

6.7 Finland

6.7.1 Narrative description

The restrictive nature of Finland's regulatory structure is slightly above average, both with respect to entry regulation as well as with respect to conduct regulation. Most issues are regulated by the Medicines Act. In addition, the Act on Health Care Professionals determines the requirement to obtain a licence, and the Pharmacy Fee Act 965/2004 regulates prices and profit margins.

Entry regulation

In Finland the duration of education is 5 years, of which 6 months consist of compulsory practice. The annual number of students who begin a course of academic study to become pharmacists is limited to about 100. Community pharmacists are only required to obtain a licence.

Only community pharmacists are allowed to dispense drugs to the public (both prescription drugs and OTC drugs).

The number of pharmacy outlets is restricted by geographical requirements.⁸⁵ Ownership of a pharmacy is restricted to pharmacists only; and also by a limited number of branches, or a limited number of branches in which the owner may hold a majority stake. Changes in ownership are subjected to an application procedure by the National Agency for Medicines (NAM). There are no barriers for pharmacists from other EU countries.

The possible business form of a pharmacy is not restricted.

Conduct regulation

A pharmacist may not form a partnership or merge with other professions.

In Finland, opening hours are not subjected to regulation. Issues such as floor space, shelf space and storage space are subjected to regulation. The presence of a pharmacist is required at all times.

The sale of non-pharmaceutical products is allowed to a limited extent (products must be health-related). Pharmacists are allowed to provide diagnostic services, such as measuring blood sugar or blood pressure, etc. Internet pharmacies are not allowed.

⁸⁵ The National Agency for Medicines may decide to establish a new pharmacy in a municipality or part thereof, if so required in regard to the availability of medicinal products; and having heard the views of the respective municipality. The National Agency for Medicines may also decide to close a pharmacy. The decision to close a pharmacy may not be enforced before the relevant pharmacy licence has become available, unless the licensed pharmacist has consented to the decision. The National Agency for Medicines may decide to transfer a pharmacy to another part of the municipality when the pharmacy licence becomes available – Section 41 of the Medicines Act.

Price regulation

Prices of prescription drugs and OTC medicines are fixed. Profit margins are subjected to a variable fee plus a dispensing fee.⁸⁶ In addition, a pharmacy's turnover is also subjected to a progressive fee rate, which is paid to the government

6.7.2 Data

Table 1 National data on the Pharmacy market

	Value	Additional remarks
Total number of community pharmacy outlets (i.e. number of locations)	802	Date: 2004 (subsidiaries included) Private: 603 Branch: 197 University: 2
Number of inhabitants per community pharmacy	6,509	Date: 2005 (questionnaire)
Total number of community pharmacists	815	Date: 2005 Bachelor-level pharmacy: 3654 Master-level pharmacy: 815
Total number of employees	7,905	2004
Total number of hospital pharmacists	75	Date: 2005 Bachelor-level pharmacy: 336 Master-level pharmacy: 75
Total number of hospital pharmacists that are allowed to dispense prescription drugs to the public	N.A.	
Total number of other pharmacists (e.g. industry, research, education, etc.)	N.A.	
Total number of other pharmacists that are allowed to dispense prescription drugs to the public	N.A.	
Total number of non-pharmacists that are allowed to dispense prescription drugs to the public (e.g. general practitioners, veterinarians, etc.)	N.A.	

⁸⁶ Gross margin ranges from 50% of the wholesale price plus a € 0.50 dispensing fee for cheap medicines, up to 12.5% of the wholesale price plus a € 47.68 dispensing fee for the most expensive medicines.

	Value	Additional remarks
Total number of registered community pharmacists	815	All pharmacists are registered with the National Authority for Medicological Affairs, in total 8,312 (2005), 100% coverage.
Total number of community pharmacists with membership of a professional association	N.A.	
Percentage share of community pharmacists that are members of the professional association(s)	N.A.	
Annual total number of people who begin a course of academic study to become pharmacists (on average between 2000 and 2005)	Bachelor's degree: 290 Master's degree: 90 - 100	Date: actual amounts in 2006 (no averages)
Annual number of people who successfully finished a course of academic study to become pharmacists (on average between 2000 and 2005)	Bachelor's degree: 320 Master's degree: 90	Date: actual amount in 2005 (no average) Date: approximation by the NAM for the amount in 2005.
Average turnover per community pharmacy outlet	2,375,312	Date: 2004 (incl. VAT)
Average operating result per community pharmacy outlet	231,671	

Source: ÖBIG, Association of Finnish Pharmacies Annual Review 2004, ECORYS questionnaire (2006), Eurostat

6.7.3 Overview

Education

Table 2 Educational requirements

	Scope	What law/regulation?
Degree and duration	Total duration: 5 years Bachelor's degree + Master's degree: 5 years Compulsory practice: 6 months	
Limitation to the number of students	Yes Phase: Master's degree Number: 80-100 Limitation: <i>numerus fixus</i> .	
Continuous training	Obligatory Not enforced	Medicines Act

Source: (1) ECORYS questionnaire (2006)

Registration, licensing and membership of professional organisation(s)

Table 3 Registration, licensing and membership of a professional body

	Type	Scope	What law/regulation?
Registration, licensing or membership of a regulatory body	Is it required?	Yes, - licensing by the National Authority for Medicological Affairs	- Act on Health Care Professionals - Medicines Act
Requirements	Diploma/educational requirements	Yes	
	Practice (duration in months)	No	
	Examination	No	
	Declaration of good conduct	No	
	Language requirement/other	No	
	Nationality limitations/obligatory residency	No	
General information	Number	815	
	Restrictions on numbers?	No	
	Cost structure	One-off fee: € 80	
	Who administers the register, list of licences of list of members?	The National Authority for Medicological Affairs	
	Does the registration, licence or membership expire?	No, the practice-licence does not expire.	- Act on Health Care Professionals - Medicines Act
	Revocation possible? When?	Yes, in cases of professional and civil misconduct.	Medicines Act and Decree Sections 49-50

Source: (1) ECORYS questionnaire (2006), (2) Association of Finnish Pharmacies Annual Review 2004, (3) Pharmaceutical Industry of Finland (FIPF)

Table 4 Professional bodies

Name	Scope	Membership
The Association of Finnish Pharmacies (Apteekkariliitto)	For owners of pharmacies. Representative body that defends the position of pharmacy owners at national level (1)	95% of owners (1)
Finnish Association of Pharmacists (Farmasia)	The promotion of working conditions, professional skills and the social position of members (2)	9000 members, comprising pharmacists, dispensers and pharmacy students (2)

Name	Scope	Membership
Pharmaceutical Industry of Finland (PIF)	The protection of the interests of the research-based pharmaceutical industry (3)	63 members (3)

Source: (1) ECORYS questionnaire (2006), (2) Finnish association for pharmacists, (3) Pharmaceutical Industry of Finland (FIPF)

Rules on the profession

Table 5 Scope of the monopoly

		Scope	What law/regulation?
Professional monopoly	Who is allowed to dispense prescription drugs?	Community pharmacists	Medicines Act
	Who is allowed to dispense OTC drugs?	Community pharmacists Other outlets: so-called 'medicine chests' (places selling a limited selection of non-prescription medicines (OTCs) under the supervision of a pharmacy; only used in	Medicines Act
		areas where transport connections to the nearest pharmacy are restricted) ⁸⁷	
	Are there additional requirements for non-pharmacists to dispense drugs (both OTC drugs and prescription drugs)?	N.A.	Medicines Act

Source: ECORYS questionnaire (2006)

⁸⁷ From 2006, the sale of nicotine substitution products is permitted in stores, kiosks and restaurants which sell cigarettes. To sell the drugs, a paid sales permit shall be obtained from the relevant municipality (ECORYS questionnaire).

Rules and other obligations on establishing a pharmacy

Table 6 Ownership and diversification requirements

	Scope/conditions	Comments	What law/regulation?
Ownership restrictions on pharmacies	- Pharmacists only	Yes, to own and operate a pharmacy, a licence from the National Agency for Medicines (NAM, Lääkelaitos) is required. Note that only those with a Master's degree in Pharmacy can apply for such an operating licence (See section on the "location of pharmacies")	Medicines Act
Is ownership of more than one pharmacy allowed?	- Yes, up to a maximum of 3 branches (conditionally: only in an area that does not have sufficient operating basis for an independent pharmacy, due to a small number of inhabitants.)	The National Agency for Medicines may authorise a licensed pharmacist to keep up to a maximum of three branch pharmacies. Branch pharmacies are allowed to be run by so-called prescriptionists [staff entitled to dispense prescriptions] (= those with a Bachelor's degree. Furthermore, Helsinki University Pharmacy is also allowed to have 16 branch pharmacies.	Medicines Act
Are there restrictions to the business form of pharmacies?	No	Business forms that are allowed are: - Sole practitioner - Association - Legal person / private company - Legal person / private company with limited liability A licence-holding pharmacist should own 100% of the company.	-

	Scope/conditions	Comments	What law/regulation?
How can one take over a pharmacy?	<p>- by obtaining an operating license from the National Agency for Medicines.</p> <p>An operating licence is bound to a specific pharmacy / pharmacist combination and is non-transferable.</p>	<p>A pharmacy licence cannot be sold or leased out.</p> <p>In total, there are 600 operating licences available, of which 587 or* 600 were in use in 2005.</p> <p>The costs of an operating licence are:</p> <ul style="list-style-type: none"> - One-off fee: € 1685 and - Annual fee: 0.2 % of profit margin = control fee <p>* differs per source</p>	Medicines Act, Section 43

	Scope/conditions	Comments	What law/regulation?
What is the allocation mechanism for changes in ownership of pharmacies?	When a pharmacy licence becomes vacant, the NAM announces that it can be applied for. Pharmacists can put in an application for the licence when this becomes vacant. Subsequently the agency makes a selection from the applicants, and grants the licence to the most qualified applicant.	In order to successfully apply for such an operating licence, the applicant should first meet the criteria below: - educational requirement, i.e. a Master's degree in Pharmacy; - nationality, i.e. the applicant should be an EU citizen;	Medicines Act, Section 47
	If there are several applicants, the pharmacy licence will be granted to the applicant who is considered to be the best and most qualified to operate a pharmacy business. ⁸⁸	- the applicant should have experience in pharmacies or other pharmaceutical fields; - the applicant should satisfy the location requirements** ** There must be a sufficient number of pharmacies to supply the general public with medicinal products without any difficulty. ⁸⁹ Furthermore, the party that obtains a pharmacy license must purchase the stock of medicinal products at current prices.	

⁸⁸ This assessment is based on the applicant's knowledge and ability demonstrated through previous experience in pharmacy work and in other pharmaceutical services; studies relevant to operating a pharmacy; leadership and other experience.

⁸⁹ A pharmacy licence is granted to operate a specific pharmacy in a municipality or part thereof – as specified in the licence. Smaller municipalities are usually as one location area, larger cities are divided into several location areas. There can be more than one pharmacy in each area. The reason for dividing the municipality into several areas is to ensure the local availability of pharmacy services.

	Scope/conditions	Comments	What law/regulation?
What requirements exist with respect to the location of pharmacies?	- Geographical distance: location requirements	The National Agency for Medicines may decide to establish a new pharmacy in a municipality or part thereof, if so required in regard to the availability of medicinal products; and having heard the views of the respective municipality. The National Agency for Medicines may also decide to close a pharmacy. The decision to close a pharmacy may not be enforced before the relevant pharmacy licence has become available,	Medicines Act, Section 41
		unless the licensed pharmacist has consented to the decision. The National Agency for Medicines may decide to transfer a pharmacy to another part of the municipality when the pharmacy licence becomes available	
What barriers exist to pharmacists from other EU countries?	- none	A pharmacy licence may only be granted to EEA (European Economic Area) citizens, who are licensed Masters of Science in Pharmacy.	Medicines Act
Is an internet pharmacy allowed to operate?	Prescription drugs: no OTC drugs: no	Internet pharmacies are not allowed.	Medicines Act
Is co-operation of pharmacies with other professions allowed?	No	This prevents the formation of pharmacy chains, which are not allowed in Finland. (1) Note that single pharmacies have set up chains for collective training, marketing initiatives, etc.	Medicines Act

	Scope/conditions	Comments	What law/regulation?
Horizontal partnerships/mergers allowed?	Other pharmacies: no Druggists: no		
Vertical partnerships/mergers allowed?	Wholesalers: no Drug producers: no Insurance companies: no General Practitioners: no		

Source: (1) ECORYS questionnaire (2006), (2) ÖBIG, (3) Association of Finnish Pharmacies Annual Review 2004

Table 7 Operating requirements on pharmacies

	Scope	Comments	What law/regulation
Opening hours	- Free	Regulations regarding the opening hours of pharmacies were abolished in the 1990s.	Medicines Act* *The opening hours of pharmacies must ensure the immediate availability of frequently requested pharmaceuticals.
Design of the practice	Floor space/design: yes Promotion: no Outdoor signs: no Indoor signs: no Shelf space: yes Storage space: yes		Medicines Act, Section 56 Medicines Decree, Section 15
Is the presence of a pharmacist required?	Yes, the presence of the pharmacist is required at all times.	The exceptions are the so-called 'medicine chests' in areas where there is no pharmacy or branch pharmacy, and where transport connections to the nearest pharmacy are limited. These 'medicine chests' contain a limited selection of non-prescription medicines (OTCs), and can usually be found in post offices or grocery stores.	

	Scope	Comments	What law/regulation
Stock	- Minimum stock required Yes, to fulfil the "immediate delivery" criteria, a pharmacy is - in practice - required to have a substantial amount of stock (1)	- Pharmaceuticals in stock must meet the usual customer needs in the area - Delivery time to patients: immediate delivery	
Product/service differentiation - Sale of non-pharmaceutical products allowed?	Yes, limited (products must be health-related) (1)	Pharmacies also sell liquids for washing and cleansing, cosmetics, skin care products, plus dressings and plasters.	
- Provision of diagnostic services?	Yes (1)	This is allowed. However, in practice, only a few pharmacists can provide these services as specific knowledge and materials are required.	
Consumer registration required?	OTC drugs: no Prescription drugs: no	No future changes are expected to occur.	
Can one operate a pharmacy without a contract with a health insurer?	Legally: yes Economically: no	For reimbursement by the Social Insurance Institution (SSI) a contract with a health insurer is almost always required.	

Source: (1) ECORYS questionnaire (2006), (2) Association of Finnish Pharmacies Annual Review 2004

Pricing

Table 8 Price control

What price?	What regulation?	Who regulates?
Price of prescription drugs	Fixed prices	The Council of State sets the medicine tariff (by decree) which governs the calculation of retail prices ⁹⁰ . (1) Every pharmacy pays the same wholesale price (discounts are not allowed). Retail and wholesale prices are therefore the same in/for all pharmacies. (1) Additionally, the Pharmaceutical Pricing Board confirms the maximum wholesale price for reimbursement.
Price of OTC drugs	Fixed prices	The same system applies to OTC drugs (2)
Profit margin	Medicine-related – variable fee (+) Dispensing fee (+) General (/) (+) Gross margin ranges from 50% of the wholesale price plus € 0.50 dispensing fee for cheap medicines, up to 12.5% of the wholesale price plus € 47.68 for the most expensive medicines (2) (/) Additionally, a pharmacy's turnover is also subjected to a progressive fee rate, which is paid to the government (2)	Council of State (Pharmacy Fee Act 965/2004 12.11.2004)

Source: (1) ECORYS questionnaire (2006), (2) Association of Finnish Pharmacies Annual Review 2004

Other

References

- ÖBIG, Community pharmacy in Europe, 2006;
- Association of Finnish Pharmacies, Annual Review 2004;
- ECORYS questionnaire.

⁹⁰ For retail price calculations, the Council of State applies a decreasing incremental rate, which allows for a higher retail price, relatively, when the wholesale price goes down. Hence generic substitution is indirectly supported by this.