professor of Social Pharmacy at the University of Helsinki, price competition would particularly benefit large pharmacies and increase the already noticeable differences.

– The narrowing of the operating conditions of small pharmacies would particularly impact rural communities and suburbs. ■

# -18%

*Consumer prices for prescription medicines, i.e. what the customer pays for a medicine, fell almost 18 per cent from January 2010 to December 2019.*

### CONSUMER PRICES FOR PRESCRIPTION MEDICINES CONTINUED TO FALL

**PRICE MONITORING** published by Statistics Finland in January showed that consumer prices of prescription medicines, i.e. what the customer pays for them at the counter, fell by almost 18 per cent from January 2010 to December 2019.

The biggest factor in the downward movement of prices is the reference price system for medicines introduced in 2009.

Prices of self-care medicines increased by 4.4 per cent during this ten-year period, but the increase was clearly more moderate than the rise in the consumer price index. Consumer prices rose by an average of 14.3 per cent over the last decade. For example, food prices (18%) and taxi rides (34%) rose more than the consumer index. ■





THE CORONA SPRING CAUSED AVAILABILITY SHORTAGES TO SPIKE

**DURING 2020**, Fimea received a total of 2 093 reports of disruptions in availability of medicines, which is almost a quarter more than during the previous year.

This increase in the number of reports is largely explained by the temporary peak in demand during the corona spring. Demand levelled off after sales restrictions were imposed by the Ministry of Social Affairs and Health in March, but the availability situation did not return to normal until the summer.

The greatest change in the availability of medicines occurred among those for respiratory diseases. Compared to 2019, the relative proportion of reports of availability disruptions of these medicines rose significantly. ■

MORE TRAINING PLACES

**THE SHARP RISE** in the shortage of pharmaceutical assistants in recent years was met by increasing the number of training places. In the summer of 2020, both the Faculty of Pharmacy of the University of Helsinki and the University of Eastern Finland decided to immediately increase the number of places for three-year Bachelor's degree courses for pharmaceutical assistants. 17 new places were offered at Helsinki University in the autumn and 10 at the University of Eastern Finland, in Kuopio. In 2021, the number of places is to be further increased in both universities.

Staff pharmacists will also be given more training in the future. In the summer, the Government decided to increase Åbo Akademi University's responsibilities for offering five-year post-graduate degree courses for staff pharmacists. In addition, holders of a licentiate of pharmacy and also doctors of pharmacy will receive more training. New Swedish-language degree programmes will begin in Turku in autumn 2021. ■

THE CORONA PANDEMIC HIGHLIGHTED MEDICINE PRODUCTION RISKS

**THE VULNERABILITY** of the global pharmaceutical supply chain became clear in the spring when China and India announced the closure of pharmaceutical factories and began restricting the sale of pharmaceuticals abroad.

The pandemic raised questions about whether the heavy concentration of the pharmaceutical industry in the hands of large manufacturers and in countries having lower production costs continues to make sense. China alone, for example, already accounts for 80-90% of world antibiotic production.

Originator medicines protected by patent are often manufactured in Europe, but once patents expire, production will easily shift to Asia, where there is the potential to produce very low-cost generic medicines in high volumes.

The EU's industrial strategy, published in the spring, outlined the need for Europe to increase self-sufficiency in medicines production in the future. At present, an estimated 40% of medicines sold in the European Union are manufactured in non-EU countries. ■

*“An estimated 40% of medicines sold in the European Union area are manufactured in non-EU countries.”*



FIP URGED PHARMACIES TO JOIN THE VACCINATION CAMPAIGN

**IN OCTOBER**, the World Pharmaceutical Organisation (FIP) called on all governments in the world to extend their corona vaccination services to pharmacies in order to achieve high vaccination coverage and herd immunity as soon as possible.

According to a survey conducted by the Association of Finnish Pharmacies (AFP) in early September, two out of three pharmacy owners would be prepared to arrange a vaccination point in their pharmacy if costs were reimbursed.

According to the survey, at least 70 pharmacies already employ healthcare professionals qualified to give vaccinations. More than half of pharmacy owners also reported that their pharmaceutical staff included individuals interested in vaccination training. ■



# 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 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, i.e. an online pharmacy, through which to sell medicines.

## PHARMACY CHAINS ARE PROHIBITED IN FINLAND

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

The proprietary pharmacist has both professional and financial responsibilities for her/his pharmacy. The 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 2020 (estimated)

Turnover:	€3.8 million
Prescriptions/year:	74 100
Pharmacy tax to the State:	About € 279 000 (About 7 % of medicine sales)
Staff (incl. part-time staff):	10 (proprietary pharmacists, staff pharmacists, 5 pharmaceutical assistants, 3 technical assistants/ others)

Source: The Association of Finnish Pharmacies

## NUMBER OF PHARMACIES AND SUBSIDIARIES [31.12.]

Figures include university pharmacies

	1970	1980	1990	2000	2010	2020
Pharmacies	561	564	576	595	618	627
Subsidiaries	97	126	173	201	194	192
Total	658	690	749	796	812	819

Source: The Association of Finnish Pharmacies

## PRESCRIPTIONS DISPENSED BY COMMUNITY PHARMACIES (millions of prescriptions)

2015	2016	2017	2018	2019	2020*
55,8	58,8	61,3	63,3	65,7	68,2

Source: Finnish Statistics on Medicines  
\* estimated/The Association of Finnish Pharmacies

Due to changes on 1.4.2015 to the registration of dose-dispensing and to dose-dispensing prescriptions, the statistics based on the number of prescriptions dispensed are not comparable to the statistics before 2015.

## THE MEDICINE TARIFF

**THE MEDICINE** tariff decided by the Council of State sets a retail price of a medicine according to a national wholesale price (see table). Hence, a pharmacy never decides the price of a medicine; it is decided by the State.

Retail prices of medicines are the same in all community pharmacies because the wholesale price is the same for all pharmacies, and the retail price is always based on the medicine tariff. Discounts on medicine purchases made by pharmacies are not allowed.

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

Regulation of the medicine price ensures that medicine prices are reasonable and that there is equal treatment of citizens throughout the country.

819

THE TOTAL NUMBER OF COMMUNITY PHARMACIES IN FINLAND IS 819

## PHARMACY TAX

**PHARMACIES PAY** a pharmacy tax to the State on the basis of a table decided by Parliament each year. The pharmacy tax provides an income of approx. €190 million per year to the State. The tax is based on the turnover of the sales of prescription and OTC 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 proportionally more 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 sales of medicines.

## MEDICINE RETAIL PRICE AT THE PHARMACY

Medicine tariff decided by the Council of State 17.10.2013

Wholesale price (€)	Prescription	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, which is not dependent on the number of items sold, is added to the retail price of prescription medicines and self-care medicines dispensed by prescription.

## PHARMACY TAX TO THE STATE

Pharmacy Tax Act 770/2016 (in force since 1.1.2017)

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 IN COMMUNITY PHARMACIES [31.12.]

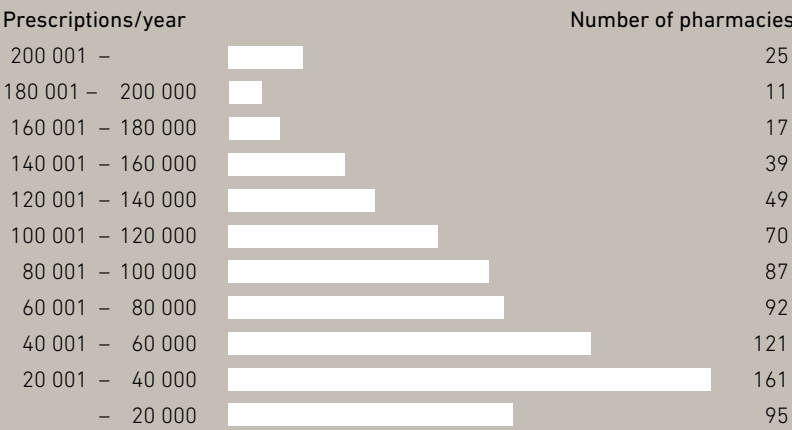
Figures also include staff in university pharmacies

	2010	2012	2014	2016	2018	2020
Proprietary pharmacists	594	588	592	594	603	615
Staff pharmacists	813	749	741	772	792	789
Pharmaceutical assistants	3 840	3 664	3 691	3 724	3 868	4190
Technical staff etc.	3 032	3 486	3 498	3 486	3 399	3224
Total	8 279	8 487	8 522	8 576	8 662	8815

At the end of 2020, there were 615 proprietary pharmacists working in Finland. The pharmacies employed a total of about 8 800 people (including staff in University Pharmacies).

Source: Finnish Association of Pharmacists

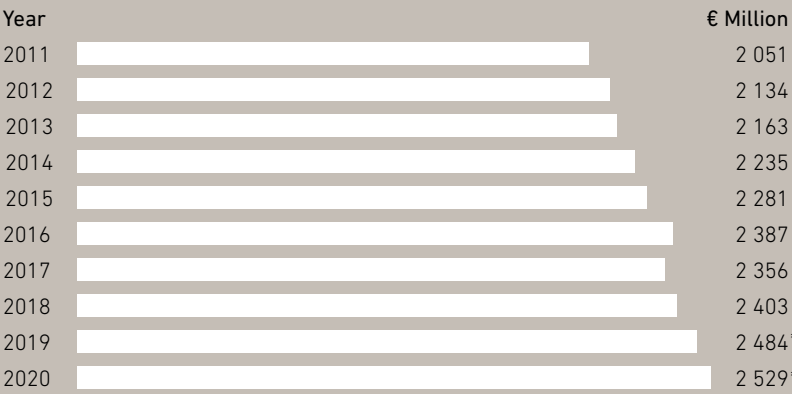
PRIVATE COMMUNITY PHARMACY OUTLETS ACCORDING TO SIZE 2020



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

Due to changes in registering dose-dispensing and dose-dispensing prescriptions in pharmacies that came into force on 1.4.2015, the statistics are not comparable with those before 2015.

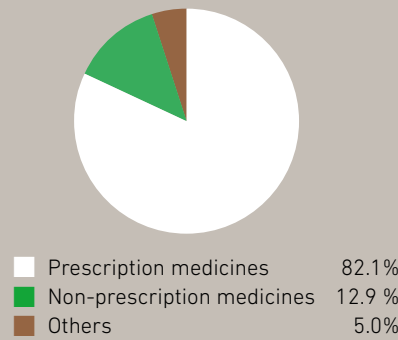
TURNOVER OF PRIVATE COMMUNITY PHARMACIES [ex. VAT]



Source: The Association of Finnish Pharmacies | \*estimated

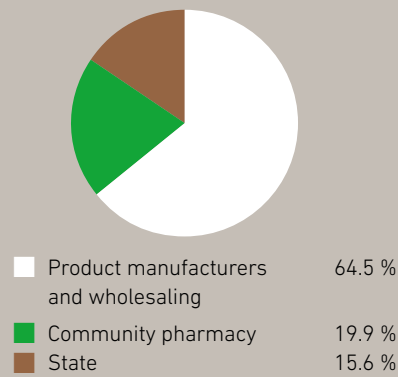
The statistics will be updated at apteekkariliitto.fi.

BREAKDOWN OF SALES IN COMMUNITY PHARMACIES 2020 [estimated]



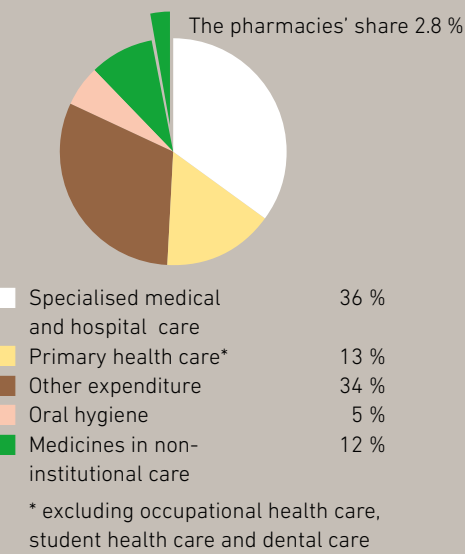
Source: The Association of Finnish Pharmacies

BREAKDOWN OF THE INCOME FROM MEDICINES SALES 2019



Source: The Association of Finnish Pharmacies

BREAKDOWN OF TOTAL HEALTH CARE EXPENDITURE 2018



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

The total expenditure on health care at current prices in 2018 was totally €21,1 billion (9.0% of GNP, or about €3829 per capita. Of the total health care expenditure, only 2.8% 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.

MEDIFON LTD

**FOUNDED:** 1981  
**OWNERSHIP:** THE AFP 100 %  
**TURNOVER 2019:** APPROX. € 74 MILLION  
**STAFF:** 51  
**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’ own-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 pharmacy supplies. It also has wholesale rights for medicines.

PHARMADATA LTD

**FOUNDED:** 1989  
**OWNERSHIP:** THE AFP (100 %)  
**TURNOVER 2019:** € 7,9 MILLION  
**STAFF:** 48  
**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, Procuro, Presto and other pd-products. Pharmadata also offers Service Desk services, software training and project and pharmacy-specific invoicing services.

PHARMAPRESS LTD

**FOUNDED:** 1997  
**OWNERSHIP:** THE AFP (100 %)  
**TURNOVER 2019:** € 0.95MILLION  
**STAFF:** 3 + 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; Terveysterveksi!, 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.

The Association of Finnish Pharmacies owns a 25 per cent minority share in Farmania Oy, which offers personnel leasing services for pharmacies.



THE BOARD OF THE ASSOCIATION OF FINNISH PHARMACIES  
ELECTED AT THE 2020 ANNUAL AUTUMN MEETING



**RISTO KANERVA**, PRESIDENT  
TAPIOLA PHARMACY  
ESPOO



**KIRSI PIETILÄ**, 1ST VP  
AURINKO PHARMACY  
RIIHIMÄKI



**SARI WESTERMARCK**, 2ND VP  
I PHARMACY  
VIHTI



**TIMO AUVINEN**  
SAVONLINNAN UUSI APTEEKKI



**AHRI HIRVONEN**  
ILOMANTSI PHARMACY



**LENITA JOKINEN**  
RUNOSMÄKI PHARMACY  
TURKU



**TOMI JÄRVINEN**  
PALOKKA PHARMACY  
JYVÄSKYLÄ



**MIKA KARHU**  
MERIKOSKI PHARMACY  
OULU



**HELENA KESKI-HYNNILÄ**  
NEW PHARMACY  
KOUVOLA



**SOILI KIRKINEN**  
LIEVESTUORE PHARMACY  
LAUKAA



**JANNE NISSILÄ**  
SAMMONLAHTI PHARMACY  
LAPPEENRANTA



**MARJO RAJAMÄKI**  
SODANKYLÄ PHARMACY



**NINA RONIMUS**  
KOSKENMÄKI PHARMACY  
NOKIA



**ANNA SCHOULTZ**  
APTEEKKI PUNAVUORI  
HELSINKI



**PETTER STRÖM**  
KUNINKAAN APTEEKKI  
VAASA



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I PHARMACY  
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# PHARMACY



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