

PEF's President talks to in.gr

Tryfon: We can adequately cover the country's needs for quality drugs

Talking to in.gr, Mr. Theodore Tryfon, President of the Panhellenic Union of Pharmaceutical Industry (PEF), states that the Greek pharmaceutical industry's commitment to cover the country's pharmaceutical needs, with quality and safe drugs. He also responds to the criticism raised, with regards to the expensive Greek generics, and outlines the framework for increasing domestic entrepreneurship.



Interview: Mrs. Mary Bibi

The government stands in favor of Greek entrepreneurship, creating favorable conditions for Greek pharmaceutical industries. Under which conditions can the company members of PEF actually invest in Greece?

Unfortunately, during previous years, our sector had to deal with constant changes within the Ministry of Health, as a result of which, there was a lack of continuity in the pursued policies. And all of this, while pharmaceutical policy demands a horizon of – at least – five years, in order to yield results. This situation led us to a constant effort of crisis management. In parallel, the exhaustive reductions which were implemented on the prices of Greek drugs, as well as the asymmetrical burdens that were imposed on us, led to the dominance of expensive, imported drugs. The economic pressure that was put on the Greek pharmaceutical industry, during the Memorandum, resulted in having 50% of our revenues going to indirect and direct taxation. It is, therefore, utterly clear that these conditions do not create a sustainable environment for domestic drug production. For this reason, it is essential to provide incentives which will encourage investments by the Greek pharmaceutical industry.

Thus, in order to reinforce our country's investing and productive basis, a stable operational framework for business activities must firstly be established, in what regards the discussions between parties and the taxation issue. Representing 60% of the sector's employment positions, with investments in research and development reaching 30 million euros per annum, and with an annual contribution of €2,8 billion to the

country's GDP, the Greek pharmaceutical industry can undoubtedly play, a substantial role in the productive reconstruction of Greece.

While being exported to more than 80 countries worldwide, Greek generic drugs have been accused of being expensive in Greece. Might the obstacle, attributed to their lack in domestic market share increase, be their price?

There is no doubt that the export activity of Greek generics signals an international recognition of their quality and effectiveness. However, as I mentioned before, in the last few years, our sector has received an unfair attack – an attack, which focused primarily on prices.

The reductions that were implemented on the prices of generic drugs during the past five years, reached 60%; if one takes into account the rebate and clawbacks, then the generics' final price is established at approximately 27% of the original price.

It is therefore clear, that Greek generics are not expensive; in fact, their dramatically low prices create the risk of rendering their production unprofitable, and thus withdrawing them from the market, while expensive drugs will dominate. Such an outcome poses a threat to the patients' access to necessary pharmaceutical treatments, as well as for the country's Insurance Funds' sustainability.

Hence, it is an indisputable fact that the price is not an obstacle for the increase of the Greek generics' market penetration, since, in spite of their significant price reduction, their market shares remain anchored at 20% – and this, to the benefit of expensive, imported drugs. It is also noteworthy, that their participation in the country's pharmaceutical expenditure is at a mere 16%, representing a minor burden to the system.

It is obvious thus, that focusing on Greek generics prices is unjust and functions in a disorientating manner, when during previous years, we witnessed an effort to substitute branded generics with expensive, imported original drugs. It is for this reason that emphasis must be given to increasing their market penetration, with specific policies. A policy for generics should aim at making the choice of Greek generics a conscious act; that is, by the healthcare professionals and patients, alike. A fundamental requirement for the increase in the generics' market penetration, is the physician's possibility to suggest a brand name for the generic, as well; in addition, a larger – by 10% – profit margin for the pharmacist must be ensured, when he/she administers a generic, or substitutes a prototype with a generic.

Furthermore, it is equally essential to inform Greek patients about the quality of Greek drugs, while a reduced participation cost when choosing a Greek generic, should also be ensured.

At this point, I would like to stress that the drug policy must, henceforth, focus on structural measures for the control of prescribing and drug consumption; evaluating the effectiveness of expensive, imported, drugs is also a matter of immediate priority.

Domestic as well as foreign pharmaceutical companies have repeatedly referred to the budget on Health as being "small". Under the current stifling economic conditions, which amount would you consider as acceptable?

From the beginning, we – as the Greek Pharmaceutical Industry – stood in favor of reducing pharmaceutical expenditure, given that in 2009, it had soared to extremely high levels. Nevertheless, we cannot remain indifferent to the serious threat which is raised in terms of public Health, due to the memorandum goal for a public pharmaceutical expenditure at 1% of the GDP.

This “accounting” perception, which was adopted with regards to this particular percentage, has led Greece to the lowest per capita public pharmaceutical expenditure in the EU! This evolution jeopardizes the public’s access to pharmaceutical care, while according to a study carried out by the University of Peloponnese, it significantly damages public revenues as well.

Therefore, we consider it essential to immediately rectify EOPYY’s budget at €2,4 billion. As for the issue of uninsured citizens, the State’s possibility to cover their pharmaceutical needs must be ensured, with a special support of €350 million. In parallel, the €500 million budget for hospital care has proven to be insufficient, and hence, it is imperative that it increases to €800 million.

Can the Greek companies, cover the pharmaceutical needs, in a manner which is cost-effective for the State, so as to achieve absolute access to pharmaceutical care?

The Greek pharmaceutical industry has repeatedly expressed its commitment to covering, with no additional cost for the State, 70% of the pharmaceutical needs in primary care, and 50% of hospital care, with quality drugs at low prices. Within this context, we have pledged to have lower patient cost participation, and significant savings for the country’s social Funds.

Hence, it is very clear that the Greek Pharmaceutical Industry is not merely asking for an increase in the budget, but also provides a framework that is both sustainable and which can be promptly materialized towards the achievement of this objective.

How do you comment on the Health Ministry’s “opening” towards foreign pharmaceutical companies to invest in Greece? Does this entail any risks of shrinking Greek entrepreneurship, or is it an opportunity to reinforce the sector?

Having set as its basic strategic goal, extroversion and the development of collaborations, the Greek pharmaceutical industry proves with its actions, that it supports such an opening. Through the transfer of technical know-how, but also through the strengthening of our research and manufacturing personnel, such a perspective is an obvious opportunity to reinforce the sector.

Nevertheless, a unified and stable framework must be created which will provide equal opportunities for the development of entrepreneurship. Unfortunately, up until today, we have not seen something like this happen.

Physicians can henceforth prescribe drugs with brand names as well. Does this act in favor of the Greek drug, or not?

Certainly, the physician's possibility to propose a brand name for the product he/she is prescribing, is a step in the right direction. This is due to the fact that such an act, reveals the identity of Greek drugs, enhances their reliability, and encourages the use of branded generic drugs.

The current as much as the previous government, stands in favor of attracting capital by conducting clinical studies in Greece. How can the Greek pharmaceutical industries contribute to this?

The Greek pharmaceutical industries are particularly interested in the issue of clinical studies, as well as the highly-specialized expertise entailed to their realization, by Greek scientist. Our sector has significant activity in bioequivalence studies, as well as in a series of accompanying studies, pertaining to the development of innovative and new drugs.

Unfortunately, the current institutional framework lacks the mechanism which interconnects the courageous, yet scattered and fragmentary efforts which are undergone. In the absence of such a framework, many Greek companies are forced to resort to foreign countries in order to conduct, for example, a bioequivalence study, done so at a very high cost.

Therefore, amidst the economic crisis, it is truly sad for our country to lose revenue in such a way, especially when we are neither lacking in research laboratories nor in infrastructure.

Hence, it is absolutely clear that an establishment of a framework is necessary; a framework through which priorities will be emphasized, and points of superiority will be identified. In this way, the goal for investments in research and incremental innovation will be attained, yielding multiple benefits for both Greek society and its businesses.