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Don't kill the Greek generics industry, rep asks EU

Lower generic prices in Greece threatens local industry

By **CARMEN PAUN** | 11/12/15, 6:52 PM CET

The EU's push for lower generic prices in Greece threatens local industry, its top representative told POLITICO.

In the [memorandum](#) that came with the €86 billion bailout for Greece in August, the European Commission instructed the Greek government to reduce

the price of all generics to 32.5 percent of the patent price. But the local Greek pharma industry says without an increase in volume with incentives for doctors and pharmacists to prescribe the copycat versions, this provision could be a disaster.

“If you drop the prices of generics to the level of extinction and then you give the money that you save to the me-too products, this is a lose-lose situation in countries like Greece,” said Theodore Tryfon, the president of the Panhellenic Union of Pharmaceutical Industries. The association represents Greek pharmaceutical manufacturers, which produce generics, hybrid generics and also patented drugs.

The pharmacists by law generate a profit margin from the medicines they sell, giving them the incentive to sell the more expensive drugs, he said.

“You have the paradox of giving a large discount and the social security not taking advantage of the products in the system, and on top of that we have the governments and the lenders coming and asking for larger price decreases instead of larger volumes,” he said.

The Commission acknowledged the problem in its memorandum, telling the Greek government that “generic penetration should be supported by further actions to improve the incentive structure of pharmacists, including on profit structure, by August 2016.”

The industry boss spoke to POLITICO during a recent trip to Brussels, where he made his case to the Commission’s economy and financial directorate general and members of the European Parliament.

“We want to inform the lenders and other parties about the situation in Greece,” he said.

No drug evaluation

Typically in Greece, newer, more expensive drugs replace older ones, even if they deliver similar therapeutic value, Tryfon said.

That’s because Greece does not have a health technology assessment body to evaluate the added value brought by new products compared to those already on the market, he said.

The European Commission directed the country in the bailout memo to set up an HTA center by December 2017 to inform the inclusion of new drugs on the list of reimbursement.

Greece also needs to set up teams to negotiate prices with innovative drugs companies, like most other countries already have, he said. The government has announced it would do so, according to Tryfon, but since this is not a demand from the Greek lenders, it may be put on the back burner, he said.

This effort, together with an HTA body and a system to monitor drug prescriptions in the country, should be the first priority for Greek pharmaceutical policy, Tryfon said.

While public health care spending has dropped, the number of prescriptions has held steady, he said, putting pressure on the health budget.

Greek authorities should set up therapeutic controls to monitor prescriptions as one solution, he said. Many cancer patients end up being prescribed pricey treatments as a first resort that should actually be a last resort, he said. "This gives an unnecessary spending and excess costs to the system."

Treatment protocols, increased use of generics and quotas for less expensive products in the health care system should help respond to the cost cuts in a reasonable manner, Tryfon said.

"Instead of that, we see a continuous persistence in price cuts, and anybody who knows how the pharmaceutical market operates can clearly see that all these price cuts, especially in old products, do not cut the spending generally, but they just transfer funds from one class to another, so it's an internal market shift."