HEALTH
+MEDICINE

More economical treatments with realistic prices

ARTICLE

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Over the last few years, a series of fragmentary measures which are constantly changing, have heavily affected 'everyday life' of the Greek pharmaceutical Qarticipations, and often with delays in the release of new drugs.

What we, as the Panhellenic Union of Pharmaceutical Industry, have prepared, is essentially an update of our positions, even having taken into consideration the many unreasonable – yet not inexplicable – unilateral prerequisites of the memorandum, we are expecting a rational policy.

The principal directions of the policy proposed by the Greek pharmaceutical industry are summarized in the following: evaluation and insurance compensation of the newer, expensive drugs, rationalization of drug use and consumption, and prescribing regulation. We consider that these are more significant than the unidimensional focus on prices, especially of the older, well-established Greek drugs, which constitute the cheaper choice for both the health system and the insured.

We believe that the patients' trust in the quality of generic drugs must be strengthened, since the Greek pharmaceutical industry can cover 70% of the needs in drugs, while producing an added value for the national economy; this industry contributes to public revenue through taxation, administration fees and contributions, and for every €1 spent on a Greek drug, the GDP is reinforced by €3,42!

Our industry has another significant contribution in the field of employment, counting 53,100 employment positions, with a potential to create an additional 2,000 within the next 5 years, while it improves the drug trade balance by €2 billion.

More precisely, based on the Greek pharmaceutical industry's propositions, as far as pricing is concerned, we consider that it is good to have on-patent drugs as the average of the 3 lowest prices in the E.U., and off-patent drugs at 50% of the price of protected drugs. Moreover, generics should be priced at 32,5% of the reference drug protected price, with further price reductions resulting from dynamic pricing. Also, care should be taken to maintain in the market the realistically priced cheaper treatments, since they have proven to yield savings. The proposal mentioned in the memorandum III about the volume/price negotiations is also in the correct direction.

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In what regards the issue of compensation: there is a need to have a positive list with justified exceptions, and to add new active ingredients after evaluation, provided that they are compensated by the insurance bodies in the E.U countries in which they are marketed. We support the automatic inclusion in the Positive List of generics, hybrids, stable combinations and biosimilars, which correspond to active ingredients that have already been integrated.

We also support the inclusion of new drugs without generics, as long as they have central accelerated authorization or are characterized as orphan drug status by the EMA,they significantly improve the effectiveness and safety of the existing choices, and have proven to be contributing to the reduction of pharmaceutical expenditure or are products of domestic research, development and manufacture.

As I mentioned above, owing to unfortunate circumstances plaguing our country, we might be accepting some requirements from the memorandum III, but we also have important objections. Like I said, it is more efficient to give emphasis on compensation rather than on the pricing system, with an orientation towards restraining expenditures, through the old, already cheaper drugs –and certainly not through their withdrawal and substitution by newer, more expensive ones. It is necessary to have the potential to release new generics – and this is something that the new memorandum's framework wants to prevent. Prescribing based on the active ingredient is unacceptable! It is unheard of and utterly unacceptable to prohibit a physician from proposing the brand name, as his professional medical advice.

Moreover, the evaluation of new expensive drugs is an important issue, as well as the rewarding of innovation, where the institutions seem to lack the ability to distinguish between innovative and on patent drugs.

The system that we propose restrains patient participation because through the currently established pricing system, the patient's participation essentially digresses from the average price of some drugs. If cheaper drugs are removed from the system, as a result the reference price will immediately increase. Hence, we won't have a reduction, but an increase. And all this, while all European funds are concerned with issues pertaining to the control of prescribing, the implementation of therapeutic protocols, and the evaluation of new expensive treatments, so as to enter the system at low prices. Today, Greek generic drugs are administered with a 70% discount on their original price. This is in fact, a record-discount – one that has never been offered before!

> Our position as PEF is that the legislation on drug pricing must change. This matter should be brought to Parliament, and all parties should express their positions, in order to put forward, within 2 months, a specific proposal for the institutions. Besides, the European legislation has established that each country can define its own specific manner in which it will distribute its pharmaceutical expenditure, even when this must be done within a closed budget.

Development

Within the proposals that we present, there is an additional important parameter included: the parameter of development, through the utilization of the Greek pharmaceutical industry. Our production units have a significant export activity and employ hundreds of highly qualified personnel. Despite the crisis, we have kept our employees; the Greek industry displays a 3-4% fluctuation, counting 11 thousand workers. However, we have realized an intention of the institutions to tend towards eroding one of the last pillars of growth for our country, simultaneously excluding the release of affordable and reliable Greek drugs in the domestic market. In conclusion, and based on the closed drug budget which is below €2 billion, there is a need for a balanced system of expenditure distribution between Greek and foreign pharmaceutical industries – one, which will be based on structural measures, similarly to all European countries. Our position as PEF is that the legislation on drug pricing must change. This matter should be brought to Parliament, and all parties should express their positions, in order to put forward within 2 months, a specific proposal for the institutions. Besides, the European legislation has established that each country can define its own specific manner in which it will distribute its pharmaceutical expenditure, even when this must be done within a closed budget. This is because if €2 billion (an amount that is de facto, low) cannot produce domestic added value, then in due time, there will be nothing left in this country.