

Theodore Tryfon

“They require an increase in generics’ penetration, and they punish us with a clawback!”

In an interview at DailyPharmaNews.gr, Mr. Theodore Tryfon, President of the Panhellenic Union of Pharmaceutical Industries (PEF), notes, among other, the contradiction in the governmental Health policy over the last few years: According to the latter, although it is being declared that an increase in generics’ penetration in the overall relative contribution is pursued, in fact, no measures for augmenting their volume consumption are implemented, while pharmaceutical companies are being punished with the imposition of very high clawbacks. Mr. Tryfon also asks for a radical change in the current way of the pricing of generics.

Interview: Vassilis Venizelos

DPN: Mr. President, the second evaluation is currently ongoing, while the procedure for establishing a new drug price bulletin has already started. Do you think that the government will duly realize that their agreement with the quartet regarding the drug re-pricing system will be disastrous, both for generic drugs as well as the progression of public pharmaceutical expenditure, or is there a characteristic delay?

The current re-pricing system imposes exhaustive reductions on the prices of older, more economical drugs; this in combination with the extreme rebates and clawbacks, establishes conditions that are unsustainable for the continuation of their circulation, and therefore leads to their mandatory removal from the market. It is important to emphasize that this is taking place when everyone is well-aware of the significance of maintaining old, more economical drugs in the system, in order to achieve the necessary savings.

Today, after six years of continuous reductions, the evidence show that a further price reduction will not restrain expenditure in the medium-term; on the contrary, it will lead to its increase, due to a **shift in prescribing** towards newer, more expensive drugs. This is a reality, which I am sure the government has definitely realized. Up to now, the policy for the last six years has resulted in a dramatic budget compression, which does not take into consideration the patients’ real needs; an imposition of exhausting returns to the pharmaceutical industry which are expected to exceed this year 40% in outpatient hospital expenditure (this is without calculating the mandatory returns in the case of hospital drugs), and a three-fold increase in patient participation, while simultaneously their available income has collapsed.

Delays are observed in the materialization of structural interventions for the control of volume and consumption, with measures such as therapeutic protocols, prescribing guidelines, as well as the establishment of a system that will provide incentives for physicians, patients, and pharmacists to opt for economical equivalent treatments. I believe that if these interventions had been duly implemented at the beginning of the effort to restrain pharmaceutical expenditure, the landscape would have been completely different today.

DPN: Most of those who participate in the Health Ministry’s working group for the monitoring of public pharmaceutical expenditure, stress that the relevant proposal of Mr. Sotiris Berssimis, President of EOPYY, is of a rather general nature and unavailing. What additional evidence would you propose for its acceptance by the Health Ministry’s political leadership?

I do not wish to comment on any particular proposal. I think that the working group should process the current proposals in a detailed manner, with the aim to establish a viable framework for the expenditure's restriction, and the proper operation of the pharmaceutical market. Surely, there is no time to lose; this is something extremely important for the Greek Pharmaceutical Industry, which is being asked –yet again– to pay extreme clawbacks due to the grossly excessive expenditure, for which the Pharmaceutical Industry holds no responsibility. First of all, we consider that it is important to establish a pricing system in such a way that we ensure old, more economical drugs remain in the system. In addition, we believe that the reimbursement system, especially for newer expensive drugs, must be rationalized. We no longer have the luxury to reimburse every new drug as a general and vague innovation, and as a result there needs to be proper **evaluation** of the cost/effectiveness relationship in comparison to current, older treatments.

DPN: The penetration of generic drug products in the overall relative consumption by ESY hospitals across the country does not exceed 12%. Is it your impression that the Health Ministry's political leadership is pursuing a drastic increase of the relative penetration? Are we not noticing a characteristic delay, in this subject as well?

The issue of generics' penetration is basically a matter of incentives and trust, on behalf of healthcare professionals and patients towards generic drugs. The use of generics is a "culture" that **cannot be imposed**; it must naturally occur as a result of a conscious choice. It is essential to strongly communicate the fact that Greek generic drugs have been available in our country **for 40 years (!)**, providing quality and effective coverage for Greek patients. Indeed, we are lacking with regard to the objective of generics penetration. This is because of two reasons: First, the target that was set for a 60% share of generics, in such a short period of time is particularly ambitious. It is worth noting that countries which are currently characterized by a high generics' penetration, did not get to this point overnight, but after a long, stable, effort, through **information campaigns** for public and healthcare professionals, through systems of meaningful incentives, etc. We, on the other hand, have been using policy tools which are incorrect.

After six years, we have finally come to realize that the penetration of generics will not be achieved through price depreciation. Furthermore, the measure of prescribing based on active ingredients, although presumably aiming at increasing generics' penetration, is actually undermining it, stripping generic drugs of their identity, precisely at a time when the latter is a prerequisite for patients and doctors to trust generics as a drug. Overall, we are incapable of understanding the current policy: on the one hand, the policy is interested in promoting measures which aim at increasing the use of generics, and on the other hand, it is actually punishing this increase, by imposing clawbacks on generics.

DPN: We are heading off to an unconceivable clawback for 2016; now the Health Ministry's political leadership seems to have no means to prevent such an outcome. For the pharmaceutical companies, are there any ways to prevent, retroactively, the obligation of returning hundreds of millions of euros to the State in the form of the clawback?

It is clear that we have reached a point, where no magical recipes exist. Price reduction has driven companies to their limits, especially Greek pharmaceutical companies, which have been **unilaterally experiencing the largest reductions** in their products' prices, while at the same time threatening the market's adequacy. The implementation of structural measures (the only

substantial intervention), even if it is applied immediately, would need at least six months to show the first results.

Within the context of the abovementioned, the pharmaceutical industry has proposed to seek out alternative funding sources for vulnerable social groups, e.g. through European funds, as well as to exclude the vaccines' expenditure from public pharmaceutical expenditure, given that these constitute a social investment and not a constituent of pharmaceutical healthcare. We have also proposed the establishment of a closed budget and a separate clawback for high-cost drugs, whose participation in the expenditure has risen exponentially over the last years, constituting the principal factor for the expenditure's increase.