

Theodore Tryfon: Health & Drug legislative measures for Greece were inappropriate



“Amidst this crisis, the Greek State administration of the Health, and particularly, the Drug sectors, is one that is lacking in a mid- and long-term policy. The troika advised the government to legislate measures that exist in different political systems of other countries. They summed up these measures and made laws out of them”, mentions Mr. Theodore Tryfon, the newly elected President of the Panhellenic Union of Pharmaceutical Industry (PEF), to Mrs. Nikoletta Dambou and www.Life2day.gr.

Why isn't the state implementing a national drug policy?

“Unfortunately, over the last four years, the State mechanism functions under crisis conditions in numerous fields, particularly though in the drug sector, where we have been engaging in crisis management, rather than in a mid- and long-term policy. The fact that for the very first time, the IDIKA/EOPYY organizations are now totally computerized compared to many years ago contributed to this issue, as much as the rapid succession of Ministers which has also held back many issues in our sector. There is no central reference point for a drug policy. This should have been the role of our National Drug Organization- EOF, or there should have been an established a Drug Secretary General, or someone who will have at least 5 years experience in the sector, so that he/she could plan, legislate and put into effect a sustainable drug policy. The presence thus, of a central coordinator is of paramount importance, and its void contributes to the absence of an overall drug policy. Moreover, we are administering crisis management based on very specific and meager financial resources allocated by the country - we are burdened by the presence of the Troika every three months, and faced with all of this, we are forced to achieve specific goals. All these impediments contribute to our inability to implement a drug policy toward the right direction, a policy which would be based on our country's facts.”

Couldn't this be done in collaboration with the Troika?

“This failed; it failed because the Troika’s people wanted to show specific results.”

So what happened?

“They advised the government to legislate numerous measures, which exist in different systems of many countries. They basically assembled all these measures from different systems and legislated them in Greece. The Troika proposed and the government accepted measures which in order to be implemented, requires another infrastructure. The basis of these measures is to have certain long-term issues functioning in Greece. This was not the case, and so, this too failed.”

Do you think that in the end, the reduced health expenditures is the Troika’s demand, or rather is it an initiative of the government and of those involved?

“In so far as drugs are concerned, we have reached the other end. 2009 was indeed marked by an excessive overconsumption of drugs, which took place due to the absence of regulative mechanisms. We reached the other end, whereby the available money and resources were insufficient. With the Finance Ministry’s resources, the health –and mostly the drug– sectors cannot be covered; this is due to the fact that although drugs account for 25% of health expenditure, within the last years, they have essentially contributed to savings for the State by more than 50%. Meaning that, drug expenditure has been reduced far more than any other health expenditure, and we have reached a point where this situation must be dealt with. I don’t think that this is a Troika matter; it is primarily an issue of distributing funds and expenditures, through the Ministry of Finance. It is a combination of both. The Troika has set an indicator as a percentage of the GDP, but we have set another indicator: the per citizen expenditure. This is where we show that we are 30% lower than the European average, and so, it is something which needs to be dealt with.”

Couldn't the Health Ministry claim more money?

“The Health Ministry functions on a specific budget. If the Ministry gives more money in that field, then it needs to cut funds from somewhere else. This is something we have also discussed amongst ourselves. In fact, it’s not just us; patients’ associations, pharmacists, – everyone – has asked for larger funds for health. I think that now, this is in fact evidenced.

Two years ago, this is perhaps something we could not have requested. But now, it is an irrefutable fact. We have reached such a low point, that one can rationally say –at least in what regards the pharmaceutical sector which I represent– that the public pharmaceutical expenditure of all (EOPYY and other) funds should be set at €2.200 billion at a minimum. Then, in what regards the hospitals, they should be able to take over special treatments and to have special budgets for the serious diseases which they treat, for that, the budget should be approximately 700 million euros. This way, we will benefit from low prices, equally from a satisfying healthcare coverage, access to the system, and the Funds will have a budget. For us, this is clearly feasible. Our problem does not lie within the social Funds’ expenditures-albeit it is also an issue to contend with- but, the actual problem is that **the Funds have no revenues**, with an unemployment rate of 25%. Therefore, this is something that affects us gravely; and it does so, every year.”

You have submitted to the Health Ministry certain proposals with regards to the pharmaceutical industry's contribution to growth, but they have not yet been accepted. Which are these proposals?

“For many years now, even before the Memorandum and the bleak period of crisis, we always proposed an overall framework for the following issues: pricing and reimbursement, sustainability of the Funds, patients’ access to drugs and domestic production. We documented the positive outcomes originating from the implementation of these measures, as well as their contribution to our national economy. Hence, within this framework, we have submitted certain proposals to the Health Ministry for the reduction of expenditure, from 2009 until the present, and primarily, through different measures.”

What do you mean?

“I mean through mechanisms which exist in all of Europe. That is: regulation of prescribing, therapeutic protocols, specific agreements with pharmaceutical companies on price volume, evaluation of new drugs accepted into the list – similar to what happens everywhere else; in short, cost-benefit and pharmacoeconomic evaluations of new treatments. There should also be a pricing system, as well as a policy for generics, so as to reduce prices and provide Funds and patients with cheaper drug choices in the system. However, in order for these to materialize, there must be a solid State with duration. This did not exist. Instead, there have been changes of Ministers, and in what regards Greek politics, when a Minister changes, many times, things start from scratch. Furthermore, it is necessary to have systems that function for years – I mention this, so as to be fair with the government which has legislated on numerous matters.”

“Hence, in order to be able to implement a policy on generics, there should be a major effort; an effort including at least 2-3 years of informing the public, as well as physicians and pharmacists, about the quality of Greek drugs. In its turn, this would have required a 3-year information campaign, so that patients would opt for a drug they trust, but which also entails a smaller cost participation. Of course, this implies the physician’s encouragement, as well as the pharmacists’ agreement. Yet, this didn’t happen, since any policy requires duration. A large portion of our proposals has therefore not passed because unfortunately, the participants making the decisions have no duration.”

Clawback and rebates have exhausted the pharmaceutical industry. What will the industry do about this?

“The budgets are extremely low; unfortunately, the lack of major interventions on prescribing has led to horizontal measures, which have burdened pharmaceutical companies with levels of taxation at approximately 55%. This is something which is unbearable to a company, especially though, when it is a manufacturing corporation with many employment positions, amortizations and investments. We are not a commercial company, like many importing companies. We are a manufacturing corporation and with extreme taxation levels at 55%, this becomes intolerable. Nevertheless, the Pharmaceutical Industry exhibits great effort and honor in its valiant quest to **maintain its headquarters in Greece**. We will ask not only for that which is self-evident, but also, if granted, it will help our country exit this crisis.”

“The Greek pharmaceutical industry says: *I can cover 70% of the primary healthcare and a significant portion, more than 50%, in hospital care*. In this way, the system will enjoy lower prices, more job positions, higher taxation, and more revenue.”

Will the pharmaceutical industry bear the cost of uninsured patients, after all?

“The coverage of the entire population with drugs and hospital care is clearly a correct measure, and the pharmaceutical industry supports it. Unfortunately, there is an attempt to transfer the cost of such a measure from the State onto someone else’s back.”

Will you, the pharmaceutical industry, bear its cost, in the end?

“This is what is currently predicted, and it is all I can say for now. I would like to believe that when we know exactly what we are talking about (since we are not aware of the precise amount), we will duly review the consequences it will have on expenditure. Obviously, it is the State’s obligation to cover the cost of uninsured Greek patients.”

“The pharmaceutical companies can help by offering discounts for these drug categories. PEF has offered drugs to uninsured people, for free. We do this in many ways; recently, together with the Archdiocese of Athens, we inaugurated a Community Pharmacy for all parishes. Thus, we are actively participating. This is one thing; yet, it something entirely different to say that the uninsured will be covered by the Greek manufacturing corporations, or by all pharmaceutical companies. Nowhere does this happen nor can it ever happen. Welfare is welfare, and it must be targeted, since certain drugs for special diseases, drugs which are very expensive and not easily accessible to the patient, must be funded and available. The essence of welfare is to have the State fund them, entirely. Primary healthcare drugs are now at low prices. The Greek pharmaceutical industry can make them available at even lower prices, through the generics’ system, which I mentioned earlier. I think that this is a fund, which can be easily included into some budget, as long as structural measures are applied.”

As President of the Panhellenic Union of Pharmaceutical Industry, do you plan on changing something in its policy?

“No, no; there is continuity in our policy. Some minor changes have been done, but all Greek companies share a sense of solidarity and unity, as they hold common positions. We are simply changing eras. It seems that our relation with our creditors will be somewhat differentiated. The climate is way more mature, thus enabling us to claim what is self-evident. Greece should decide as an independent entity about its drug policy, within a closed budget. Secondly, the government –or any coalition government, and affected by no external influences, having a viable mid-term program, should be convinced that the only solution for the system is for 70% of the drugs to be **manufactured drugs**. In this way, the State will also save money for expensive treatments; it will reduce expenditure, it will have revenues, and it will create new jobs.”

How much money do you spend on research and development at ELPEN, and in what ways do you invest?

“I am truly very proud of the fact that **50 years** after its creation by Mr. Dimitrios Pentafragas, this Greek pharmaceutical company continues to be competitive, in Greece as well as in Europe. I am extremely happy and proud, that together with ELPEN’s leadership of the Board of Directors, Mr. Konstantinos Pentafragas and myself, have managed to maintain 850 employment positions in the ELPEN Group of Companies.”

“Amidst a period when many commercial companies have laid off more than 40% of their personnel, and while unemployment is at 27%, we are tremendously proud to be essentially honoring the ‘social contract’ that we share with our employees. In other words, we will try by any means and at any cost, in difficult and in better times, **to keep our people**; primarily because we need them, but also, because we have an obligation to preserve, within the system that we have built, a social cohesion in our company and in the State. Last but not least, we are extremely proud of our work in research and development, as well as in production and modernization; we are doing this equally abroad, in affiliate companies we have in Germany and Sweden.”

Research and development at ELPEN

“With regards to ELPEN’s research and development, presently our company’s research presence is spearheaded by our respiratory-cardiology sector, currently investing €7-12 million per year, coupled with important investments in mechanical equipment, intrinsically necessary for these developments. Three years ago, these investments were larger than the above amount, since we had a series of dossiers for our respiratory products, submitted in all of Europe. The research issue must evidently be included; there are many funds allocated for this by the European Union.”

Greek scientists and universities

“There are Greek scientists and universities; there could be a perfect synergy”.

“It is absolutely clear that the Greek pharmaceutical industry, just like the 20 factories (some more than others), is doing something differently. That is, they manufacture a product which has an additional advantage, relative to its competitors in a different category. This differentiation is the result of pioneering research programs. It is something exceptionally hard and very competitive to carry out. We are, therefore, not asking the State for any support or funding, but rather we are asking for certain things which are self-evident. For example, we had government bonds which were cut by 70%; this money didn’t leave our personal pockets, it was removed from the companies, from investments and research.”

With the new bill, will 10% of the subsidies in pharmaceutical industry be lost?

“We currently have taxation at levels above 50%; evidently, it is very difficult to maintain these investments. Furthermore, numerous bureaucracy and licensing issues, unfortunately pose even today, a major obstacle; in parallel, in Attica, anything we say or do, must entail regional development, investments, and employment positions. Most units are located in Attica and they have very low subsidy rates. With the new bill, 10% of the subsidies are lost for the sector of Health. For me, this means that the money will be wasted somewhere else, without any results. Thus, here too, Greece must ask for something better within the European framework; our country must ask for a better internal distribution of funds.”