

**The Association of Finnish Pharmacies
Annual Review**

2007

Overview of the year 2007

- 3 A Message from the CEO
- 4 A new government, and pressure from EU Commission
- 6 A firmer grip on responsibility
- 14 January–February
- 16 March–April
- 18 May–June
- 20 July–August
- 24 September–October
- 26 November–December
- 28 Variations increased in the profitability of pharmacies
- 30 Pharmacies are strictly regulated
- 33 The Association's Companies
- 34 The Board of the AFP 2007
- 35 Further information

Parliamentary elections and a strike

The year 2007 was one of much work and adjustment. The pharmacies improved their professional work and learned to live with the financial cuts of 2006.

Pharmacies were the centre of much economic instability sparked by the measures to cut medicine costs, which were carried out in 2006, and which also led to a downturn in the financial positions of the pharmacies.

The pharmacy working group, which had been set up by the previous government, kept us waiting for its proposals until the beginning of the autumn. Following circulation of the proposals for comment, it turned out that no major changes would be required to the legislation regarding the pharmacy business during the current electoral term. The pharmacy licence system and the pharmacy fee will remain, the distribution of non-prescription medicines will not be expanded, and the institutional pharmacies in the public sector will not be allowed to sell medicines outside the institutions.

We are, however, expecting changes in how the subsidiary pharmacies and the medicine chests in rural areas operate. Also, the rules for selling medicines via Internet will be established.

No measures regarding pharmacies were separately indicated in the government programme, but it did offer the pharmacies many options. The government programme emphasised good care for senior citizens, and this also prompted work in the Association of Finnish Pharmacies (AFP) to improve medical treatment for the elderly population. An action programme called “The pharmacies supporting medical treatment for the elderly population” (2008–2011) was completed at the end of the year.

The government programme also included another important definition of policy with an impact on pharmacies, namely the Finnish Health Promotion Policy Programme. The work to enhance health generally – which is already part of the pharmacies’ professional programmes – can now be more closely integrated into the action policy for health-care nationwide.

The focus of actions to hold down the growth of medicine costs switched to drawing up plans for the start-up of the reference price system.

Several legislative processes which will have at least an indirect impact on pharmacies were under discussion in the European Union.

The Court of Justice of the European Communities dealt with some cases which are pertinent to pharmacy operations in the future. The European Commission – DG Internal Market, too, pursued its earlier infringement proceedings against pharmacy operations in different countries. The first court decisions are expected in 2009. Essentially, it is a question of the relationship between internal market and public health regulations in the European Union, and at which level decisions about health services should be made: in the member states themselves or at Community level.

Pharmacy services in Finland remained comprehensive. There were 805 pharmacy outlets nationwide at the end of the year. The ratio of community pharmacies to the total population is 1: 6 600. In Finland, 99 per cent of the population lives in a municipality with at least one outlet.

Pharmacy customers are professionally served by highly trained experts. Almost two out of three have a pharmaceutical degree at university level.

The pharmacies are also at the leading edge of gender equality: more than 70 per cent of pharmacy owners in Finland are women.



Big issues in 2007 were the parliamentary elections, the new government and its programme, and the unnecessary and frustrating pharmaceutical assistants’ strike

Reijo Kärkkäinen
CEO



A new government, and pressure from EU Commission

From the point of view of the future of the pharmacies the most important issues in 2007 were the drawing up by the government of its programme, together with the processes initiated by the EU Commission to liberalise the ownership of pharmacies.

The event most widely reported by the media was the Finnish Pharmacists' Association (FPA) three week strike near the end of the year. The media were also interested in the progress of electronic prescriptions, the impacts of the extending of the sale of nicotine replacement products outside pharmacies, Internet pharmacies and buying medicines via Internet.

The year 2007 marked a number of jubilees in the Finnish pharmaceutical field: simultaneously 110 years of the Association of Finnish Pharmacies (AFP) and pharmaceutical education in Finland. Similarly, the Finnish Pharmacists' Association and pharmaceuticals company Orion Pharma each hit 90 years, while the pharmaceutical industry celebrated its 50th anniversary.

The government programme favours pharmacies

The new government promised to reform the medicine reimbursement system in a way that would hold down

the growth of costs. It emphasised that cost effectiveness would be taken into account in the reimbursement of new medicines.

The government also declared its intention to promote safe medical care, to secure the comprehensive supply of medicines, and to create a more equitable system for the payment ceiling, thereby improving the situation of those who use the many services and medicines provided by the social and healthcare sector.

In order to lower barriers and encourage cooperation between primary healthcare and specialised medical treatment, the government decided that during its electoral period the National Health Act and the Specialist Medical Treatment Act would be combined into one Act on Healthcare. The government also promised to look at how well the healthcare guarantee system functions, and where necessary to amend deadlines and revise the operational models for the system.

The government programme included three separate policy programmes,

one being the Health Promotion Policy Programme.

Liisa Hyssälä and Paula Risikko new ministers

Liisa Hyssälä (Centre Party) was appointed minister of Social Affairs and Health in the new government, and Paula Risikko (National Coalition Party) became minister of Health and Social Services. Previous minister of Social Affairs and Health **Maija Perho** was elected programme leader of the Health Promotion Policy Programme.

The AFP thought that medical issues were treated wisely in the government programme.

– Realism pushed out excessive enthusiasm and we got a purposeful package. In the end, the patient was put first, AFP CEO **Reijo Kärkkäinen** summed it up in the editorial of the *Apteekkari* journal.

The AFP decided to actively involve itself in the work to improve care services for the elderly, and to promote health.

The memos of the pharmacy working group and the reference price working group were published at the turn August into September. None of the proposals of these working groups were implemented during 2007.



Photograph: Finnish Government

Pharmacies increased their efficiency

The pharmacies had to adapt to price cuts introduced by the authorities in 2006. Lower prices and reimbursement cuts made by the authorities, the expansion of generic substitution and changes in the medical legislation together led to a downturn in the financial positions of many pharmacies.

In 2007, the situation improved as a result of growth of the turnover of the pharmacies. Nonetheless, the pharmacies had to think more carefully about raising their efficiency. This was achieved, for example, by increasing stock automation. About ten pharmacies purchased a robot for automatic stock management and according to an *Apteekkari* survey, every sixth pharmacy owner was considering such a device.

Some pharmacies launched selling general commodities via Internet. Medicines were not sold via Internet because the regulations for selling them were still not introduced. However, the ministry began discussing this and the National Agency for Medicines promised to make a decision about the pharmacies' business plans which would allow them to start selling medicines via Internet. The ministry's pharmacy working group also suggested that rules should be drawn up.

Shortage of pharmaceutical assistants eases a little

The shortage of pharmaceutical assistants, B.Sc. in Pharm., was at its worst

at the end of 2002, at which time, the pharmacies had 223 unfilled vacancies. At the same time, the baby-boom generation was beginning to retire.

The number of new university places for pharmaceutical assistants has gone up a little in recent years. However, some relief was particularly brought by retraining courses, which have created more than 250 qualified pharmaceutical assistants.

At the end of 2007, every tenth pharmacy was, however, still looking for pharmaceutical assistants, and in the Turku area as many as every fifth. Nationwide, there were 70 vacancies for pharmaceutical assistants and 55 for substitutes.

The European Commission interfered with ownership

The Commission proceeded with actions against some EU member states regarding regulations governing the pharmaceutical field. The Commission declared that at least in Spain, Austria, Italy, France, Germany and Portugal the regulations governing the pharmaceutical field contravene EU law. In the case of Italy, the process had reached the The Court of Justice of the European Communities, where the Commission's decision will be reviewed.

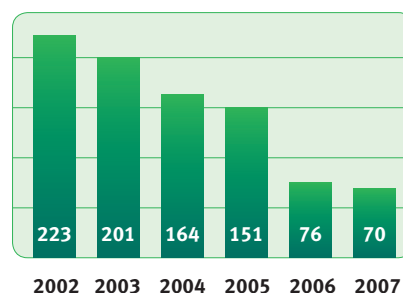
At the heart of the issue are the prerequisites for setting up and owning a pharmacy. The Commission's view is that current restrictions on pharmacy ownership should be abolished. This means, for example, that a pharmacy owner would no longer have to be a

pharmacist. The Commission would also like to abolish regulations which restrict the setting up of a pharmacy and its location.

The Commission appeals to the principle of the internal market, which guarantees free movement of goods, labour, services and capital within the community. According to the principle of subsidiarity laid down in the EC Treaty, member states have had the right to handle their pharmacy services themselves. However, since the Lisbon Strategy was agreed, in 2000, greater emphasis has been placed on competition and the enhancement of the EU internal market.

Essentially, it is a question of implementing two fundamental principles – subsidiarity and internal market principles – in the pharmaceutical field. The court ruling on the Italian case is expected during 2009, and the outcome is likely to have repercussions for regulations governing the pharmaceutical field of all EU member states. ■

VACANT PHARMACEUTICAL ASSISTANT POSTS



Dose-dispensing frees nurse Riitta Markkanen to give Veikko Kuhanen a warm hug in Ruskahovi sheltered accommodation, in Mäntyharju.



A firmer grip on responsibility



The AFP promotes safe and appropriate medical care. In 2007, a new step in the action programme was taken to improve medical treatment for the elderly.

The medication of **Veikko Kuhanen**, who lives in Ruskahovi in Mäntyharju, is in good hands. Nurse **Riitta Markkanen** and staff pharmacist **Eija Savonen** from the local Havu Pharmacy visit the sheltered accommodation regularly, and call in to see Kuhanen. Savonen brings with her Kuhanen's medicines for the next two weeks pre-packed in doses.

Ruskahovi sheltered accommodation trialled the use of automated dose-dispensing three years ago and they soon recognised its benefits.

– It clearly improves patient safety and the staff has more time to do their actual job, which is to provide care, nurse Markkanen explains.

Automated dose-dispensing is only one tool with which pharmacies improve the medical treatment and quality of life of the elderly. Last year, the AFP put together a comprehensive action programme to improve medical treatment for the elderly. The programme includes, for example, a medication review, greater in-depth assessment of the total medical treatments and plans for medical treatment of patients in institutional care, all executed by the pharmacies.

The action programme, from 2008 to 2011, set about improving the quality of medical treatment of elderly citizens. The AFP summoned all the important partners working in elderly care to take part in the implementation of the programme.

Risikko praised the action programme

Minister of Health and Social Services **Paula Risikko** (National Coalition) enthused about the action programme. ▶



Automated dose-dispensing means that the customer's medicines are pre-packed in sachets for each day of the week and the right time of day.

– The pharmacies' action programme looks to the future and its suggestions for improvements are excellent. It's clear that the pharmacies want to be part of the healthcare sector, and they want to be prepared for the future. The challenge will be greater because those who use medicines more often are elderly people who have several diseases and many different medicines, says Risikko about the new programme to the *Apteekkari*.

Risikko thinks that in order to maintain proper total medication, the

medication of chronically ill old people should be checked regularly.

– Pharmaceutical professionals play a key role here. When improving working methods it is important to draw on the knowledge of pharmaceutical professionals who have had special training to do medication reviews. Pharmacies and the healthcare centres have to work together to carry out long term medical treatments appropriately and to create sensible practices for renewing prescriptions, Risikko summed up.

Dose-dispensing of medicines expanded

The automated dose-dispensing of medicines expanded and by the end of the year the service was being used by 5 750 patients, and 184 AFP member pharmacies were offering the service.

An automated dose-dispensing service, initiated by the AFP and provided by a pharmacy, first offers a check of the patient's medication, after which the pharmacy then dispenses the doses of those regularly taken tablets and capsules pre-packed in plastic sachets ready for use.

The service improves safe medical treatment, enhances successful medication and saves medicine costs. The service also cuts medicine waste. It is particularly useful to those who regularly use several medicines. The fee charged by the pharmacy for dose-dispensing is selectively reimbursed by the Social Insurance Institution (the SII).

The AFP arranges training for all member pharmacies, and their staff, in the process of introducing the service.

The professional programmes generate cooperation

By way of the asthma, diabetes and heart programmes the AFP enhanced the knowledge of pharmacy staff regarding the prevention and treatment of Finland's most common major chronic diseases. The programmes define how the pharmacies should provide medical treatment, medical advice and lifestyle guidance.

Through motivating advice, the pharmacies can significantly improve the patients' adherence to their treatment, the reason being that patients undergoing regular medical treatment visit pharmacies more often than other healthcare outlets. The pharmacies also reach out to those customers who do not use any of the other healthcare services.

The specially trained contact persons are an important link in the implementation of the programmes. They have been trained to treat and prevent Finland's most common major chronic diseases. By the end of 2007, the pharmacies had 706 asthma, 682 diabetes and 625 heart contact persons.



Minister of Health and Social Services Paula Risikko commended the AFP's action programme to improve medical treatment for the elderly.

Pharmacists Ingrid Wiberg (left) and Johanna Salimäki coordinate the professional programmes for pharmacies. Wiberg is responsible for the heart programme and the diabetes programme, and Salimäki for the asthma programme and anti-smoking programme.

The programmes also help increase cooperation between the pharmacies, other healthcare professionals and patients' organisations, all to the patient's benefit.

– This work is really beginning to bear fruit, say pharmacists **Johanna Salimäki** and **Ingrid Wiberg**, who are responsible for the asthma, heart and diabetes programmes in the AFP.

– We regularly get enquiries from patients' organisations asking whether pharmacies could take part in this or that event. Such organisations recognise the role and importance of the programmes, Wiberg adds.

The pharmacies' asthma programme is already 10 years old. During this time both the quality of advice and where-withal to impact on the patient's adherence to treatment have improved.

– Every day about 3 000 asthma medicine prescriptions are dispensed in Finnish pharmacies. There are great opportunities to make an impact, Salimäki points out.

A jubilee seminar was held in August for the partners who had been in-

involved in the planning of the asthma programme. The anniversary was also marked, for example, by enhancing training for special competence for asthma contact persons. The training will start during spring 2008.

– It is great news that the special competence of these professionals at last is officially recognised, Salimäki says, clearly pleased.

The enthusiasm for training among the staff in pharmacies was also expressed within the diabetes and heart programmes. The one-day training course, a joint venture with the Finnish Diabetes Association, was held for the first time. To allow all those interested to participate, it had to be held three times in the end. Moreover, the training scheme for the heart programme and its five main events proved very popular, too, and attracted hundreds of participants from all over Finland. The theme of the programme was prevention and treatment of hypertension; on top of that, strokes were also discussed. The diabetes programme started in 2001 and the heart programme in 2005, and there ▶





In Hollola Pharmacy, staff pharmacist Leena Laitinen and pharmacy owner Tapio Ryttilä watch while technical assistant Kaisa Berg electronically transfers reimbursement data to the SII.

are plans to arrange training for special competence for these contact persons, as well.

Independent information about medicines

The AFP publishes information about medicines for the pharmacies, and it does this independently of the pharmaceutical industry. The pharmacies regularly get summaries of product characteristics for new medicines. The AFP also provides synopses of these, together with training material.

The AFP continues to maintain

the Tietotippa database, developed to support patient counselling and which comprises totally over 4 800 different medicine packs.

A new series was launched in the medical information section of the journal *Apteekkari*. This series describes proprietary medicines and vaccines that have recently come or will soon come onto the market. The therapeutic importance of new medicines is assessed by the independent French magazine *Prescrire International*. In addition to the assessment of the medicine's benefit-risk ratio, the new medicine is compared with current treatments. The aim

of this assessment is to counterbalance the commercial medical information from the pharmaceutical companies.

A year of active training

Along with training for automated dose-dispensing and the professional programmes, the AFP also offered the technical staff an opportunity to improve their knowledge of stock management. This training at the Institute of Marketing lasts 18 months and prepares the students for a vocational qualification in logistic services. Approximately 40 technical assistants are currently on the course.

A preparatory course leading to a specialist vocational qualification in entrepreneurship aimed at pharmacy owners and staff pharmacists began in January. The training, which is organised by Edupoli, particularly focuses on the financial management of small companies.

The AFP organises yearly seminars on topical issues for special target groups. Such seminars were arranged for new Association members, contract manufacturing pharmacies and people in pharmacy associations responsible for training and communications.

The AFP and the Pharmaceutical Learning Centre together planned a number of courses and actively took part in drawing up the programme for the national Pharmacy Days.

The AFP pharmacy data network expanded

The AFP pharmacy data network is a joint service network for the AFP and its daughter company PharmaService Ltd. To use it, a pharmacy needs only an Internet connection. Technically, it is in effect a virtual private network (VPN), in other words the traffic uses the public Internet but being strongly encrypted and well protected by the firewalls of the pharmacies, the information remains strictly confidential.

The service network offers the pharmacies a data-secure and protected connection for their external transactions, and also comprehensive information and communications services. By the end of 2007, already 80 per cent of the

pharmacy outlets had joined it.

Services provided by the network include transferring reimbursement data from the pharmacies to the SII and transmitting information about limits to medicine reimbursement from the SII to the pharmacies.

The increase of electronic contacts with the SII and the ePrescriptions present new challenges to the pharmacies. The National Agency for Medicines and the National Authority for Medicolegal Affairs are also going to introduce electronic transactions.

In the AFP pharmacy data network, ePrescription information is transmitted safely from the prescription centre to the pharmacies and the information about medicine dispensing from the pharmacies to the prescription centre.

Salkku is the data portal for the AFP pharmacy data network and it compiles information bulletins for members; also news, catalogues and other material.

Together with the SII, the AFP developed their electronic channels of communication. The long term goal is to enable full electronic exchange of information between the pharmacies and the SII. Before that, pharmacies will soon be able to check the reimbursement qualifications of a customer in real time via the Internet when they dispense medicine.

Flexible means of communication

The AFP exploited a wide range of media exposure to reach out to its target groups. It used television and the press to advertise job opportunities to young people. Similarly, to raise its public profile it reached out to pharmacy customers via advertisements on the radio, in magazines and on the Internet.

In order to further its communication, the AFP produced for itself and its member pharmacies a DVD in Finnish, Swedish, English and French about Finnish pharmacies and their services.

The readership of the pharmacy magazine *Terveydeksi!* rose by over 200 000, which was more than any other Finnish magazine in 2007. The total readership reached 1.3 million. *Terveydeksi!* is the fourth most popular magazine in Finland (KMT Lukija 2007 research).

Work for ePrescription

A new Act enabled preparations for the ePrescription.

An Act on electronic prescriptions came into force at the beginning of April. This Act assigned the work of setting up and administering a national prescription centre to the SII. The Act also defined the principles of how a system of electronic prescriptions operates.

The transition period for the introduction of ePrescription lasts until 2011. The goal is that already by 2010 half of all prescriptions will be transferred electronically. Turku and Kotka will be the first cities to introduce ePrescription, in autumn 2008.

– The timetable looks realistic at the moment. Turku and Kotka have worked hard to make it possible, says AFP Director of Pharmaceutical Affairs **Sirpa Peura**, who has been on the project from the outset.

After the SII had been given responsibility for the prescription centre in April, it tendered for competitive bids for creating the data systems and medicine database for the ePrescription. Fu-

jitsu Services Oy was picked to set up the data system.

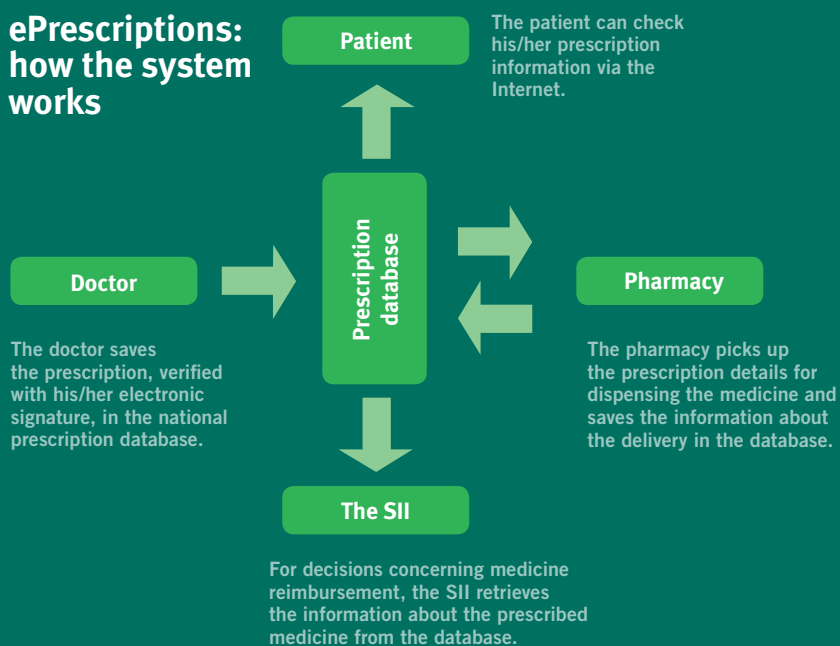
The Pharmaceutical Information Centre Ltd and AFP were chosen to deliver information for the medicine database. The database embraces all the information about a medicine that is needed when a medicine is prescribed.

The AFP was closely involved in the preparations for ePrescription. The Association's pharmaceutical department and the data administration unit were kept busy once the definitions for the ePrescription system were specified in 2007.

– It is quite natural for the AFP to be actively involved in the preparatory work, because pharmacies are playing a key role in introducing the system, **Sirpa Peura** comments.

The AFP also had the opportunity to participate in the national project for improving data system services in the healthcare and social services when **Sirpa Peura** was appointed onto the advisory committee for electronic data administration in healthcare and social services. Pharmacy owner **Tapio Ryttilä** was her substitute on the committee. ■

ePrescriptions: how the system works



Reader survey showed that readers were happy with *Terveysteksi!* magazine and thought it had improved in recent years.

In order to support medical advice in its member pharmacies, the AFP produced three new customer leaflets: medical information for families with children, weight control, and threadworms.

The AFP also provided and maintained various Internet services (www.apteekkariliitto.fi, www.apteekkit.net, www.apteekkiduuni.net, salkku.apteekkariliitto.fi). On top of that, the AFP compiled business and health news for its Internet services, for the home pages of several tens of its member pharmacies, and for the info screens of 260 pharmacies.

European cooperation

The cooperation between the AFP and the Pharmaceutical Group of the European Union (PGEU) was strengthened during the course of preparations for

AFP's period of presidency. AFP president **Mika Vidgrén** also became president of the organisation for a year at the beginning of 2008.

The PGEU examined the ways in which pharmacies in the EU countries work to improve patient safety and particularly medicine safety. The PGEU also issued statements on pharmacovigilance, the dangers of a pandemic and the wholesaling of medicines direct-to-pharmacy (DTP). The PGEU rendered its opinion about all issues in the EU concerning pharmacies and the supply of medicines. The PGEU had a representative in all working groups in the Pharmaceutical Forum.

The AFP took active part in the work of the Nordic Pharmacy Association (NA) and its working groups, and also the work of EuroPharm Forum and the International Pharmaceutical Association (FIP). ■

The readers were satisfied with the *Apteekkari* journal and the *Terveysteksi!* magazine. The pharmacy customers were also interested in the customer leaflets.

Taking part in many activities

- Together with the department of Social Pharmacy at Kuopio University the AFP piloted a theme week about medical education for children
- The AFP took part in the preparation of a national allergy programme
- The AFP commented on the Current Care guidelines

Guidelines for pharmacies

- A contingency plan for pharmacies in case of a pandemic
- Report of the quality measurements working group
- The pharmacies' professional ethics committee's statements on drug testing and sales of tobacco in pharmacies (see page 19)





One of the AFP's essential services is supplying information to its members. According to pharmacist Liisa Itkonen, more than half of the information is given over the phone, although the use of e-mail is increasing.

Customers praise pharmacy services



A survey showed that Finnish customers are very satisfied with the services of their community pharmacies.

The customers said that they especially appreciated the friendliness (82%), willingness to be of service (81%) and competence (78%) of the staff, and the advice about using prescription medicines (72%). Three in four said they were very happy with the location of pharmacies. Moreover, over 60% of the customers noted that they were very pleased with how quickly they were served (68%) and with the availability of prescription medicines (62%).

The customers were least satisfied with opening hours. That said, still more than one half (55%) were very satisfied and 39% fairly satisfied. No one was extremely unhappy.

Finnish customers are very loyal to the pharmacy they use: 95% of those interviewed said they would return to the same pharmacy.

The customers gave their pharmacies excellent marks: more than 9 out of 10!

Over 15 300 Finns were interviewed and 56 pharmacies all over Finland were included in this national customer satisfaction survey. ■

RISTO, 58 v

"..."

APTEEKIT

LEENA, 38 v

"..."

APTEEKIT

Discussions about medicine policy

About fifty pharmaceutical experts along with representatives of the media participated in a seminar arranged by the Ministry of Social Affairs and Health in February.

Minister of Social Affairs and Health **Tuula Haatainen** (Social Democrat) told the gathering that the government's future medicine policy would be based on the proposals made by the reference price working group and the pharmacy working group. She estimated that the future government programme would outline some aspects of medicine policy. Haatainen emphasised that the policy had to treat all parties fairly.

– If we wish to make changes in the work of the pharmacies, these changes must be based on a clear understanding of the situation, and the real impacts of such changes have to be assessed all together. The increasing role of the pharmacies within the healthcare sector must be taken into account as well, AFP President **Mika Vidgrén** stressed in his speech at the seminar.

He also pointed out that the pharmacies had already taken part in the collective savings measures to hold down medicine costs, and that these actions had weakened their financial situations. Their turnover had declined and their results plummeted in 2006. At the same time, however, the number of reimbursable prescriptions rose by 14%. ■

Huttunen proposed a reform of medicine financing

Professor **Jussi Huttunen**, who carried out a study on how to finance medicines, suggested transferring the costs of reimbursable medicines that are used in polyclinic treatment in a municipal hospital or healthcare centre to the SII.

Huttunen proposed setting up a medical treatment assessment board to assist the Pharmaceuticals Pricing Board in assessing which medicines should be reimbursable by the health insurance system, and to consider the price.

In order to spread more evenly costs of exceptionally expensive medical treatment, Huttunen proposed a nationwide price levelling system. The assessment board would make a proposal and the ministry would

decide which medicines should be included into the system.

Huttunen also proposed increased use of automated dose-dispensing of medicines and urged the ministry to carry out a study on the matter, and to prepare necessary changes in legislation.

Prompting the proposed reform were the problems of a twin-channel financing system which had failed to clearly define the responsibility for costs. Consequently, that responsibility had been shuttled back and forth, the result being in many cases that the patient alone had to pay the full price for a medicine, when part of it should have been the responsibility of either the SII or the municipal healthcare authorities.

Huttunen's proposals did not lead to any measures, at least not in 2007. ■

Medicines froze during transportation

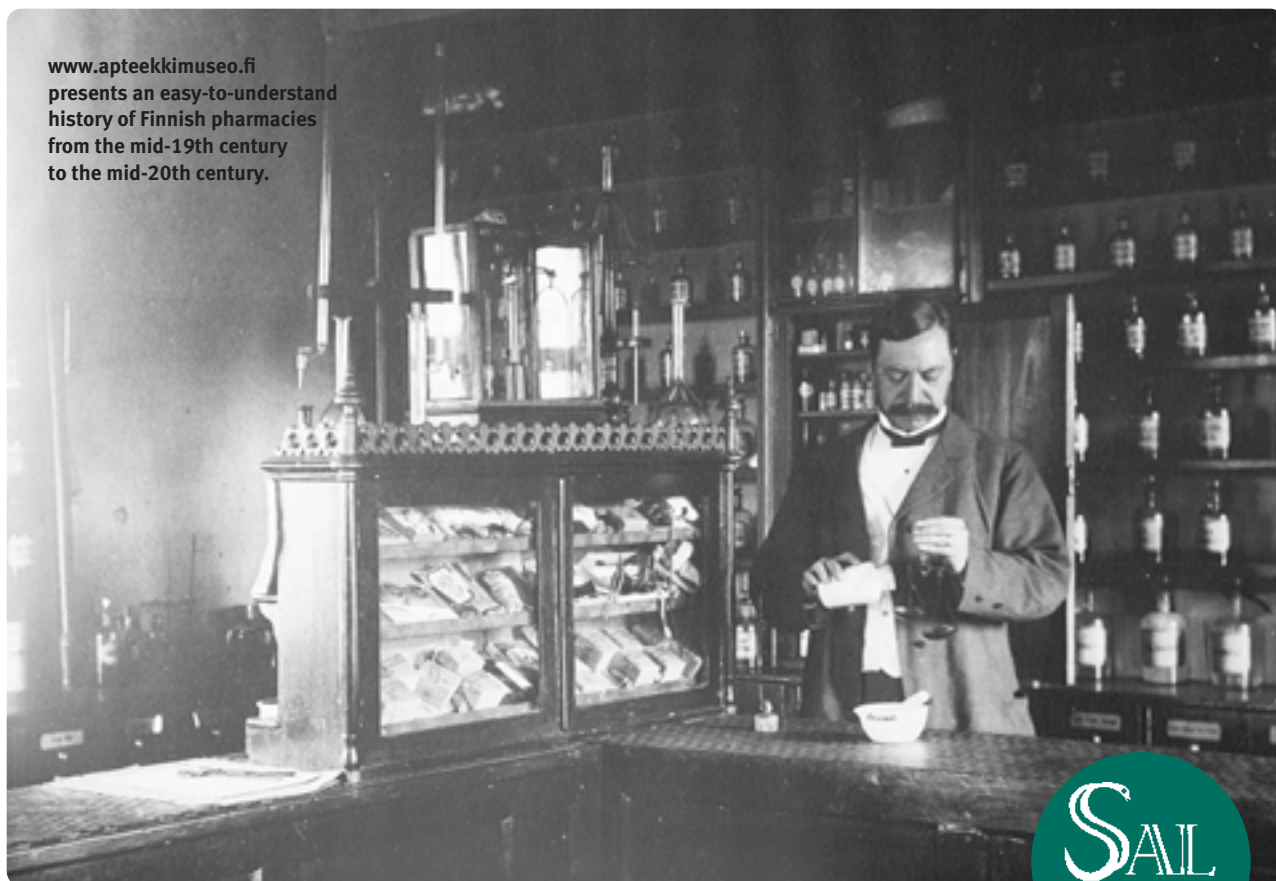
During the winter, medicine wholesalers experienced difficulties in ensuring that medicines were delivered unfrozen to some pharmacies. Information gleaned from pharmacies by *Apteekkari* revealed that medicines had on many occasions frozen on cold winter days.

Following a demand by the AFP and after the *Apteekkari* made public the shortcomings of medicine deliveries, both wholesalers promised to rectify the failings. The National Agency for Medicines intervened and initiated a reform of the regulations governing the wholesale trade. ■

THE AFP PROMINENTLY ADVERTISED its member pharmacies in two influential Finnish magazines. The advertisements highlighted the role of the pharmacies in supporting self-care and in providing medicine guidance, in dispensing medication for elderly people, and in the healthcare sector as a whole. The advertisements also informed readers of cost savings and savings options offered by the pharmacies to their customers and to society in general. The same series of advertisements also appeared in the *Finnish Medical Journal* in the autumn. ■



www.apteekkimuseo.fi
presents an easy-to-understand
history of Finnish pharmacies
from the mid-19th century
to the mid-20th century.



Spring kicked off with parties

The 110th anniversary of the AFP was celebrated at the Open Doors event in March and again at the Annual Spring Meeting in April.

The 13th of March 2007 marked 110 years of the AFP. The next day, this anniversary was celebrated at the AFP's Open Doors event, which was simultaneously the 110th anniversary reception for the cooperation partners of the AFP.

One of the AFP's events during this anniversary year was the launching of a virtual pharmacy museum on the Internet. Publicly announced at the Open Doors event, this virtual pharmacy museum www.apteekkimuseo.fi presents the history of the Finnish pharmacy field from the mid-19th century to the mid-20th century – the time when medicines were mainly prepared in pharmacies.

The museum is a pictorial compilation of old pharmaceutical instruments,

medicine containers and other equipment, along with old photographs of the pharmacy interiors.

The pharmacy museum was created for the AFP by multimedia office Kuto-mo in conjunction with pharmacy owner **Bengt Mattila**, who is an expert on pharmaceutical history.

Celebrations continued at the Annual Spring Meeting

A notably festive Annual Spring Meeting was held in the middle of April to celebrate the 110th anniversary of the AFP.

In his speech at the commemorative seminar, AFP President **Mika Vidgrén** emphasised the importance of a long-term medicine policy and hoped

that the Ministry of Social Affairs and Health would continue its efforts to increase the dialogue between the actors within the pharmaceutical sector and the authorities. Permanent Secretary **Kari Välimäki**, from the ministry, commended the pharmacies for successfully implementing the generic substitution of medicines, and stressed that the pharmacies have to take part in the work to hold down medicine costs.

The seminar examined the current debate about medicine policy, the future reference price system and the EU Commission's attempts to liberalise the ownership of pharmacies.

About three hundred pharmacy owners and 100 staff pharmacists from the member pharmacies participated in the commemorative seminar, while nearly 60 exhibitors presented their products and services at the accompanying exhibition. ■

First rate reliability in dispensing medicines

According to a survey of the reliability of dispensing medicines carried out by the AFP in March, the pharmacies were able to immediately dispense 98.8 per cent of prescriptions. The figure rose to 98.9 per cent when same day dispensing of at least some of the prescribed medicine were included. The biggest pharmacies, i.e. those which dispense more than 60 000 prescriptions per year, were the most reliable.

Altogether, 78 pharmacies of various sizes and in different parts of Finland took part in the survey, and the study included almost 89 700 prescriptions.

The AFP carries out yearly studies of reliability in providing medicines, and the results show that in recent years this reliability has typically been around 99 per cent. ■

A technical assistant became an MP

Professionals from the pharmacy field stood as candidates in the parliamentary election in March. Pharmaceutical assistant **Arto Johansson** (Christian Democrat), pharmacists **Erik Ongelin** (National Coalition) and **Sirpa Peura** (National Coalition) and technical assistant **Merja Kyllönen** (Left Alliance) aspired to a seat in parliament.

Merja Kyllönen was elected in the Oulu constituency by an impressive number of votes: more than 7 000. ■



The AFP: The new services must be ensured

Thanks to their new services the pharmacies can promote the governments' goal of ensuring safe medical treatment, as long as the financial situations of the pharmacies are not further weakened by cuts, the AFP pointed out at the end of April.

– In its programme, the new government wants to ensure a comprehensive supply of medicines. Similarly, our main target is to maintain a nationwide pharmacy network, run professionally, AFP President **Mika Vidgrén** declared.

He said that 2006 had been a difficult year for many pharmacies financially because of the government's measures to contain rising medicine costs. The cut in wholesale prices, for example, meant that the pharmacies lost nearly € 25 million on their sales margin. On top of that, changes in the market shares of cholesterol med-

icines had led to losses of € 3–5 million, while the decline in the sales of nicotine replacement products caused losses of € 5–7 million. Restrictions regarding purchasing contracts cut the pharmacies' sales profits by € 10–15 million.

– The economic situation has become critical, particularly in small pharmacies and in subsidiary pharmacies in rural areas. The same applies to street pharmacies in some town centres, too, added Vidgrén. ■

“Our main target is to maintain a nationwide pharmacy network, run professionally.”

Mika Vidgrén, the AFP

Nicotine replacement products for sale in restaurants?

A working group set up by the Ministry of Social Affairs and Health to determine the impact of extending the right to sell nicotine replacement products (NRP) proposed giving that right to restaurants. Additionally, it proposed that retail shops that do not sell tobacco could be allowed to sell NRPs.

The working group concluded that the sale of NRPs in retail shops should be licensed, but that such sales did not need to be specifically regulated. There should, however, be more specific regulations governing where in shops NRPs are displayed for sale, the group stated, and that municipalities should be given more instructions on how to report inspections and controls of the sales outlets.

From the beginning of February 2006, retail shops that sell tobacco, and also petrol stations

and kiosks, were allowed to sell nicotine replacement products. According to the working group, prices of NRPs had fallen on average by 15 per cent following the introduction of price competition and the removal of the pharmacy fee from the price.

The group proposed that the total impact of the reform should be looked at again later as a part of an assessment of the overall policy on tobacco. ■



Pharmacies overtook doctors

Nowadays, customers are more likely to get advice about medicine from pharmacies than from a doctor, a survey revealed.

Finnish customers were pleased with and particularly valued pharmacists ensuring that potentially harmful combinations of medicines were avoided, a follow-up survey by Taloustutkimus for the AFP showed. Customers also much appreciated the medicine guidance and the fact that they received their reimbursement directly from the pharmacy. Over one thou-

sand Finns aged 15 to 79 years were interviewed in April–May.

Those surveyed said that it was typically pharmacy staff (87%) or a doctor (81%) who gave oral advice about medicines. However, for the first time, pharmacy staff were mentioned more often than doctors as a source of such advice.

The majority of the respondents (92%) thought that there were enough



pharmacies. Almost two in three (64%) took the view that the availability of pharmacy services had to be ensured by regulating their location. Four in five (82%) considered that the opening hours were satisfactory.

Of all the most important pharmacy services, the two that the customers increasingly welcomed was being able to exchange a prescription medicine for a cheaper generic alternative, and the review of their personal use of medicines. But they also appreciated more than before being offered the cheapest substitute self-care medicine, dose-dispensing of medicines and the services that support giving up smoking.

Elderly were most content

Almost all of those interviewed said that they were either very (61%) or fairly (35%) content with their most recent visit to a pharmacy. Those over 60 years old were the most satisfied. The customers were especially pleased with the willingness to be of service (58%), prompt service (27%), competence (26%), and friendliness (21%) of the staff.

Dissatisfaction was most often caused by long waiting times (29%), and unfriendly (11%) or slow service (10%). Over one third (37%) of respondents, however, could not name a single reason that would have led to their discontent.





At the end of 2007, shopping malls and department stores together account for the locations of 143 pharmacies.

Most of those surveyed (86%) wanted to buy their prescription medicines from a pharmacy. A majority of respondents (54%) expressed a preference for also buying non-prescription medicines from a pharmacy. Only two in one hundred mentioned the Internet for buying prescription medicines.

In recent years, shopping malls have clearly gained popularity as the best location for a pharmacy. Nearly half (45%) of those surveyed preferred them as a place for a pharmacy. Around every sixth pharmacy is in fact located in a shopping mall or a department store. ■

The AFP awarded scholarships

The AFP furthered pharmaceutical research and the development of pharmacy praxis by offering grants ranging from € 500 – € 3 000. Totally, these grants amounted to € 27 740. ■

No to sales of tobacco

To sell tobacco from the drugstore section of a pharmacy contradicts the fundamental business principles of pharmacies, which is to maintain and enhance health, declared the pharmacies' professional ethics consultative committee in a statement which was published in the *Apteekkari* in June. Such sales may also damage the credibility of the pharmacy as a part of the healthcare sector and call into question the purpose of quit-smoking services.

The issue of selling tobacco products surfaced when it was decided that shops could only sell NRPs on condition that they also sold tobacco. Pharmacy owners raised their eyebrows when they were told about a pharmacy selling tobacco and NRPs from its drugstore section.



The consultative committee remarked that a customer was not able to distinguish between the pharmacy and the drugstore shelves inside it. Thus, customers would think they were buying their cigarettes in the pharmacy itself.

The consultative committee pointed out that the pharmacies' professional ethics could not be stretched to the selling of tobacco. ■



Photograph: Finnish Government

Towards a reference price system

In May, Prime Minister **Matti Vanhanen's** government agreed on the framework for the state budget for 2008–2011. This framework included the principle that if a patient refuses to take a cheaper medicine, their own contribution will be higher. The government also agreed that the medicine reimbursement system would be further developed in order to hold down costs.

A reform of the medicine reimbursement system was also mentioned in the government's programme.

The extra costs that arise when a patient says no to a cheaper generic substitution will be added to the patient contribution in 2009. It is estimated that this will bring down the health insurance costs by around € 15 million, the Ministry of Finance specified. ■



”The challenge now is rather how to make small pharmacies profitable. There must be a comprehensive distribution of medicines all over the country.”

Minister supported the pharmacies

The pharmacy working group, which had been set up by the previous minister, gave its report to minister of Social Affairs and Health Liisa Hyssälä. Hyssälä stated that the pharmacy system works well and there is no great pressure for changes.

”**W**e have a well functioning and comprehensive system for medicine distribution, and good and competent staff. The challenge now is rather how to make small pharmacies profitable, so that they can maintain their good level of service. Accordingly, the policy I’m proposing builds from the principle that there must be a comprehensive nationwide distribution of medicines. Pharmacy work must be developed on this basis, too”, minister of Social Affairs and Health **Liisa Hyssälä** (Centre Party) emphasised in an interview to the *Apteekkari*.

She hoped that the electronic prescription system would be widely introduced during this electoral term. In the interview, she also expressed her support for the dose-dispensing service in pharmacies. She wanted more discussion of whether the range of services in pharmacies could be extended further. Hyssälä also wanted pharmacies to be closely involved in the Health Promotion Policy Programme.

Hyssälä, who had been very critical of extending the sale of NRPs, said that for the time being she was not going to propose that the sale be extended to restaurants. Furthermore, Hyssälä did not think it was necessary to alter the Phar-

maceuticals Pricing Board’s role regarding decisions on medicine reimbursement, even though the Board had been fiercely criticised by the pharmaceutical industry.

The pharmacy working group gave its proposals

The pharmacy working group, which had been set up by the previous minister of Social Affairs and Health, submitted its report to Hyssälä at the end of August.

According to this group, the Finnish pharmacy licensing system complies with the Constitution, but it is not optimal from the point of view of general principles for trade and the efficient distribution of medicines.

The working group also proposed the following: improvements to the subsidiary pharmacies and the medicine chest system; drawing up national regulations and instructions for pharmacies selling medicines via the Internet; granting permission to sell medicine, under certain circumstances, in healthcare centres and hospitals; and the strengthening of the role of municipalities in assessing medicine supply in their own area.

Minister Hyssälä repeated her earlier statement given to the *Apteekkari*: she wants to maintain comprehensive nationwide medicine distribution and improve the situations of small pharmacies. Thus, she does not believe there are grounds for abolishing the pharmacy fee at the moment.

Instead, the minister considered that it should be made easier to establish medicine chests in remote areas, and that later it also should be possible to deliver prescription medicines, dis-

pensed and labelled by the pharmacy, via such medicine chests. In these cases, patient counselling could be provided over, for example, the phone.

Hyssälä called for drawing up of legislation for pharmacies’ Internet sales of medicine. She believed that ePrescriptions would facilitate the introduction of Internet sales and that this, by extension, would help those living in areas of low population density.

Minister Hyssälä expressed reservations about allowing the sale of medicine under certain circumstances in healthcare centres and hospitals, but wanted to strengthen the role of municipalities in the assessment and following up of medicine supply.

The AFP supported some of the proposals

The AFP supported the pharmacy working group’s proposals for improving the system of subsidiary pharmacies, for increasing the number of medicine chests, and for drawing up rules for selling medicine via the Internet. However, the AFP saw it unnecessary to sell medicines in healthcare centres and hospitals because whereas Finland has more than 800 pharmacies, it has fewer than 300 healthcare centres, each with a pharmacy nearby. Furthermore, healthcare centres and hospitals can deal with emergencies by using the first aid medicine packs already available to them, the AFP argued.

The AFP said that the pharmacy fee system should be assessed in cooperation with other actors and that together they should find a model that can ensure pharmacy services everywhere, and simultaneously help to achieve the wanted savings in costs. ■

Vidgrén hoped for greater consistency

The AFP President Mika Vidgrén hoped for a more consistent medicine policy which would look at the total costs of supplying medicine.

According to the AFP President **Mika Vidgrén**, during the previous electoral term medicine policy was erratic and unpredictable. Discussions on medicine policy had focused almost exclusively on the pharmacy field and the price of medicines, he said in an interview with the *Apteekkari*.

– We have to remember that the pharmacies generate less than four per cent of total healthcare expenditure. In the future, it would indeed be useful to

focus on fields and activities which have a greater impact on the growth of the total cost for medicine supply, Vidgrén explained.

Vidgrén, who was readying himself for the post of president of the Pharmaceutical Group of the European Union, the PGEU, also wondered in this interview why the EU Commission acted in the interest of international medicine wholesalers even though such an approach threatened to kill entrepreneurship and create economic centralisation.

Vidgrén pointed out that under the terms of the EC Treaty every member state may organise its medicine supply according to its national needs.

– I believe that Finnish politicians and officials would rather see a pharmacy system based on domestic small entrepreneurs than multinational companies coming into Finland bringing with them all the accompanying consequences, Vidgrén said.

In the interview for the journal, he also said that the AFP was going to revise its strategy, and work to enhance medical treatment of the elderly through an action programme. The AFP also wanted others who work with care of the elderly to join that programme. ■



10



THE AFP'S COMMUNICATIONS COMPANY PHARMAPRESS celebrated ten years of operation at the end of August. The party was held in the courtyard of the AFP's premises with nearly 150 invited guests. PharmaPress' communications pharmacist **Tiina Kuosa** (left), graphic designer **Eeva-Riitta Seppälä-Holmberg**, sales secretary **Paula Minkkilä**, CEO **Erkki Kostainen**, invoice clerk **Tiina Vainikainen**, journalist **Erja Elo** and sub-editor **Inkeri Koskela** are in festive mood. ■

Interest groups are satisfied

A survey showed that the image of the AFP is mostly good among its interest groups and those groups are very satisfied with its work.

Of the groups interviewed, four in five generally felt positive about the AFP. The best marks were awarded for its competence, consistency, reputation, honesty, useful information and for its high profile. On the other hand, some viewed the AFP as a little conservative, and insufficiently open.

The interviewees were mainly representatives of different companies both in the pharmaceutical field and other fields, along with organisations, authorities, the media and politicians. ■

The sales of tobacco did not drop

The extension to retail shops, petrol stations and kiosks of the right to sell NRPs failed to reduce tobacco sales. Statistics from the Finnish Tobacco Industries' Federation show that the total sale of cigarettes and cigars went down by a mere 0.7 per cent January-July, compared with the same period in 2006.

According to a survey, nearly two thirds (60%) of people buying NRPs said they had bought the products in a shop without any guidance; only one in four said they had purchased them in a pharmacy.

Specialists interviewed by the *Apteekkari* suspect that smokers use NRPs, such as nicotine chew-

ing gum, in situations where they are unable to smoke, or in order to reduce the number of cigarettes they smoke.

There is no research on the health impacts of smoking and using NRPs together, but it may lead to an overdose of nicotine, and in turn to negative side-effects; it may also heighten the dependency on nicotine. The only way to achieve significant health benefits is to quit smoking altogether, the *Apteekkari* stated.

Taloustutkimus Oy was commissioned by the *Apteekkari*, and in July it interviewed over two thousand Finns aged 15 to 79 years. ■



The reference price model took shape

A generic model based on the price of a medicine pack is the only feasible option, Sirpa Peura said, in response to the working group's proposal.

“**A** reference price could be introduced as part of the Finnish medicine reimbursement system from the beginning of 2009, if the model for the reference price is generic”, reported the working group set up to look into a reference price system.

The working group submitted its report to minister of Social Affairs and Health **Liisa Hyssälä** (Centre Party) at the beginning of September.

No decision was forthcoming from the ministry during the autumn regarding which of the three reference price systems, which the working group had looked into, should be pursued. The generic model was, however, considered to

be the most likely option. It was on the other hand still uncertain whether the model should be based on the price of a medicine pack or on the unit prices, e.g. the price of one tablet.

– The model based on unit prices would not be feasible from the pharmacies' point of view, because on top of generic substitution the pharmacies would have to be ready to dispense packs of medicines at the most economical price at a given moment. In this case, it would become more difficult than earlier to control stocks and there would be considerable wastage. Also, the system would encourage use of large packs the unit price of which would be cheaper, explained AFP

Director of Pharmaceutical Affairs and committee member **Sirpa Peura** to the *Apteekkari*.

Peura found the generic model based on pack prices feasible and logical as well, because it would be a natural continuation of generic substitution and would not be detrimental to the treatment of patients.

The working group estimated that the introduction of a generic reference price system would, during the first year, reduce the State's cost for medicine reimbursement by € 30–50 million, depending on how the reference price was determined.

The reference price of a medicine is the highest price of a medicine on which the medicine reimbursement calculation is based. It thus puts a limit on the costs of the reimbursement system, because the patient has to pay all the costs that exceed the reference price. ■



Ari Jansen (left), Juha Sinnemäki, Tua Sjöström, and Outi Bergman, Sirpa Peura and Tanja Kiviranta, at the front, are in charge of compiling the AFP database of pharmaceutical preparations.

The AFP's pharmaceutical preparations database certificated

The AFP database of pharmaceutical preparations “Taksa”, was certificated in mid-September. SFS Inspecta carried out the assessment of the production of the database in accordance with the ISO 9001:2000 standard.

The AFP database of pharmaceutical preparations includes for exam-

ple up-to-date information about the price and reimbursement of medicines on the Finnish market. The database is mainly used by pharmacies as a basic database for their data systems. Other pharmaceutical and healthcare professionals and authorities also use the database. ■

The NAM examined agreements

The National Agency for Medicines (NAM) asked all pharmacies and pharmaceutical companies to submit their report on how the revised paragraph 37a of the Medicines Act was working in practice. This revision introduced a standard wholesale price for a medicine in all pharmacies.

The Agency's study did not come as a surprise to pharmacies and pharmaceutical companies, because it had already been mentioned in the target agreement for 2007, between the NAM and the Ministry of Social Affairs and Health. According to this agreement, the NAM, in 2007, had to look into the impact and implementation of the regulation, which had been added to the Medicines Act in February 2006 and which forbids discounts on medicines for individual pharmacies. ■

FIP congress in China

The annual world congress of the International Pharmaceutical Federation (FIP) was held in Beijing, China, early in September. Almost 3 000 participants from 90 countries attended, including some 60 Finns. The themes of the congress were counterfeit medicines and patient safety, the future of pharmacies and regulations governing the pharmacy field.

At the congress, Finnish pharmacy owner **Eeva Teräsalmi** was elected new professional secretary for the FIP's Community Pharmacy Section for the next four year period. Teräsalmi has been a member of the board of this section since 2003. ■



Striking pharmaceutical assistants gathered in Helsinki.



The strike hit, but the pharmacies served

Only around fifty small subsidiary pharmacies forced to close during the strike by pharmaceutical assistants.

Negotiations between the Finnish Pharmacists' Association (FPA) and Pharmacy Employers' Association over the collective pay agreement broke down when the former threatened to strike at the end of October. The FPA demanded a pay rise, which, with all the additional payments, would have exceeded the general level.

The negotiations were run by the government mediator. The parties failed to come to an understanding, and the FPA started industrial action on 15 November with a 12 hour stoppage of work in pharmacies in the capital region. Initially, the walkout had little impact on the opening hours of the pharmacies in the capital region.

The actual strike began right after the national Pharmacy Days, on 19 November, and it spread on Wednes-

day and Friday of the same week, by which time one third of the pharmacy outlets were involved. Mediation continued, but to no effect, and the strike was extended on 3 December, resulting in altogether 468 of the nation's pharmacy outlets, i.e. around 58 per cent, being hit.

Most pharmacies involved in the strike limited their opening hours, but only around fifty small subsidiary pharmacies had to be totally closed. The pharmacies not involved in the strike worked as normal.

Some of the pharmaceutical assistants and staff pharmacists who are members of the FPA went on strike. However, staff pharmacists who are members of the Finnish Pharmacists' Society and the technical staff worked in the normal way. Pharmacy owners together with their staff not on strike ensured that medicines were available.

The AFP did not take part in the strike negotiations, but did give out information during the strike. Via its bulletins and Internet services, it told the

public that pharmacies would remain open despite the strike. The AFP provided details of opening hours of those pharmacies affected by the strike on its web services, in real-time.

The strike ended on Friday 7 December at nightfall, when the parties accepted government mediator **Juhani Salonius'** conciliation proposal for resolving the dispute. Some of the pharmacies which had been involved in the strike extended their opening hours at once and the rest went back to normal opening hours the following Monday.

The strike was shortlived and had little negative impact on the work of the pharmacies, nor on the public's access to medicines. The AFP was, however, forced to call off its Annual Autumn Meeting and postpone it until January. The dispute sparked much debate among pharmacy owners about the need to improve work practices in the pharmacies.

The last two occasions that pharmaceutical staff in pharmacies went on strike were in 1983 and 1968. ■

Direct reimbursement of additional refunds

The SII, the AFP and the university pharmacies agreed to revise the direct reimbursement agreement starting from the beginning of 2008. The reform introduced additional refunds to the system of direct reimbursement.

Previously, the additional refunds were not paid until a later date, and the customer had to apply for them separately. However, the pharmacy could at that time also claim the refund on behalf of the customer, by way of a letter of attorney. This, incidentally, allowed credit for customers wishing to purchase medicines. But from the start of 2008, when a customer buys medicines and they show their social insurance card, together with a statement from the SII showing that the yearly patient contribution has exceeded the given ceiling, the additional sum will be refunded on the spot.

A penalty payment to rectify refund errors was also introduced at the same time, by the revision of the agreement. This payment is imposed if the pharmacy makes an error in reimbursement.

The penalty payment is used to limit the consequences of errors made by the pharmacies. The new system will be trialled for a year, after which it will be decided whether to make the penalty payment permanent or not. The payment for 2008 will be € 50. ■

The AFP's 110th anniversary publications etc. were also exhibited at fairs. Visitors to the Terveys 2007 fair had the opportunity to look at a pharmacy from days gone by.

Training pharmacy of the year: Otso Pharmacy in Mikkeli

At the national Pharmacy Days, Otso Pharmacy, in Mikkeli was awarded the title of Training Pharmacy of the Year. This pharmacy had for many years received positive feedback from its students, who especially valued the systematic training and the pleasant working atmosphere in the pharmacy.

Pharmacy owner **Erkki Wartiainen**, who has trained over 60 pharmacy students during the last decade, said he regarded training of pharmacy students and preparing them for their profession as self-evident, and even his duty.

The pharmacy had provided training not only to pharmacy students, but also to technical staff in pharmacies and apprenticeship students, and to school students on work experience.

Since 1992, the title of Training Pharmacy of the Year has been

awarded to a community pharmacy in which the six month training period for pharmacy students has been arranged in an exemplary manner. ■





Master of Social Science
Ilkka Harjula started working
as an economic consultant at
the AFP in April.

From the viewpoint of the pharmacies' finances, 2007 was a fairly uneventful year. There were no big changes in factors that impacted on the finances of the pharmacies.

Variations increased in the profitability of pharmacies

Year 2007 returned the financial situations in pharmacies to those prevailing in 2006, in other words, a steady growth in turnover” the AFP’s economic consultant **Ilkka Harjula** said.

Compared with 2006, the growth in the turnover of the pharmacies in 2007 was on average about 4–4.5 per cent. This growth was largely generated by an increase in the sale of medicines.

In 2007, the variation between pharmacies increased, too. Well located pharmacies near big cities performed noticeably better than small rural pharmacies and subsidiary pharmacies. According to Harjula, some of the subsidiary pharmacies were already barely breaking even on profitability.

– Small pharmacies will be forced to work more efficiently in the future, Harjula said.

The tighter economic situation is also reflected in the reluctance to employ more staff. The number of vacancies for pharmaceutical assistants is less than half of what it was in 2003.

– This indicates that some pharmacies no longer see opportunities for expansion as being likely, and thus don’t want to take on more staff. The strike probably strengthened this development because labour costs increased. By the

same token, it also brought to light means to improve efficiency, said Harjula.

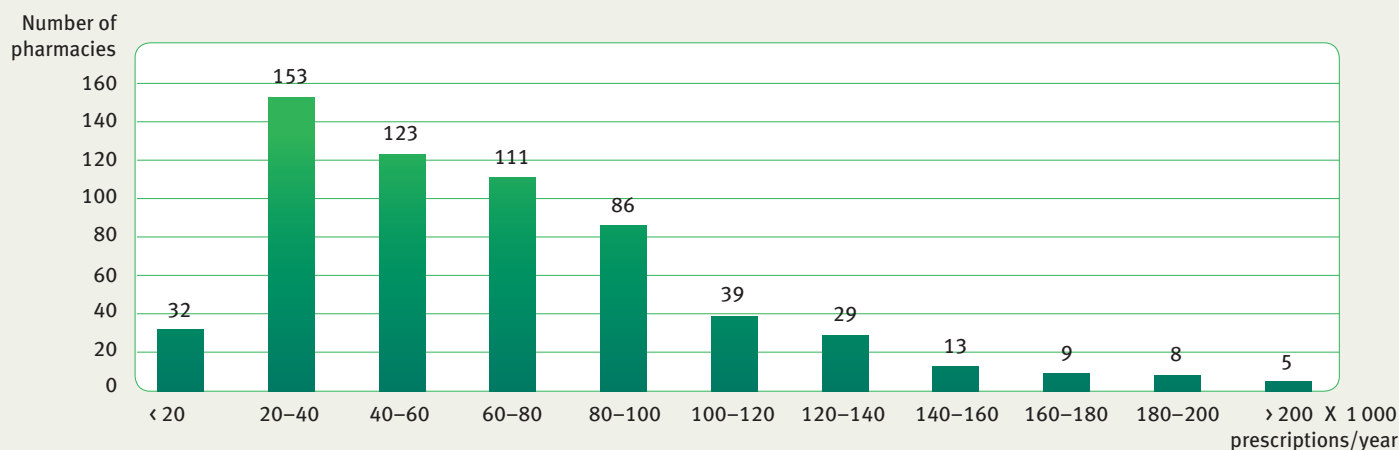
The turnover of the pharmacies in 2007 was still up to 95 per cent generated by sales of medicines. The profit from services remains very modest, but might increase in the future.

Harjula believes that the growth in the turnover will continue at the same rate in 2008, if no great upheavals occur in the field. ■

Average community pharmacy 2007

Turnover	about 3.1 million euros
Prescriptions/year	about 66 400
Pharmacy fee to the state	about 200 000 euros (about 6.4% of turnover)
Staff	11 (owner pharm. + staff pharm. + 5 pharm. ass. + 4 techn. ass.)

Community pharmacies according to volume of prescriptions 2007



In Finland, the largest proportion of community pharmacies comprises those which dispense 20 000–40 000 prescriptions.

Pharmacies are strictly regulated

To establish or run a community pharmacy in Finland requires a pharmacy licence, granted by the National Agency for Medicines (NAM).

When a pharmacy licence becomes vacant, the NAM announces that it can be applied for and grants the licence to the best qualified applicant. The NAM also makes decisions about the establishment of new pharmacies. To qualify for a pharmacy licence, the applicant must be both a citizen of a country in the European Economic Area and an authorised pharmacist.

A community pharmacy licence is granted for a specific catchment area, usually a municipality, but there may be several pharmacy catchments in a city.

A community pharmacy owner may only hold one pharmacy licence and up to three subsidiary pharmacy licences at one time.

A pharmacy licence is granted to a specified individual and it may not be sold on or leased out. The pharmacy owner has both professional and financial responsibility for the pharmacy. The pharmacy licence is terminated when the pharmacy owner reaches 68 years of age.

The medicine tariff and the pharmacy fee

Prices of medicines are the same in all community pharmacies because the Council of State determines retail prices based on the medicine tariff. In turn the medicine tariff sets a retail price on a medicine according to a national wholesale price. The wholesale price is the same for all pharmacies.

The medicine tariff is “counter-progressive”, in other words the proportion of the commission from sales decreases as the wholesale price of a medicine goes up.

The medicine tariff and on top of that the pharmacy fee have considerable impact on the finances of a community pharmacy. The private community pharmacies pay the pharmacy fee to the state and whereas the university pharmacies pay it to the universities that own them. The pharmacy fee is based on the turnover of the pharmacy and

it is progressive (0–11% of turnover). The pharmacy fee is included in the price of a medicine.

The effect of this fee is that, compared with a larger pharmacy, a smaller pharmacy will earn a little more from the sale of a medicine when the price of that medicine is

the same. Thus, the fee evens out the variations in financial performances of community pharmacies of different sizes and enables small community pharmacies to survive and in turn to ensure a nationwide pharmacy network. It also gives the state an income of almost 120 million euros per year. ■

Retail price at pharmacy

(Medicine tariff decided by the Council of State 11.12.2002)

Wholesale price (EUR)	Retail price at pharmacy (EUR)
0 – 9.25	1.5 x wholesale price + 0.50 EUR + VAT 8%
9.26 – 46.25	1.4 x wholesale price + 1.43 EUR + VAT 8%
46.26 – 100.91	1.3 x wholesale price + 6.05 EUR + VAT 8%
100.92 – 420.47	1.2 x wholesale price + 16.15 EUR + VAT 8%
yli 420.47	1.125 x wholesale price + 47.68 EUR + VAT 8%

How the pharmacy fee is determined

(Change in the Pharmacy Fee Act 1070/2007 23.11.2007)

Pharmacy's annual turnover (EUR)	Pharmacy fee at the lower turnover limit (EUR)	Fee-% exceeding turnover at lower limit
741 367 – 864 515	–	6.00
864 515 – 1 111 640	7 389	7.00
1 111 640 – 1 358 487	24 688	8.00
1 358 487 – 1 730 129	44 435	9.00
1 730 129 – 2 223 276	77 883	9.50
2 223 276 – 2 717 796	124 732	10.00
2 717 796 – 3 212 042	174 184	10.25
3 212 042 – 4 077 381	224 844	10.50
4 077 381 – 5 312 169	315 705	10.75
5 312 169 –	448 445	11.00

Prescriptions dispensed by community pharmacies 2003–2007 (million prescriptions)

2003	2004	2005	2006	2007
39.9	40.8	42.1	43.4	45.6

Community pharmacies dispensed nearly 45.6 million prescriptions in 2007, in other words about 8.6 prescriptions per capita.

Number of community pharmacies and subsidiaries 1970–2007

	1970	1975	1980	1985	1990	1995	2000	2005	31.12.2007
Pharmacies	561	564	564	576	576	584	595	606	610
Subsidiaries	97	108	126	135	173	204	201	193	195
Total	658	672	690	711	749	788	796	799	805

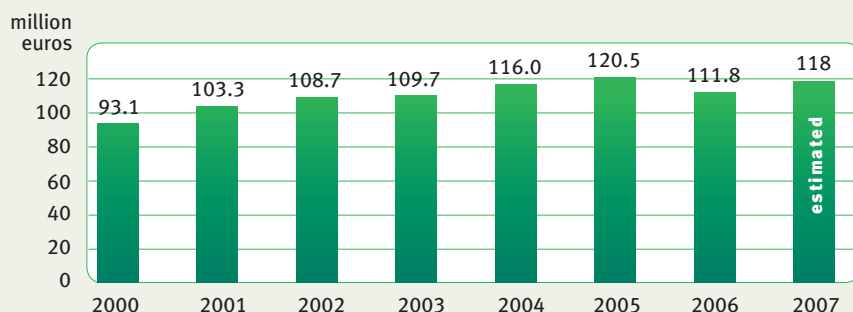
The ratio of community pharmacies to the total population is 1:6 600 making Finnish pharmacy network denser than it is in Sweden, Norway and Denmark. These figures also include the university pharmacies.

Staff in community pharmacies 2003–2007

	31.12.2003	31.12.2004	31.12.2005	31.12.2006	31.12.2007
Pharmacy owners	576	580	584	580	590
Staff pharmacists	769	793	815	804	816
Pharmaceutical assistants	3 548	3 659	3 654	3 771	3 839
Technical assistants	3 106	3 284	3 288	3 117	3 060
Total	7 999	8 316	8 341	8 272	8 305

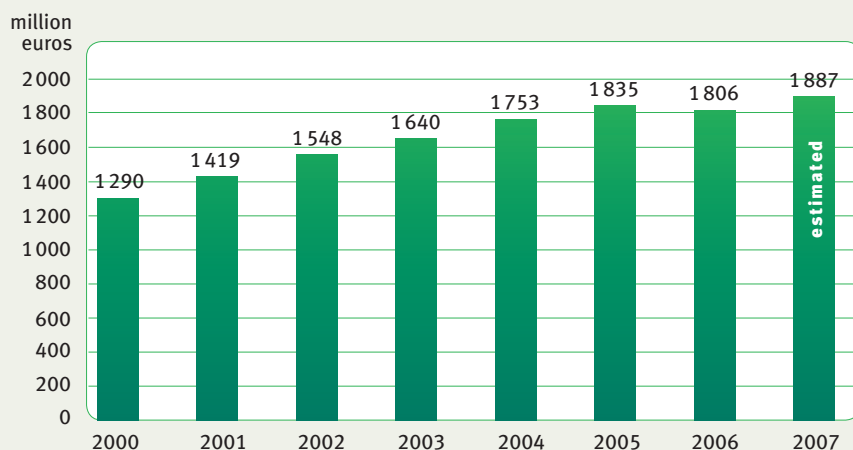
Over 60% of staff in community pharmacies have a pharmaceutical education. These figures include the university pharmacies.

Pharmacy fee to the state 2000–2007

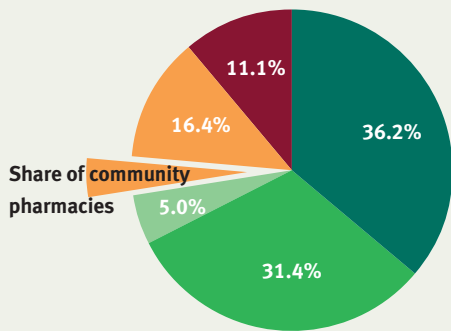


Private community pharmacies pay their pharmacy fees to the state.

Turnover of private community pharmacies 2000–2007



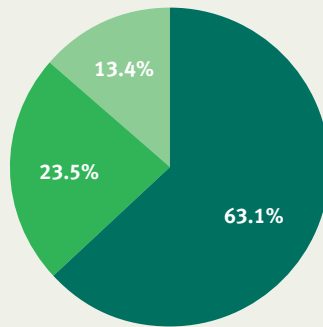
The growth of the turnover of community pharmacies declined in 2006, but rose again in 2007.



Breakdown of total healthcare expenditure

- Hospital treatment
- Non-institutional care
- Dental care
- Medicines in non-institutional care
- Other expenditure

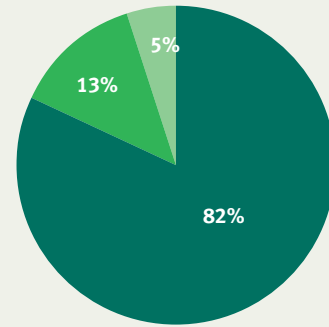
In 2006, the total expenditure on healthcare was about 12 435 million euros, in other words 7.4% of GNP. Of the total healthcare expenditure about 4% was spent on maintaining a nationwide and dense community pharmacy network.



Breakdown of medicine expenditure 2007

- Industry and wholesales
- Community pharmacy
- State

Forecast percentages.



Breakdown of sales in community pharmacies 2007

- Prescription medicines
- Self-care medicines
- Others (general commodities)

Forecast percentages.

Medicine reimbursements 2007 (million euros)

Upper special refund	433
Lower special refund	229
Basic refund	369
Additional refund	111
Total	1 142

Finns spend on average about € 350 per year on prescription medicines, and about € 55 per year on non-prescription medicines available in pharmacies.

Medicine reimbursements paid by the Social Insurance Institution (SII)

UPPER SPECIAL REFUND

The patient's contribution is 3 euros per purchase, the remainder of the medicine cost is paid by the SII.

LOWER SPECIAL REFUND

72% of the medicine cost is paid by the SII.

BASIC REFUND

42% of the medicine cost is paid by the SII.

If the patient annual contribution for reimbursed medicines exceeds the given ceiling (643.14 euros in 2008), then above that amount, the customer pays € 1.50 per reimbursed medicine and the SII will reimburse the rest (additional refund). To qualify for medicine reimbursement directly from the community pharmacy the customer must show his/her social insurance card.

The Association's Companies

In order to provide services to its member pharmacies the Association of Finnish Pharmacies (AFP) has founded four companies, which are owned wholly by the Association.

Medifon Ltd

Medifon Ltd is a wholesale business for special products and general commodities for community pharmacies. It has a range of about 400 products. The most important product groups are thermal signatures, polythene bags, thermometers, foot-care products, dressings, labels and paper rolls for cash tills.

In 2007, Medifon focused on maintaining and marketing its net-shop.

■ In 2007, the turnover of the company was about 2.2 million euros.

PharmaPress Ltd

PharmaPress Ltd is a communications and publishing company. The company publishes both the *Apteekkari* journal, the AFP journal for its member pharmacies, and the pharmacy customer magazine *Terveystiesi!* (*For your Health!*), plus a number of books, guides and other literature.

In 2007, PharmaPress produced several printed products, for example the commemorative publication *Pillereistä palveluksi*, to mark the 110th anniversary of the AFP. Also, the company arranged an exhibition for the Annual Spring Meeting in April.

■ In 2007, the turnover of the company was about 1.3 million euros.

Pharmadata Ltd

Pharmadata Ltd is a data technology company. The company delivers the Salix data system to community pharmacies and is responsible for developing the system. By the end of 2007, Salix was being used in 447 pharmacy outlets and Pharmadata's share of the market stood at 56%.

Improvements to the Salix system focused on the planning and testing of the changes required to enable the electronic transactions between pharmacies and the Social Insurance Institution. Pharmadata also continued preparing for a new Salix system.

■ In 2007, the turnover of the company was about 2.0 million euros.

PharmaService Ltd

PharmaService Ltd is a service company that provides professional services for the member pharmacies of the AFP.

The company focused on introducing the automated dose-dispensing of medicines to serve AFP member pharmacies. The company also delivers the services of the AFP pharmacy data network.

By the end of the year, automated dose-dispensing had been introduced in 184 community pharmacies and for nearly 5 750 customers. By the end of the year, 579 community pharmacy outlets had joined the AFP pharmacy data network.

■ In 2007, the turnover of the company was about 3.0 million euros.

The Board of the AFP 2007

Pharmacy owner, Ph.D. (Pharm.)

Mika Vidgrén started as the new president of the AFP.

With Vidgrén at the helm, the board revised its strategy and proprietor policy regarding the Association's companies.

Mika Vidgrén (President)

Sirkka Weckström (1st Vice-President)

Matti Hietula (2nd Vice-President)

Aila Aitamurto

Riitta Andersin

Marja-Leena Elovaara

Hannele Gahnström

Marjukka Heliövaara

Marja-Leena Ikkäläinen

Hannele Kautto

Martti Mähönen

Juha Nuutila

Marjo Pekkala

Tapio Ryttilä

Jari Summanen

Eeva Teräsalmi

Espoonlahti Pharmacy

Korso Pharmacy, Vantaa

Mäntsälä Pharmacy

Pattijoki Pharmacy, Raahe

Medena Pharmacy, Helsinki

Myllykoski Pharmacy, Anjalankoski

Halikko Pharmacy

Pyhäselkä Pharmacy

Kruunuhaka Pharmacy, Helsinki

Jokela Pharmacy, Tuusula

Joroinen Pharmacy

Kirkkoapteekki Pharmacy, Vaasa

Haka-apteekki Pharmacy, Tampere

Hollola Pharmacy

Konnevesi Pharmacy

Omena-apteekki Pharmacy, Virkkala, Lohja



FURTHER INFORMATION MAY BE OBTAINED FROM:

Reijo Kärkkäinen

Chief Executive Officer;
overall management and coordination of
the AFP, international relations
reijo.karkkainen@apteekkariliitto.fi

Sirpa Peura

Director of Pharmaceutical Affairs;
direction and planning of pharmaceutical
issues, matters relating to the SII,
workplace sickness benefit payments,
dose-dispensing services
sirpa.peura@apteekkariliitto.fi

Erkki Kostiainen

Director of Communications;
coordination and development of AFP
communications, media relations,
publications, web services (content)
erkki.kostiainen@apteekkariliitto.fi

Toni Christiansen

IT manager; IT in pharmacies, AFP pharm-
acy data network, external net services
toni.christiansen@apteekkariliitto.fi

Liisa Backas

Pharmacist; education and employment
issues, secretary of the AFP education
committee
liisa.backas@apteekkariliitto.fi

Ilkka Harjula

Economic consultant; economy of
pharmacies and financial analysis,
secretary of AFP financial committee
ilkka.harjula@apteekkariliitto.fi

Liisa Itkonen

Pharmacist; preparation of medicines,
chemicals, foodstuffs, dose-dispensing,
secretary of the AFP committee on
contract manufacturing
liisa.itkonen@apteekkariliitto.fi

Ari Jansen

Pharmacist; responsible for the AFP
database of pharmaceutical
preparations, IT in pharmacies
ari.jansen@apteekkariliitto.fi

Tiina Kuosa

Pharmacist (PharmaPress Oy);
communications, Apteekkari journal &
Terveysteksti! magazine, and related
services, secretary of the
AFP communications committee
tiina.kuosa@apteekkariliitto.fi

Johanna Salimäki

Pharmacist; information about
medicines, Tietotippa database,
Asthma Programme in Pharmacies,
anti-smoking work
johanna.salimaki@apteekkariliitto.fi

Juha Sinnemäki

Pharmacist; IT in pharmacies, the AFP
database of pharmaceutical preparations
juha.sinnemaki@apteekkariliitto.fi

Ingrid Wiberg

Pharmacist; Heart and Diabetes
Programmes in Pharmacies, quality
assurance issues, secretary of the
AFP pharmaceutical committee
ingrid.wiberg@apteekkariliitto.fi

WEBSITES

www.apteekkariliitto.fi

for professionals and interest groups

www.apteekit.net

for member pharmacy customers

www.apteekkiduuni.net

for those interested in pharmacy studies

www.itsehoito-opas.net

pharmacy self-care guide