

 PHARMACY

APTEEKKI

Auttaa lähe...

THE ASSOCIATION OF
FINNISH PHARMACIES

2022

OUR TASKS

The Association of Finnish Pharmacies (AFP) promotes the interests of its members and develops high standards of ethical and professional competence in pharmacy services within the broader healthcare sector.

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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FROM ONE CRISIS TO ANOTHER

THE REMAINING CORONAVIRUS RESTRICTIONS, which had affected society in so many ways, ended during the summer. However, there was no return to normal everyday life, as Russia brutally and unjustly attacked Ukraine in February. A war in Europe began.

The large-scale war in our neighbouring region triggered a wide range of preparedness and security of supply measures also in Finland. The view of the Finnish people regarding military non-alignment changed rapidly, and Finland decided in May to apply for NATO membership together with Sweden.

THE MINISTRY OF SOCIAL AFFAIRS AND HEALTH prepared the implementation of the pharmaceutical savings previously decided by the Government and published its first proposal in the summer. The proposal would have cut nearly 60 million euros from pharmacies, and this would have jeopardised local pharmacy services in many parts of Finland.

After the consultation round, the Ministry of Social Affairs and Health lowered its proposal for the cut in the medicine tariff for prescription medicines and proposed that it be partially compensated by lowering the pharmacy tax on expensive medicines. At the end, the cuts for pharmacies totalled approximately 20 million euros.

The cuts were implemented from the beginning of 2023, and the savings are used for financing the tightening of the nurse-to-patient ratio in long-term care and intensive residential care units.

The Ministry of Social Affairs and Health was also making preparations for substitution of biological drugs in pharmacies. The Government submitted its propos-

al to Parliament in December. The substitution will begin gradually from April 2024, initially with enoxaparin preparations used for preventing blood clots. Minors were excluded from the substitution.

Healthcare and social welfare prepared for the responsibility for organising healthcare and social services being transferred to the wellbeing services counties from the beginning of 2023. For pharmacies, the reform meant the start of cooperation with the wellbeing services counties, but it did not affect the basic work of pharmacies or the medicine reimbursement system.

DISRUPTIONS IN THE AVAILABILITY of medicines continued to increase and caused a lot of extra work for pharmacies. Their causes were manifold. The coronavirus lockdowns and export bans in China and India caused interruptions in pharmaceutical production and deliveries due to the pandemic. The increase in infectious diseases after COVID-19 infections increased the demand for antibiotics, painkillers and antipyretics, among other things.

Pharmacies also faced a new kind of availability challenge, as the demand for a drug used for treating diabetes suddenly exceeded the number of medicines available for a long time. Dealing with poor availability will require the authorities to compile clear rules for the future.

The accommodative monetary policy during the COVID-19 pandemic and the sharp rise in energy prices caused by the move away from utilising Russian energy pushed inflation to record high numbers. By contrast, the consumer prices of prescription drugs fell and curbed inflation.

1



KIITOS, KUN VALITSET KOTIMAISEN PALVELUN!

Avainlippu on merkki suomalaisesta työstä

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1 The member pharmacies of the Association of Finnish Pharmacies were awarded the Key Flag Symbol as a sign of their promotion of domestic work. | 2 In the spring, the Association of Finnish Pharmacies moved to new, modern premises in Vallila, Helsinki. | 3 The 125th anniversary of the Association of Finnish Pharmacies was celebrated in May at a seminar held at the Marina Congress Center in Helsinki. The event was host-



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ed by Merja Hirvonen, Chief Executive Officer of the association. | 4 Risto Kanerva was elected as President, to his third term of office, at the association's annual autumn meeting. In the summer, Kanerva was also elected vice president of the Pharmaceutical Group of the European Union PGEU. | 5 The "Kasvallinen yrittäjä" campaign in the spring reminded us that an entrepreneur works face-to-face, and that a proprietary pharmacist is not just the

owner of a pharmacy, but also works as a healthcare professional. | 6 The "Sivuvaikutuksia" (Side Effects) podcast brought awareness to the pharmacy industry. The podcast series was hosted by Touko Aalto, Director of Public Affairs at the association. | 7 The Pharmacy Customer Magazine Terveydeksi! was again the most widely read health-themed magazine in Finland. Including the digital magazine, the average number of readers is 845,000.



THE WAR IGNITED AN IODINE PANIC

The war of aggression against Ukraine started by Russia was also immediately visible in pharmacies. The news of the takeover of the Zaporizhzhia nuclear power plant in the early days of the war prompted concerned citizens to replenish their iodine reserves. Due to the sudden increase in demand, pharmacies ran out of pharmaceutical iodine tablets in an instant throughout Finland. The situation was quickly rectified, and in mid-March, Jodix tablets manufactured by Orion were again available throughout the country.

However, a new panic arose in October when the Ministry of Social Affairs and Health published updated guidelines for the use of iodine in case of a radiation hazard. The guidelines, which had been in preparation for a year, were published just after news headlines had included speculations about Russia's possible use of nuclear weapons. The update of the old inaccurate guidelines was interpreted as the authorities' response to the acute situation, and Finns, frightened by the newspaper headlines, rushed to the pharmacies. Jodix tablets temporarily ran out, but the situation was rectified by the end of October. ■



PHARMACIES INVOLVED IN PROVIDING HELP

BY MID-APRIL, the member pharmacies of the Association of Finnish Pharmacies had donated nearly 115,000 euros to Ukrainians through various aid organisations.

Medifon, a subsidiary of the Association of Finnish Pharmacies, donated more than 10,000 euros of wound care products to Ukraine immediately after the start of the war. Medifon was also involved in supplying healthcare supplies to Ukraine as part of the EU's emergency response. By the end of the year, 30 aid shipments had already been sent via Medifon to war-torn Ukraine. ■



POWER OUTAGES THREATENED PHARMACEUTICAL SERVICES

IN THE AUTUMN, PHARMACIES and the rest of the pharmaceutical sector were concerned about the energy crisis. There was a risk that disruptions in the distribution of electricity would reduce the availability of medicines, as even short power outages could cause heat-sensitive medicines to spoil.

Pharmacies prepared for the crisis winter by procuring alternative energy sources and updating their contingency plans for disruptions.

In October, the Association of Finnish Pharmacies, together with other actors in the pharmaceutical sector, wrote a letter on the subject to the Ministerial Working Group on Preparedness, the National Emergency Supply Agency, the Ministry of Social Affairs and Health and Fimea. The shared plea from the pharmaceutical sector was that pharmaceutical service operators must be excluded from possible power outages.

However, thanks to the mild winter, there was enough electricity and the planned interruptions in electricity supply were not needed after all. ■

DRUGS AS A BRAKE ON INFLATION

According to Statistics Finland's figures published in January, Finns paid more than 15 per cent less for their prescription medicines at the end of 2021 than a decade ago. The same trend also continued in 2022, even though the inflation rate saw huge increases throughout the year.

In 2022, the prices of petrol, electricity, diesel, renovations of single-family houses, mortgage interest rates and the price of food in particular raided the consumers' pockets. The rise in food prices was faster than at any time in the 2000s. We saw high increases in the prices of coffee, fish, eggs and grain products, among others.

By contrast, the price development of pharmaceuticals was exceptionally moderate throughout the year. Price regulation and the reference price system for medicinal products effectively protected the consumer. For example, in September, prescription drugs were more than 7 per cent cheaper than in the corresponding period in the previous year, and this was also the most significant mod-

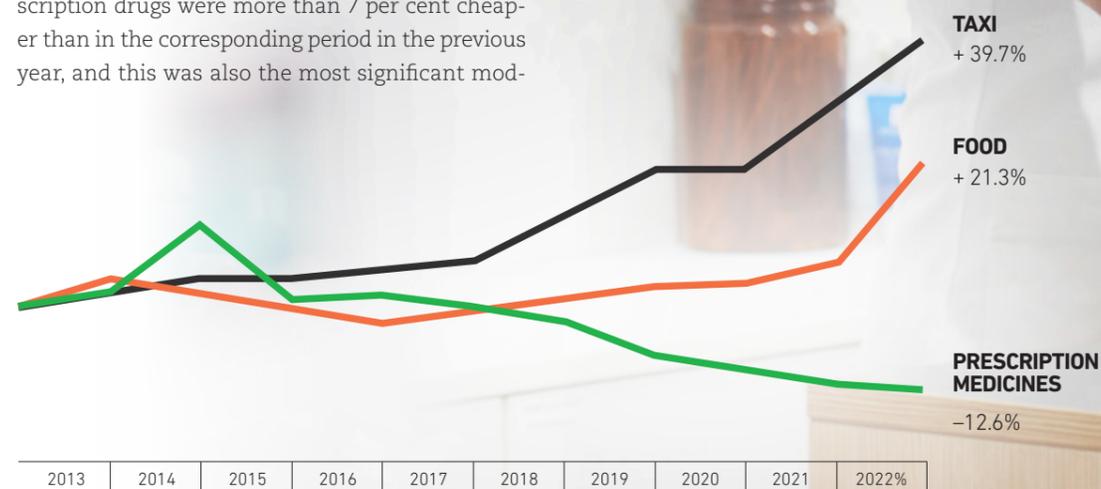
erator of overall inflation. The overall inflation increased to 8.1 per cent in September and, for example, food prices rose by an average of 14.5 per cent year-on-year.

DOWNWARD TREND

The prices of prescription drugs have been falling for a longer period now. Finns paid more than 13 per cent less for their prescription medicines at the end of 2022 than a decade ago; while the prices of non-prescription medicines have remained almost at the same level.

Over the same period, consumer prices have increased by an average of nearly 20 per cent. Over the past decade, food and non-alcoholic beverages have become more than 21 per cent more expensive and taxi rides nearly 40 per cent.

The reason for the falling prices of prescription medicines is the generic medicine substitution introduced in 2003 and the reference price system that was introduced to complement it in 2009. ■



Source: Statistics Finland

At the end of 2022, Finns paid nearly 13 per cent less for their prescription medicines than a decade ago.

PHARMACIES IN THE WELLBEING SERVICES COUNTIES

95 per cent of Finns feel that pharmacies are close enough to make it easy to get medicines.

Fimea's population survey
September 2021

92 per cent of Finns consider it important to have access to medical advice when purchasing medicines.

Aula Research
August 2022

In the spring, the Association of Finnish Pharmacies outlined the development of pharmacy operations primarily from a healthcare perspective as the spearhead of its government programme objectives. According to the association, pharmacies should be strongly integrated into the future health and social services system, and pharmacies should be able to offer low-threshold local healthcare services.

In the current service system, the role of pharmacies is both recognised and not recognised.

"With regard to opinions, there is still work to be done

to ensure that pharmacies are actually recognised as part of the health and wellbeing system," said Kirsi Varhila, Permanent Secretary of the Ministry of Social Affairs and Health, at the APTEEKKARI 2022 event in the spring.

The Association of Finnish Pharmacies hopes that the new wellbeing services counties will take pharmacies into account at the system level.

"I hope that pharmacies will have defined tasks and responsibilities that are also known and recognised elsewhere in healthcare services. The role of pharmacies

should be incorporated into the structures of operations, Charlotta Sandler, Director of Pharmaceutical Affairs at the association, summed up.

The task of pharmacies in the new wellbeing services counties could be, for example, to identify the needs of patients and, if necessary, to refer them to other healthcare services. Various health services could also be brought in to pharmacies for which the pharmacy would provide facilities, but the services themselves, such as vaccinations, would be provided by public or private healthcare operators. ■

PROFESSOR WANTS PHARMACIES TO PLAY A BIGGER ROLE

THE AIM OF THE ONGOING pharmaceutical reform is to improve the cost-effectiveness of pharmaceutical services, to ensure medication safety and proper advice and guidance regarding medicines, as well as the smoothness, availability and accessibility of the services.

Katri Hämeen-Anttila, the new Professor of Social Pharmacy at the University of Eastern Finland, commented to the *Apteekkari* magazine in the autumn that pharmacies should play a larger role in monitoring the success of pharmacotherapy.

"Finns are satisfied with the pharmaceutical advice provided by pharmacies and consider pharmacies to be a reliable source of information. It is an important question how pharmacies could more effectively identify problems in pharmacotherapy, solve them with the patient and also communicate them to the attending physician." ■

NURSES NEED HELP FROM PHARMACIES

ACCORDING TO A SURVEY conducted in the spring, nurses hope that pharmacies would play a greater role in providing pharmaceutical services to institutional housing services.

The most typical forms of cooperation implemented by pharmacies with treatment units are the non-urgent and urgent transport of medicines, automated dose dispensing of medicines and the management of prescription renewal requests.

Nurses are satisfied with the current services and cooperation models, but they hope that in the future pharmacies will be able to play an even greater role, for example, in medication evaluations and other services that promote medication safety. ■

PATIENT ORGANISATIONS ARE SATISFIED

ACCORDING TO A SURVEY conducted by SOSTE (Finnish Federation for Social Affairs and Health), patient organisations are satisfied with pharmacies. The customer service and advice provided by pharmacies and the professionalism of pharmacists were considered to be particularly functional. The speed, reliability and safety of the services, as well as their accessibility, were also praised. The responses highlighted the importance of having a local pharmacy nearby. ■



The funding of the nurse-to-patient ratio through pharmaceutical savings was in the making throughout the year.

DRUG SAVINGS HIT SMALL PHARMACIES

The proposal of the Ministry of Social Affairs and Health on pharmaceutical savings, which was submitted for a statement, raised dark clouds over pharmacies. If the proposed cut of 60 million euros

had been implemented as such, with the current personnel structure, pharmacists in nearly 50 pharmacies would no longer have had any salary or profit from the sale of medicines.

The ministry's proposal generated a lot of critical feedback, which emphasized the fact that the medicine tariff and the pharmacy tax should always be processed together. By simply adjusting the medicine tariff, more and more pharmacies would in the future have to sell expensive medicines at a negative margin, i.e. lower than the purchase price.

In the end, the savings amount was made more equitable, and in the bill submitted to Parliament at the end of the year, the medicine tariff for prescription medicines was proposed to be cut by approximately 40 million euros. The cut was compensated by a reduction in the pharmacy tax on expensive medicines, so the final amount of the cut for pharmacies ended at approximately 20 million euros.

The Association of Finnish Pharmacies described the cuts at the turn of the year as unprecedentedly large. According to the association's calculations, the amount corresponded to an average cut of almost 4 per cent in the total sales margin of pharmacies. The cuts also hit pharmacies in an unfortunately uneven manner.

"The savings hit small pharmacies the hardest, as they have very little flexibility in their finances as it is. A couple of dozen pharmacists will now have to consider the prerequisites for continuing their operations," Merja Hirvonen, CEO of the Association of Finnish Pharmacies, stated at the end of the year.

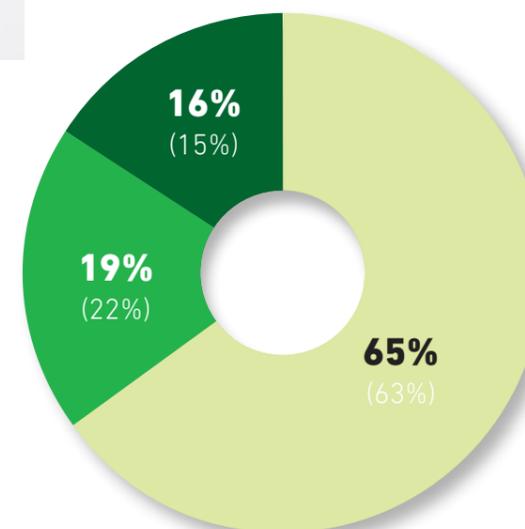
A COMPREHENSIVE REFORM WILL BE NEEDED SOON

The Association of Finnish Pharmacies proposed a reform of the pharmaceutical economy already in the summer of 2020. The association sees that the package of the medicine tariff and pharmacy tax is a key element of pharmacy regulation that must be adhered to also in the future.

"The medicine tariff-pharmacy tax mechanism has a strong social policy objective. It will ensure a nationwide network of local pharmacy services, equality between citizens in the procurement of medicines and transparency in the pricing of medicines," Merja Hirvonen pointed out.

However, the structure of pharmaceutical sales in pharmacies has changed drastically over the past decade and the mechanism requires updating.

"The basis for pharmacy tax should be changed to the gross margin of pharmaceutical sales instead of turnover. The reform should be carried out as soon as possible, at the latest at the beginning of the next period of government," Hirvonen summed up. ■



DISTRIBUTION OF THE PHARMACEUTICAL EURO IN 2021 (year 2011 in brackets)

- Product manufacturers and wholesale
- Community pharmacy
- Value added tax and pharmacy tax to the state

The gross margins and operating profits of private pharmacies have decreased in recent years. Over the past ten years, the growth in pharmaceutical sales has benefited almost entirely the pharmaceutical industry. The pharmaceutical industry and wholesale trade already account for two-thirds of the pharmaceutical euro.



SUBSTITUTION OF BIOLOGICAL MEDICINES AT PHARMACIES

The promotion of the use of biosimilars, generic medicines for the original biological medicines, has long been called for as one of the most potential ways of curbing the increase in state expenditure on reimbursements for medicines. Until now, efforts have been made to promote the use of biosimilars under the guidance of doc-

tors, but the results have been meagre. The Association of Finnish Pharmacies proposed the inclusion of biological medicines in the scope of generic substitution at pharmacies already in 2021. In the spring of 2022, the matter gained momentum when the Ministry of Social Affairs and Health appointed a working group to prepare the generic substitution of biological medicines at pharmacies.

▶ In Finland, an estimated 230,000 people use biological medicines.

▶ The five most expensive biological drugs alone – adalimumab, insulin glargine, coagulation factor VIII, golimumab and etanercept – accounted for approximately 10 per cent of Kela's medicine reimbursement expenditure in 2021.

The proposal, drawn up on the basis of the report, was circulated for comments in October and submitted for review by the Parliament in December. The reform proposed by the Government will reduce the state's expenditure on medicine reimbursements by approximately 20 million euros per year. In reality, the savings can be even greater.

According to the proposal, the generic substitution of biological medicines at pharmacies will start at the beginning of 2024 and will apply to all biological drugs and biosimilars that can be substituted, however, with a gradual transition to the substitution. The first products to be included in the substitution are enoxaparin preparations that prevent blood clots. The interval between the substitution of biological medicines was set at six months and minors were excluded from the substitution.

As part of the amendment to the Medicines Act that entered into force at the turn of the year, the obligation for doctors to prescribe the most affordable alternative to biological medicines for patients was also included in the Act. ■

PHARMACIES ARE PREPARING FOR SUBSTITUTION

IN THE SUBSTITUTION of biological medicines at pharmacies, the key is the device guidance on the use of various dosing pens and syringes.

In pharmacies, preparations for the substitution already started in the autumn, when the supplementary training of pharmaceutical personnel on biological medicines and their biosimilars began.

“Providing guidance on the correct and safe use of medicines is a basic task of a pharmacy. Pharmacies already provide customers with guidance on, for example, the use of devices for the administration of preparations for inhalation. The generic substitution of biological medicines at pharmacies now brings a new area of responsibility to pharmacies. We will be ready when the substitution begins, Charlotta Sandler, Director of Pharmaceutical Affairs at the Association of Finnish Pharmacies, said in the autumn. ■



VALO IS PROGRESSING

Valo, "Light", The National Medication Safety Programme of Community Pharmacies in Finland, took a big step forward when the cooperation pilot for HaiPro (web-based tool for reporting patient safety incidents) between pharmacies and other healthcare services started in Vaasa and Hämeenlinna in February.

Pharmacies have been reporting incidents through the HaiPro system since autumn 2021. By the end of 2022, more than 12,000 incidents and near-miss events had already been accumulated in the data.

The reporting system is an excellent tool for building cooperation both locally and regionally. The nationwide HaiPro data has been used for identifying risk medicines, as well as risk factors related to operating models and information systems.

"Based on the notifications, it has already been possible to modify the operating models of pharmacies and other healthcare services

so that the possibility of repeating the same error is minimized," says Tiina Koskenkorva, Project Manager of the Valo programme.

The Valo programme provides excellent support for the new Client and Patient Safety Strategy published in February *Vältetään vältettävissä oleva haitta (Avoiding the harm that can be avoided)*. The vision of the strategy is to make Finland a model country for client and patient safety by 2026.

THE GOAL for the next two-year period of the Valo programme 2023–2024, is to launch HaiPro cooperation between pharmacies and health and social services in all the wellbeing services counties.

The aim is also to have closer networking between pharmacies and to form expert teams of regional pharmacies.

"It has been great to see how enthusiastic the pharmacies have been to join in building a culture of medication safety. We are not afraid of mistakes, we learn from them," Koskenkorva sums up. ■



VALO PREMIERED AROUND THE WORLD

THE VALO PROGRAMME was presented in September at the FIP World Congress of Pharmacy and Pharmaceutical Sciences in Seville, Spain. National cooperation to promote medication safety between different organisations is still an impressive rarity in the world.

"Work is being done everywhere for improving medication safety, but a programme quite as this cannot yet be found elsewhere," says Tiina Koskenkorva, Project Manager of the Valo programme. ■



By the end of 2022, more than 12,000 Hai-Pro notifications had already been made. 82% of pharmacies had reported incidents and near-miss events.



► Valo, "Light", the National Medication Safety Programme of Community Pharmacies in Finland is a programme launched by the Association of Finnish Pharmacies together with the Finnish Centre for Client and Patient Safety to cooperate in improving the safety of the outpatient pharmacotherapy process.

► The project partners are Awanic Oy, FOK (Pharmacy Learning Centre) and the University of Helsinki.



Columns contain notifications on drug shortages made to Fimea

2,335

DISRUPTIONS IN AVAILABILITY PLAGUED THE SECTOR

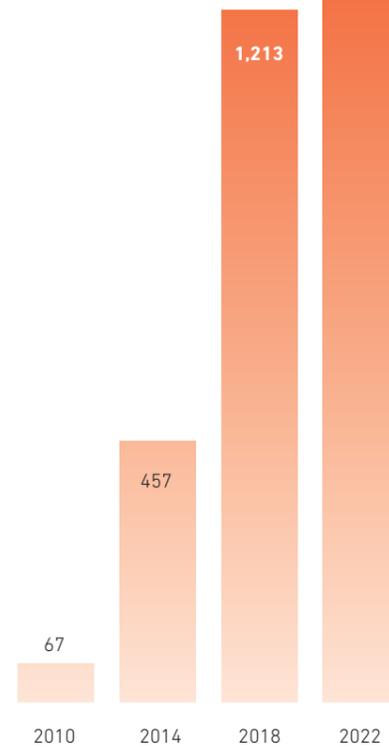
FIMEA RECEIVED a total of 2,335 notifications of shortages from pharmaceutical companies by the end of the year, which is more than ever before.

The phenomenon of 2022 was the shortage of Ozempic injections. The increased global popularity of the intestinal hormone derivative intended for the treatment of type 2 diabetes as a supportive treatment for weight loss led to extensive availability problems in Finland as well.

During the year, the availability of

migraine medicine, paediatric analgesics and the antiepileptic drug clonazepam also made headlines.

The root causes behind the availability issues have remained the same. The production of pharmaceutical raw materials and generic medicines is strongly concentrated in Asia. Long and fragmented production chains are sensitive to disruptions. In recent years, the problem has also been exacerbated by the COVID-19 pandemic. ■



Source: Fimea

MORE TOOLS ARE NEEDED

PROBLEMS WITH THE AVAILABILITY OF medicines not only cause excess work for pharmacies, but they also place an extra load on the primary healthcare services which are already under great pressure. The Association of Finnish Pharmacies hopes that pharmacies would have more extensive rights to substitute medicines in the event of shortages.

During the COVID-19 pandemic, pharmacies were allowed to make exceptional deliveries in order to secure the customer's medical care and to facilitate transactions.

According to a study published in the summer, the pharmacy staff hopes that the tried and tested operating model could also be utilised in the future in the event of supply disruptions. "For example, changing the strength of the medicine and adjusting the dosing instructions accordingly would make it easier for the customer, pharmacists and doctors in the event of a supply disruption." ■

THE RELIABILITY OF SUPPLY AT A HIGH LEVEL

DESPITE THE increased supply disruptions, the reliability of supply of pharmacies remained at a good level. In a survey conducted in March, the reliability of supply decreased slightly from the previous year, and is now 98.4 per cent. In practice, for 98 prescriptions out of a hundred, the medicine could be dispensed from the pharmacy immediately.

Typically, the cause of the pharmacy's lack of a medicine is that the product is a rare or expensive drug that is ordered for the customer when necessary. Only an average of 16 per cent of medicine deficiencies were caused by actual supply shortages. More than half of these situations were resolved by the pharmacy's normal generic medicine substitution without contacting a doctor. ■



DOSE DISPENSING IMPROVES MEDICATION SAFETY

A STUDY PUBLISHED BY FIMEA IN APRIL stated that the dose-dispensing service provided by pharmacies is perceived as a useful service that improves medication safety.

According to the report, care units and home care units felt that the dose-dispensing service for medicines had improved medication safety and freed up the working time of the nursing staff for other tasks.

The key development areas of the automated dose-dispensing service are related to the organisation, competitive tendering and the quality of the service. For example, in addition to price, qualitative factors should also be taken into account in competitive tendering.

As alternatives to competitive tendering, Fimea's report proposed either nationwide pricing of automated dose dispensing or a wider introduction of a service voucher. ■



SALE OF NICOTINE REPLACEMENT PRODUCTS BACK TO THE PHARMACY?

THE CONSUMPTION of nicotine replacement products has increased fourfold since their sales were deregulated in 2006. Since 2015, nicotine has been the best-selling drug in Finland. However, there is no evidence that increased sales have reduced smoking.

In July, the Association of Finnish Pharmacies made a proposal at Suomi Areena to return the sales of nicotine replacement products back to pharmacies.

“The perception of nicotine replacement products has changed as their sales have expanded to grocery stores. If the sale of nicotine replacement products was returned to pharmacies, their misuse would be reduced and no one would be left in any doubt that they are only intended to support the reduction or cessation of smoking,” Charlotta Sandler, Director of Pharmaceutical Affairs at the Association of Finnish Pharmacies, evaluates.

According to several studies, nicotine replacement products only support smoking cessation if they are used while also receiving advice and support from healthcare professionals. ■

THE PHARMACY SYSTEM IN BRIEF

ALMOST EVERY MUNICIPALITY has at least one pharmacy. The pharmacies' online services complement the services of local pharmacies, and the pharmacy service points provide medicines in areas where there are no operational preconditions for a 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 2022 [estimated]

Turnover:	3.96 million
Prescriptions/year:	92,300
Pharmacy tax to the state:	approx. EUR 295,000 (approx. 7.3% of medicine sales)
Staff (incl. part-time):	10 (proprietary pharmacist, staff pharmacist, 5 pharmacists, 3 technical/other staff)

Source: The Association of Finnish Pharmacies

NUMBER OF PHARMACIES AND SUBSIDIARY PHARMACIES [31.12.2022]

Also includes university pharmacies (2 + 16)

	1980	1990	2000	2010	2020	2022
Pharmacies	564	576	595	618	627	637
Subsidiaries	126	173	201	194	192	190
Total	690	749	796	812	819	827

Source: The Association of Finnish Pharmacies

PRESCRIPTIONS DISPENSED BY COMMUNITY PHARMACIES [millions of prescriptions]

2017	2018	2019	2020	2021	2022*
61.3	63.3	65.7	67.1	71.5	74.5

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.

MEDICINE RETAIL PRICE AT THE PHARMACY

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

Wholesale price (€)	Prescription drug	Wholesale price (€)	Max. price of self-care medicine
0–7.49	1.42 x wholesale price + VAT 10%	0–9.25	1.5 x wholesale price + €0.50 + VAT 10%
7.50–39.99	1.35 x wholesale price + €0.52 + VAT 10%	9.26–46.25	1.4 x wholesale price + €1.43 + VAT 10%
40.00–99.99	1.24 x wholesale price + €4.92 + VAT 10%	46.26–100.91	1.3 x wholesale price + €6.05 + VAT 10%
100.00–399.99	1.15 x wholesale price + €13.92 + VAT 10%	100.92–420.47	1.2 x wholesale price + €16.15 + VAT 10%
400.00–1,499.99	1.10 x wholesale price + €33.92 + VAT 10%	over 420.47	1.125 x wholesale price + €47.68 + VAT 10%
1,500–	1 x wholesale price + €183.92 + 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

Main and subs. pharmacy turnover in total (€)	Pharmacy tax collection
under 2.6 million	Separately for main and subsidiary pharmacy, no deduction for subsidiary
2.6–3.5 million	Partly separately and partly together for the main and subsidiary pharmacy (according to a separate table)
over 3.5 million	Main and subsidiary pharmacy together, a subsidiary pharmacy deduction

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. Thanks to the pharmacy tax, a small pharmacy will have a higher margin for 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. For a medicine with a wholesale price of more than €1,500, only €1,683.92 is calculated as turnover subject to pharmacy tax.

STAFF AT PHARMACIES [31 Dec.]

The figures also include employees of the university pharmacies

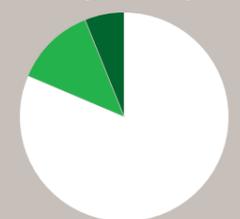
	2012	2014	2016	2018	2020	2022
Proprietary pharmacists	588	592	594	603	615	612
Staff pharmacists	749	741	772	792	789	735
Pharmacists	3,664	3,691	3,724	3,868	4,190	3,983
Technical, etc.	3,486	3,498	3,486	3,399	3,224	3,189
Total	8,487	8,522	8,576	8,662	8,815	8,519

At the end of 2022, there were 612 proprietary pharmacists working in Finland. The pharmacies employed a total of approximately 8,519 people (including staff in university pharmacies).

Source: Association of Finnish Pharmacists

BREAKDOWN OF SALES IN COMMUNITY PHARMACIES 2022

[estimated]



Prescription medicines 81%
Non-prescription medicines 12%
Others 7%

Source: The Association of Finnish Pharmacies

DISTRIBUTION OF THE PHARMACEUTICAL EURO IN 2021



Manufacturers and wholesaling 65%
Community pharmacy 19%
State 16%

Source: The Association of Finnish Pharmacies

PRIVATE COMMUNITY PHARMACY OUTLETS ACCORDING TO SIZE 2022

Prescriptions/year	Number of pharmacies
200,001 –	36
180,001 – 200,000	17
160,001 – 180,000	34
140,001 – 160,000	43
120,001 – 140,000	63
100,001 – 120,000	68
80,001 – 100,000	78
60,001 – 80,000	96
40,001 – 60,000	100
20,001 – 40,000	155
– 20,000	91

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

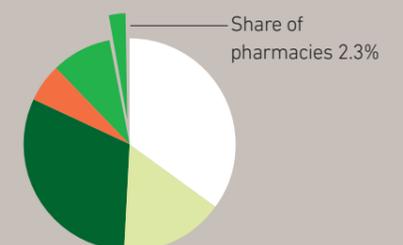
SALES OF PRIVATE COMMUNITY PHARMACIES [ex. VAT]

Year	€ Million
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	2,643
2022	2,736 *

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

The statistics will be updated at apteekkariliitto.fi

BREAKDOWN OF TOTAL HEALTHCARE EXPENDITURE IN 2020



Specialised medical and hospital care 37%
Primary healthcare* 14%
Other expenditure 33%
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 2020 was approx. €23 billion in total (9.6% of GNP), or approx. €4,138 per capita. Of the total healthcare expenditure, only 2.3% was spent on operations of 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. €80 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, AP-TEEKKI 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: €7.7 MILLION

STAFF: 45

CEO: ILKKA TOIVOLA

PHARMADATA is the leading company for producing data systems and data communication solutions for pharmacies. Its products include the pharmacy systems omapd, pd³ and Salix, and the pharmacy network Apteekkiverkko, as well as EasyMedi, SecureMedi, Procuo 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: €1.4 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 stakeholders; Terveysteksti!, 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: €8.0 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 company also provides services to the pharmaceutical industry and healthcare companies.

THE BOARD OF THE ASSOCIATION OF FINNISH PHARMACIES ELECTED AT THE 2022 ANNUAL AUTUMN MEETING



RISTO KANERVA, PRESIDENT
TAPIOLA PHARMACY
ESPOO



SARI WESTERMARCK, 1ST VP
KARKKILA PHARMACY



KIRSI PIETILÄ, 2ND VP
AURINKO PHARMACY
RIIHIMÄKI



MARLI ANDERSIN
KANNONKOSKI PHARMACY



AHRI HIRVONEN
APTEEKKI N:O 4
JOENSUU



RISTO HOLMA
LAUTTIS PHARMACY
HELSINKI



LENITA JOKINEN
RUNOSMÄKI PHARMACY
TURKU



HELENA KESKI-HYNNILÄ
MUNKKIVUORI PHARMACY
HELSINKI



SUSANNA KOHTANEN
KAUHAJOEN YKKÖAPTEEKKI



ANNE LEHTONEN
HYVINVOINTIAPTEEKKI SASTAMALA



JANNE NISSLÄ
WILLAN KEHRÄ APTEEKKI
HYVINKÄÄ



HARRI OVASKAINEN
SOTKAMO PHARMACY



ANU RASI-LESKINEN
SULKAVA PHARMACY



KIRSI ROSENQVIST
NUMMELAN UUSI APTEEKKI



ANNA SCHOULTZ
KAARI PHARMACY
HELSINKI



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

**NELLA PAAKKOLANVAARA**

Director of Finance and Administration; finance and HR administration and financial analysis for interests promotion

041 732 0033

**ERKKI KOSTIAINEN**

Director of Communications; communications to media and members, media relations, CEO of PharmaPress Oy

050 566 8188

**TOUKO AALTO**

Director of Public Relations; stakeholder relations, promotion of interests

040 516 9332

**MIKA KUIVAMÄKI**

ICT Director; information management

040 148 8009

STAFF

**ELINA AALTONEN**

Brand manager; APTEEKKI brand, marketing and Meidän APTEEKKI magazine

010 6801 405

**MONNA APAJALAHTI-MARKKULA**

Financial Specialist; financial analyses, TalousSalkku

010 6801 411

**ERJA ELO**

Editor; Apteekkari and Meidän APTEEKKI magazines (PharmaPress Oy)

010 6801 461

**AADA FORSTRÖM**

Communications specialist; online communication, Salkku extranet, PharmaPress-webinars

010 6801 401

**REET HABONEN**

Assistant in the Financial Department; membership matters, job advertisements, Kilta maintenance, service portfolio and meeting arrangements

010 6801 413

**ARTO HOKKANEN**

Expert Pharmacist; ePharmacy, data protection, Kanta Services, digital pharmacy services

010 6801 424

**HANNA HYVÄRINEN**

Managing Editor; Apteekkari magazine (Pharmapress Oy)

010 6801 464

**SONJA KALLIO**

Pharmaceutical Policy Specialist; lobbying, public authorities, health and social services cooperation

010 6801 414

**MILLA KEMI**

Expert Pharmacist; Taksa & TietoTippa databases, Salama information service

010 6801 415

**TIINA KOSKENKORVA**

Expert Pharmacist; medicine safety and services, Valo project manager

010 6801 428

**HENNA KYLLÖNEN**

Expert Pharmacist; pharmaceutical advisory services, competence development

010 6801 402

**PAULA LAINE**

Communications Assistant; orders, membership and customer registers, exhibitions, Pharmacy Calendar Online

010 6801 417

**SUVI LEVÄNEN**

Product Information Manager; Taksa product databases, Apteekkituubi business interface

010 6801 412

**MARKUS MANNER**

Development Manager; data protection, product information

010 6801 429

**AIJA PIRINEN**

Communications Manager; Media Communications, Media Relations

010 6801 442

**ULLA RAAPPANA-JÄNIS**

Pharmaceutical Department Assistant; pharmacy agreements, Lääkehaku service agreements

010 6801 421

**SANNA RASIMUS**

Expert Pharmacist; Taksa & TietoTippa databases, Salama information service

010 6801 425

**TUIJA SJÖSTRÖM**

Expert Pharmacist; Taksa & TietoTippa databases, Salama information service, dispensing videos

010 6801 433

**TIINA VAINIKAINEN**

Financial Assistant; invoicing and accounts receivable, remuneration and travel invoices

010 6801 431

**MARJO VAINIO**

Expert Pharmacist; membership services for pharmaceutical issues and HaiPro support, dose dispensing, Liikkujan Pharmacy

010 6801 422

**TARU VANHALA**

Pharmacist, communications; Terveystiete magazine, materials and content creation, student cooperation, media communications

010 6801 462

**JENNI VARTIAINEN**

Organisational Manager; Assistant to the Management, Secretary to the AFP board

010 6801 423

Our email addresses are in the format
firstname.lastname@apteekariliitto.fi



PHARMACY

