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Η ΚΑΘΗΜΕΡΙΝΗ

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Point of View: The crisis is an opportunity for a national policy on pharmaceuticals

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It is clear that every crisis is defined by the end of a financial and social cycle, and the beginning of another. The deficit, national debt, and deindustrialization crisis of the Greek economy is also an opportunity for brave interventions. It is certainly an opportunity for a more rational policy on pharmaceuticals, for a national policy that connects the necessary pharmaceutical expenditure to the sustaining of Greek production and growth.

The year 2009 – a year which was marked by a peak in pharmaceutical expenditure – offered the golden opportunity to design and materialize a comprehensive pharmaceuticals policy that would allow:

a. A significant decrease in expenditure costs, by means of structural measures, in order to enhance the sustainability of the Insurance Funds.

b. The unimpeded access of all patients to necessary drugs.

c. The growth in domestic production, with any positive impact that this entails, granted that Greek-produced pharmaceuticals are both of excellent quality and way more cost-efficient.

Instead of this policy we are faced with:

- Fragmented measures applied, mainly of a fiscal nature, which have triggered serious side-effects. While expenditure was cut back (and rightly so), it unfortunately reached the polar opposite, with unfeasible budgets leading to drug deficits in the Greek market, and overwhelming taxation burdening the pharmaceutical industry. An 80% of expenditure cutbacks was achieved by severe price cuts (many times in the form of unjust, horizontal cutbacks), and 20% by means of permanent structural measures regarding supply and demand. (Respectively in the European Union, interventions in the sector of pharmaceuticals are achieved 50% by pricing and 50% by means of structural measures).

- Oddly enough, as a result of the constant price cuts policy, the "mass slaughter" happened to be inflicted upon the Greek cost-effective drugs, whereas expensive imports 'got away with it' lightly. Noteworthy is the fact that between the 1st quarter of 2010 and September 2014, in a list of 30 essential Greek drugs, whose ex-factory did not exceed a price of 10 euros, devastating price cuts were imposed upon these products, cuts which ranged between 45% to 65% of the price; while in a corresponding list of **expensive imported drugs** with ex factory prices between 500 euros and 2,280 euros, price cuts ranged from a mere 15% to 24%!

- A blatant lack of provision for Greek production of pharmaceuticals, as well as a lack of incentives to consume generics, have immobilized the Greek pharmaceuticals market share to less than 20%. As opposed to the imported expensive drugs, which dominate in the Greek market with an 80% market share.

- Under conditions of constant price cuts, new generics are forced to be marketed at even lower prices, to such an extent that they will be unable to survive their fixed production costs, and as a result they will be withdrawn from the market. This in turn will lead to a monopoly of expensive, imported, original and generic drugs sold in the Greek pharmaceutical market. As a result, with mathematical precision, **the production of Greek pharmaceuticals will disappear!**

- It is a certain fact that in two years time, ALL drugs will be imported, a fact which will generate no financial gain for the country; quite the opposite, it will result in multiple and significant losses!

- The EOF marketing authorization of medicines currently in effect in our country, indirectly subsidizes **imported generics to the expense of Greek generics**. A Greek pharmaceutical company which submits an application for marketing authorization through the national procedure, is imposed a waiting period of at best, 2-2.5 years in order to receive approval, even when the dossier filed is complete. By contrast, an imported generic drug is granted a marketing authorization approval within 9 months. EOF's staffing deficiencies are impeding the Agency's increased duties, and this failure acts as a catalyst against Greek production. Within the framework of an obligatory restrictions policy, i.e. a low "fixed budget" policy for pharmaceutical expenditure, one would expect a national pharmaceuticals policy for drugs which will benefit the country's economy. A national policy that would achieve its goals of containing pharmaceutical expenditure, while generating benefits for the real economy in realizing the potential and power of the Greek pharmaceutical industry. We have calculated that Greek pharmaceuticals can cover 70% of the domestic therapeutic demands. This, in turn, could lead to added-value for the national economy, in the order of €1.4-1.5 billion! Instead of this, Greek drugs stagnate, at a market share which does not exceed 18%.

Based on the abovementioned information which has been processed by the Greek pharmaceutical industry, it proposes to the government a series of specific, cost-accountable measures, which can be immediately implemented. These regard: pricing, insurance funds, necessary structural changes, the reinforcement of the National Organization for Medicines (EOF), and the share increase of generics in drug treatments, from 17% to at least 30%. (In Germany, generics have obtained 70% of the market, and in the United Kingdom 60%).

Our detailed proposals form part of a comprehensive national pharmaceuticals policy that safeguards public health, and the unimpeded access of patients to all necessary treatments, proposals which are fully adaptable to the requirements of a "fixed budget". Meanwhile, they reinforce the growth of Greek production by increasing its share in the Greek pharmaceutical market. The Greek pharmaceutical industry has been described in recent surveys (the Foundation of Economic & Industrial Research (IOBE), the Center of Planning and Economic Research (KEPE), and McKinsey& Company) as a lever for growth, of innovation, and the creation of new jobs. It is high time the authorities adopted these surveys.

A crisis like the one we are undergoing may lead us to destruction. However, it can also trigger an overthrow that can potentially lead to new growth, provided that we acknowledge it and truly want it! We hope that the current state of affairs does not prove to be yet another lost opportunity. We are staying tuned.

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