

Theodore Tryfon, President of the Panhellenic Union of Pharmaceutical Industry (PEF), points out the need for a new national drug policy, which will support domestic pharmaceutical production. He highlights that a focal point for increasing the penetration of generic drugs in Greece, is the

possibility for physicians to also be able to propose a brand name for generic drugs. In parallel, he proposes to ensure a larger – by 10% – margin profit for the pharmacist, when he/she administers a generic, or substitutes an original drug with a generic.

Theodore Tryfon, President of the Panhellenic Union of Pharmaceutical Industry (PEF)

“We want incentives for Greek generics”

All studies show that the domestic pharmaceutical industry is one of Greece's economy's few remaining assets. Give us a 'picture' of the sector.

With 50 years of technical know-how and 20 modern production units, the Greek pharmaceutical industry represents 60% of the sector's employment positions, and over 90% of new investments in the country. Aside from being a manufacturing industry, it is also a research industry, annually investing 30 million euros in more than 80 programs, in collaboration with Greek as well as foreign research institutions. Crowning achievement of the above-mentioned fact is the establishment of more than 70 patents in a significant number of countries abroad. The export dynamic of Greek pharmaceutical industries results in the distinct presence of Greek drugs in the entire European Union, and overall in 80 countries worldwide; this fact ranks Greek drugs as the country's second export product.

The new government has stated from its initiation, that it will support the domestic pharmaceutical industry. From your point of view, what do you think this means, in practice?

It is a fact that, in the context of a new national drug policy, the Health Ministry's leadership has spoken in favor of boosting Greek drug production and recognizing the role of generics in pharmaceutical treatments. However, what we are asking for is not to receive some sort of support from the State. Our main need is the existence of a pharmaceutical policy, a policy which will make good use of the Greek pharmaceutical industry's potential to cover 70% of the pharmaceutical needs in primary healthcare, and 50% of hospital healthcare needs, with quality and safe drugs, at affordable prices. This will lead to important savings for the budget, as well as to reasonable prices, and a low cost participations for the insured patients.

In spite of what was predicted by the Memorandum, requiring an increase in generics use in Greece, this did not materialize. What went wrong, or, conversely, what do you consider must change?

Clearly, it is the policy which was implemented during the last few years, that should be held accountable for this situation. The measures which were materialized, focused on imposing exhaustive reductions on the prices of cost-efficient generics. The problem of

to other European countries, whereby, generics are the primary choice of pharmaceutical treatment, with percentages reaching as high as 60-70% of overall consumption.

Moreover, the absence of a policy for informing the public about the quality of Greek generics, as well as the lower cost participations, constitute yet another obstacle for generic drug penetration. In parallel, there were no specific incentives which would encourage the physician's prescribing towards such a direction, and ensure profitability terms for the pharmacists, should they choose to administer generics.

At this point, we consider the physician's potential to propose a brand name for the generic drug, to be a pivotal point for the increase in the penetration of generics in the market. In addition, when the pharmacist administers a generic, or substitutes an original drug with a generic, a larger – by 10% – profit margin must be ensured for the pharmacist. We also emphasize that the drug policy must focus on structural measures for the control of prescribing and supply/demand, as much as to the benefit of the patients as to the country's social funds.

Towards this direction, the continuous price reductions of inexpensive drugs

last five years, the reductions which were imposed on the prices of generic drugs, reached 60%. The prices were established at extremely low levels, while, if one also takes into account the rebate and clawbacks that were imposed on us, the generic's final price is established at approximately 27% of the original reference price.

Nevertheless, and despite this dramatic reduction, the market share of generics, which as I mentioned above, pertain to domestically manufactured drugs, remained grounded at a fixed 20% of the market, to the benefit of imported, expensive drugs. This creates a framework of stifling conditions for Greek pharmaceutical companies that are attempting to carry out their business, and in which framework the resulting prices of Greek generics are marginal.

Can Greek generics be marketed at even lower prices? It is obvious that through an organized policy that would encourage their use, the prices of generics in Greece may in fact be further reduced, as their market share and market penetration increase.

It is therefore absolutely clear, that the unilateral focus on prices only serves the interests of multinational companies. With prescription numbers remaining at

Focusing unilaterally on the prices of generics only serves the interests of multinational companies. We must place emphasis on structural measures for the control of drug consumption

pharmaceutical expenditure was handled in fiscal terms, rather than in growth terms; it was certainly handled unilaterally, at the expense of Greek production.

As for generics, drugs which are the main core of the Greek pharmaceutical industry's production, it is a fact that, with regards to their use, our country follows a completely opposite course relative

must, at long last, cease. Persisting in this logic will lead to the substitution of affordable Greek drugs with expensive treatments, since the production of Greek drugs will become unprofitable leading to their withdrawal from the Greek market.

Yet, it is true that, compared to other countries, Greek off-patent and generic products have very high prices.

This may have been a valid point during previous years. In our country, within the

pre-crisis levels, with a very large increase in the insured patients' cost participation of their drugs, and with a very high number of uninsured citizens, I believe that it is imperative, now more than ever, to move to structural measures for the control of drug consumption. From the above-mentioned, what comes to light is that the problem is not the generic drug's pricing, but the increase in their penetration, as well as the volume regulation of expensive drugs.

“A systematic evaluation of expensive drugs is essential”

It is supported by many, that only through a dramatic reduction in the prices of generics and the establishment of incentives aiming at increasing their consumption, that the pharmaceutical expenditure can be controlled and resources for the State can be saved-so that new, innovative and presumably expensive treatments can be compensated. What do you think?

With regards to the already low prices of generics, I have already given you my answer. As far as your question's second part is concerned, I firmly believe that expanding the use of generics can bring about

significant savings for social pharmaceutical expenditure, thereby freeing resources for the truly innovative pharmaceutical treatments. In order for this to happen, it is also essential to systematically evaluate expensive drugs which enter into the system, with respect to the therapeutic result they offer, in order to avoid abuse of their selection. In fact, in what regards our country, evidence shows a clear trend towards substituting old, established, and affordable drugs, with expensive treatments, for the exact same indications; this results in the cost increase of pharmaceutical treatments.

