

2009

FACTS AND FIGURES



Pharmacies and Pharmaceuticals
in Norway 2009



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KEY FIGURES 2008

TURNOVER

- Pharmacies' total turnover: NOK 21,8 billion (+4.6 %)
- Pharmacies' turnover on medicine sales: NOK 17,1 billion (+2.9 %)
- Pharmacies' turnover on prescription medicines: NOK 15.1 billion (+2,4 %). 88 % of all medicine sales
- Pharmacies' turnover on non-prescription medicines: NOK 2.0 billion (+5.5 %). 12 % of all medicines sales

Products that is given reimbursement by National Insurance Scheme (NIS): NOK 10.0 billion (NIS pays 87 %)

Average turnover per inhabitant: NOK 3 613 (+ NOK 60)

National Insurance Scheme covers NOK 1 630 (- NOK 33)

ATC-group with highest turnover (in NOK)

1. Medicines for treatment of the nervous system - Total NOK 3.3 billion (-1.2 % in NOK, +4.6 % in DDD)
2. Medicines for treatment of antineoplastic and immunomodulating agents - Total NOK 2.9 billion (+11.1 % in NOK, +8.6 % in DDD)
3. Medicines for cardiovascular system - Total NOK 2.1 billion (-3.0 % in NOK, + 8.0 % in DDD)

Medicines with highest turnover (in NOK)

1. Etanercept (Enbrel): NOK 501.9 million (+12.2 % in NOK, +13.4 % in DDD)
2. Infliximab ((Remicade): NOK 355.8 million (+22.4 % in NOK, +21.9 % in DDD)
3. Salmeterole and other remedies for obstructive lung diseases (Seretide): NOK 324.8 million (-0.1 % in NOK, +1.3 in DDD)

CONSUMPTION

All prescription medicines: 2 176 million DDD (+5.7 %)

Prescription medicines sold on prescription: 2 068 million DDD (+5.7 %)

Prescription medicines sold to institutions: 105 million DDD (+4.6 %)

ATC-group with highest turnover (in DDD)

1. Medicines for cardiovascular system - Total 821.9 million DDD (-3.0 % in NOK, + 8.0 % in DDD)
2. Medicines for use in treatment of alimentary tract and metabolism - Total 451.0 million DDD (-0.7 % in NOK, +1.3 % in DDD)
3. Medicines for treatment of the nervous system - Total 368.8 million DDD (-1.2 % in NOK, +4.6 % in DDD)

Medicines with highest turnover (in DDD)

1. Simvastatin (Zocor): 218.5 million DDD (+16.0 % in NOK, +18.9 % in DDD)
2. Acetylsalicylic acid (Albyl-E): 117.6 million DDD (+11.3 % in NOK, +5.5 % in DDD)
3. Sodium fluoride (Flux): 105.0 million DDD (-6.4 % in NOK, -10.6 % in DDD)

PRICES ON MEDICINES

All medicines: NOK/DDD -1.6 %

Prescription medicine: NOK/DDD -3.1 %

Non-prescription medicine: NOK/DDD +8.1 %



PHARMACIES IN NORWAY: DEREGULATION OF ESTABLISHMENT AND OWNERSHIP, STRICT PROFESSIONAL REGULATION OF OPERATIONS

Since 2001, Norway has had a liberalised system of ownership and establishment. The Pharmacy Act which was put into force on March 1st 2001 is based on the following criteria for ownership and establishment:

- Free establishment of pharmacies - no establishment criteria
- Free ownership of pharmacies – anyone can own pharmacies, except pharmaceutical manufacturers and doctors
- No limit of the number of pharmacies that can be owned by one pharmacy owner – horizontally integrated pharmacy chains are allowed
- Vertical integration between wholesalers and pharmacies / pharmacy chains are allowed

At the same time, the Pharmacy Act is stricter on the professional regulations, with detailed regulations and quality criteria.

The primary goals of the Pharmacy Act are:

- Correct use of medicines, both medically and financially
- Accessibility for all patients to safe and effective medicines, independent of the patients' financial situation
- Medicines should have as low prices as possible ●

ABOUT THE PHARMACY TRADE

NUMBERS OF PHARMACIES AND DEVELOPMENT

As a result of the changes in the Pharmacy Act, the general public has considerably better accessibility to pharmacies, as the number of pharmacies has increased from 399 in February 2001 to 647 as of June 2009.

No pharmacy in scarcely populated areas has closed down since the pharmacy reform. One reason for this is that the pharmacy chains have signed an agreement with the Ministry of Health and Care Services to guarantee pharmacy coverage in a large number of scarcely populated areas.

In 2001, Norway was second last in the OECD ranking of number of inhabitants per pharmacy. Even if the number of inhabitants per pharmacy has fallen sharply after the deregulation, Norway still has a relatively low pharmacy coverage compared to many European countries. See figure 1.

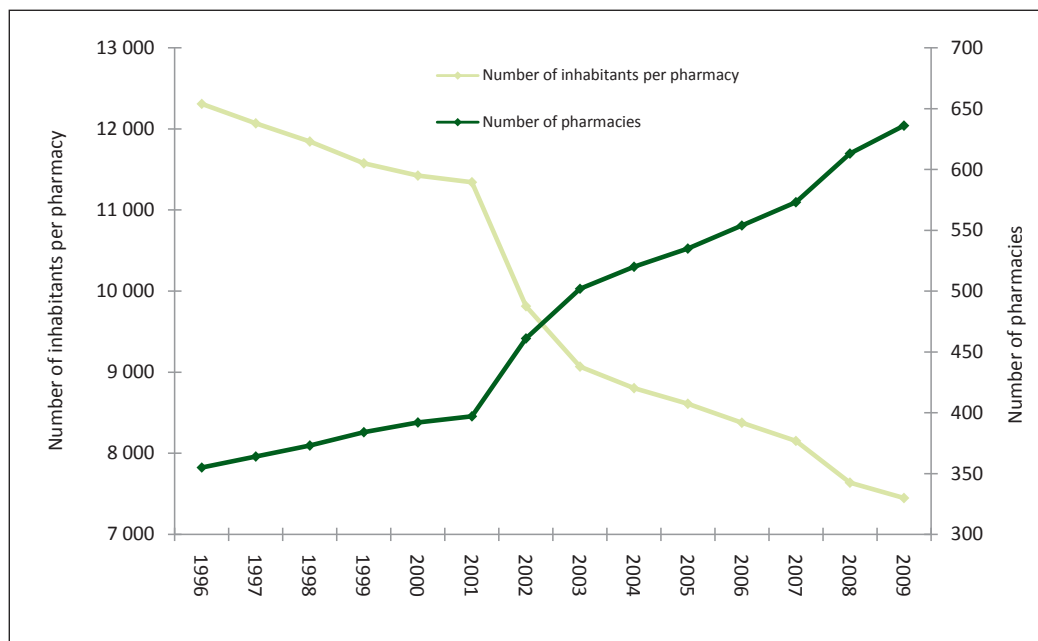


Figure 1: Number of pharmacies and inhabitants per pharmacy in Norway. (Source: The Norwegian Pharmacy Association and Statistics Norway)

WHOLESALERS AND PHARMACY CHAINS

In Norway wholesalers are demanded to deliver a complete assortment of medicines all over the country. This might be one reason why the number of medical wholesalers in Norway is only three.

Three large international pharmacy chains, each vertically integrated with a pharmaceutical wholesaler, own approximately 80 percent of the pharmacies in Norway. The three pharmacy chains are linked to pharmaceutical wholesalers and international owners, se table 1.

Table 2 shows the distribution of the number of pharmacies that are 100 percent owned by the pharmacy chains, hospital pharmacies which are publicly owned and other pharmacies which are independent or, in some cases, minority owned by the chains.

Pharmacy chain	Wholesaler	Owner
Alliance apotek / Boots apotek	Alliance Healthcare	Alliance Boots Limited (English)
Vitusapotek	NMD Grossisthandel AS	Celesio AG (German)
Apotek 1	Apokjeden Distribusjon AS	Tamro Oy (Finnish)/ Phoenix (German)

Table 1: Structure of ownership.

Alliance apotek/ Boots apotek, wholly owned	Apokjeden /Apotek 1, wholly owned	Vitusapotek, wholly owned	Public Hospital pharmacies	Independent pharmacies, (no chain connections)	Other independent pharmacies with a chain connection	Total
140	225	165	33	22	62	647

Table 2: Number of pharmacies according to ownership by June 2009.

By June 1st 2009 there are 33 publicly owned hospital pharmacies in Norway. The hospital pharmacies are part of the specialist health care service. These are organised as independent health authorities, owned by the regional health authorities. Two of these hospital pharmacies are owned by charitable trusts, which have agreements with the health authority.

All the hospital pharmacies and several of the pharmacies which are not wholly owned by a pharmacy chain, are members of Ditt Apotek. Ditt Apotek is an agreement based chain (purchasing and range co-operation) which NMD Grossisthandel AS offers to pharmacists who own and run their own pharmacies.

By June 1st 2009 22 pharmacies are not connected to any chain except through a supply agreement with a wholesaler. Such agreements do not hinder supplies from competing wholesalers, as the Pharmacy Act allows all pharmacies to use any wholesaler they want. ►

EMPLOYEES, TRAINING AND COMPETENCE

The pharmacies are resource centres for knowledge about medicines and their correct use. Rational use of medicines can prevent, alleviate and cure illness and thereby contribute to good health. Providing guidance regarding the rational use of medicines, both to customers and to health personnel, is an important contribution to the health service. The pharmacies' customers are the entire population. Many of the customers are elderly, and many need special consideration, competence and help.

HEALTH PERSONNEL IN PHARMACIES

The professional staff in pharmacies consists of a pharmacy manager, pharmacists, prescriptionists, pharmacy technicians and sometimes nurses. Pharmacy managers, pharmacists and prescriptionists are entitled to dispense medicines according to prescriptions and requisitions. Pharmacy managers and pharmacists are educated as M.Sc. Pharm, prescriptionists as B.Sc.Pharm.

The pharmacy managers, the pharmacists, prescriptionists, pharmacy technicians and nurses in pharmacies are authorised health personnel. Through the law concerning health personnel, they are subject to the legal framework common for all groups of health personnel. The law concerning health personnel lays down a number of duties as reflected in the law concerning patients' rights. This legislation, in combination with the authorisation system, gives the public quality assurance for the professional performance in pharmacies and contributes to strengthen the patient safety. The legislation focuses on requirements for proper professional conduct, maintenance of competence, rules regarding secrecy and documentation of health aid which is required of health personnel.

The percentage of pharmacist man-labour years has increased from 31 percent in 2002 to 40 percent in 2008. Number of man-labour years by pharmacy technicians is reduced from 66 percent in 2002 to 57 percent in 2008. ●

Category	Number of man-labour years	
	January 1st 2002	January 1st 2009
M.Sc.pharm (managers and pharmacists)	781	1185
B.Sc.Pharm (prescriptionists)	758	1010
Pharmacy technicians	3295	3109
Others (nurses etc)	175	160
Total	5009	5464

Table 3: Number of employees in all pharmacies



THE CORE ACTIVITIES OF PHARMACIES – GOOD PHARMACY PRACTICE

STANDARDS FOR PHARMACY PRACTICE

Using WHO's guidelines for Good Pharmacy Practice (GPP) in Community and Hospital Settings, trade standards for pharmacies (Standards for Pharmacy Practice) in Norway have been developed, defining four areas as the pharmacies' core activities:

- Prescriptions and requisitions
- Self care
- Rational prescribing and medicine use
- Health promotion and ill-health prevention

The standards describe the role of the pharmacies in relation to customers/patients, in the health care service and society and express the trade's requirements on itself by making quality demands on the pharmacies' activities within the four core areas. ►

PRESCRIPTIONS AND REQUISITIONS

The trade standards are based on the central principle of the customers'/patients' needs and rights. Pharmacists and pharmacy technicians, as authorised health personnel, offer health aid related to medicines according to the legal requirements for responsible professional conduct. This is linked to the patients' rights in the legislation.

The work of preventing, identifying and solving drug-related problems for individual customers/patients is central. This requires extensive contact with prescribers and involves considerable guidance and advice directed at customers/patients. The aim of this is to have the customer/patient understand the goal of the treatment and empowering her to carry it out correctly. These aspects are of importance for the effect of the treatment. Evaluation and follow-up of prescription medicines and their use at customer/patient level contributes to compliance and rational medicine use.

SELF CARE

The customer/patient should be able to contribute to the prevention and treatment of minor ailments and diseases. This includes maintaining good health – with or without medicines and/or related products.

The pharmacies give advice and guidance related to symptoms and other health-related needs presented, and give guidance in the selection and use of non-prescription medicines. As a first contact point with the health care service, pharmacies can contribute to the efficient use of other parts of the health care service, by referring customers/patients to physicians and other health personnel.

RATIONAL PRESCRIBING AND MEDICINE USE

Direct contacts with medicine users together with contacts with prescribers and other health personnel give pharmacies insight into the population's use of medicines. Pharmacies contribute to rational prescribing and use by, among other things, communicating their experiences to the authorities and other parts of the health care service.

HEALTH PROMOTION AND ILL-HEALTH PREVENTION

In co-operation with the authorities, the health care service, relevant organisations, user and patient groups, pharmacies are working to enable the population to take better care of its health, and to prevent and avoid disease. Pharmacies take part in national and local health-promoting campaigns, such as campaigns against the use of tobacco. Pharmacies promote healthy lifestyles by distributing information, and give advice and guidance in the public health area. ●





HEALTH SERVICES IN NORWEGIAN PHARMACIES

Various pharmacy stakeholders partnered in 2006 to carry out an investigation of pharmaceutical care and services provided in other countries, as well as identifying which services and needs would be useful to provide in Norwegian Pharmacies. This resulted in the report "Health Services in Pharmacies", which was published by The Norwegian Pharmacy Association in January 2007.

The report gained a lot of attention, and in 2008 the Ministry of Health and Care Services asked the Norwegian Directorate of Health to further investigate and establish working groups for each of the services suggested:

- Asthma/COPD- Inhalation technique
 - Patient counselling
- Medication Use Reviews in Pharmacies
- Health Information campaigns
- Diabetes - Glucose Measurements technique
 - Patient counselling - "Find-Risk". Screening questionnaire for Diabetes-2
- Cholesterol (Therapy Management)
- Smoking cessation programs

The working groups were asked to consider the services in a broad perspective, looking at the impact on public health, resource allocation and the patient perspective.

The working groups consisted of members from the:

- The Norwegian Directorate of Health
- Medical Association
- Pharmacist Association
- Pharmacy Association
- Patient organisations

The Norwegian Directorate of Health concluded the report in April 2009 and the report will now be considered by the Ministry of Health and Care Services. The Norwegian Directorate of Health suggests that all these services would be appropriate to offer in Norwegian Pharmacies, except Cholesterol measurements. They suggested that Medication Use Reviews and Smoking Cessation Programs should be considered for remuneration. ●



PHARMACY FINANCE

PHARMACY TURNOVER

	2008 mill. NOK	% change 2007-08
Total pharmacy turnover, excl. VAT	17 485	4.7
Average turnover per pharmacy, excl. VAT	28	0.0

Table 4: Total and average turnover for pharmacies in 2008.

PHARMACY TURNOVER BY COMMUNITY PHARMACIES AND HOSPITAL PHARMACIES

	2008 mill. NOK	% change 2007-08	% share of total
Total turnover for community pharmacies, excl. VAT	14 278	4.0	81.7
Total turnover for hospital pharmacies, excl. VAT	3 207	11.9	18.3
Average turnover per community pharmacy, excl. VAT	24	-1.4	
Average turnover per hospital pharmacy, excl. VAT	97	8.5	

Table 5: Total and average turnover in NOK millions by community pharmacies and hospital pharmacies (excl. VAT)

PHARMACY MARGIN ACCORDING TO PRESCRIPTION TYPE

Norwegian pharmacy gross mark-up for prescription only medicines was in 2008 based on a general calculation, based on the pharmacy purchasing price:

- the first NOK 200: 8 %
- the rest (above NOK 200): 5 %
- per packet: NOK 21.50

From this mark-up, the pharmacy has to pay a Medicines Sales Tax to the state, on 1.3 % of the pharmacy purchasing price.

In 2009 the gross mark-up for prescription only medicines was changed. Based on the pharmacy purchasing price:

- the first NOK 200: 7 %
- the rest (above NOK 200): 4 %
- per packet: NOK 22.00

From this mark-up, the pharmacy has to pay a Medicines Sales Tax to the state, on 0.55 % of the pharmacy purchasing price. ●

Prescription type	2008 (percent)
Reimbursement prescriptions	16.3
Regular prescriptions	30.1
Total	18.2

Table 6: Pharmacy gross margin 2008 - reimbursement and ordinary prescriptions. (Source: The Norwegian Pharmacy Association)





SALES OF MEDICINES

TOTAL SALES BY MAIN CATEGORIES IN PHARMACIES

Low growth in sales in Norway applies in particular to the community pharmacies. While growth for the community pharmacies has been almost 0 percent during the past three years, the hospital pharmacies have experienced a growth in sales of 10.6 percent between 2004 and 2005, 4.5 percent between 2005 and 2006, 3.0 percent between 2006 and 2007 and 11.9 percent between 2007 and 2008 (see figure 2 and table 7).

This is partly due to the fact that few new medicines are introduced for use outside the hospitals, whereas more new and often more expensive medicines are to a greater extent brought into use by the specialised health services. The total turnover measured in defined daily doses (DDDs) rose by 4.5 percent. ►





Supply category	2008 mill. NOK incl. VAT	2008 mill. NOK excl. VAT	% share	% change 2007-08
Prescription medicines	15 072	12 061	88.1	2.6
Non-prescription medicines*	2 044	1 636	11.9	5.5
Total	17 117	13 697	100.0	2.9

Table 7: Sales according to supply category (NOK million)

* Includes all products classified as Non-prescription medicine (incl. products without ATC-number).

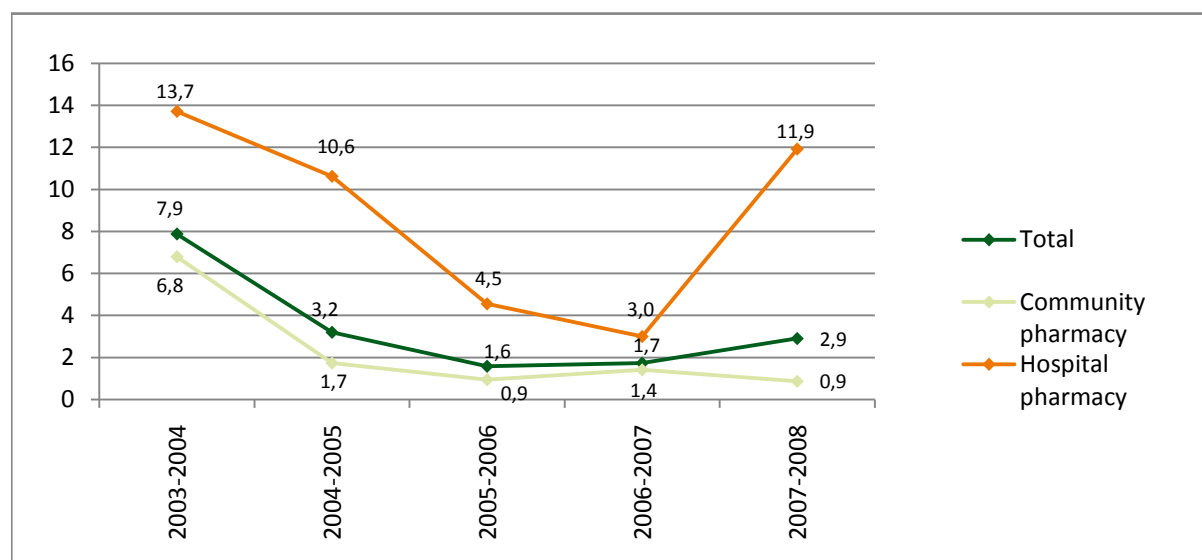


Figure 2: Turnover Trend (excl. VAT) for prescription medicines during 2003-2008

SALES BY ATC (ANATOMICAL THERAPEUTIC CHEMICAL) GROUP

The ATC group L Antineoplastic and immuno-modulating agents has had an 11 percent increase in sales for human medicines. This is a result of among other elements a continued strong increase in the sales of the TNF inhibitors Enbrel, (etanercept), Remicade (infliximab) and Humira (adalimumab).

Both the ATC group N Nervous system and C Cardiovascular system had in 2008 a reduced sale by value despite a stronger growth measured in DDD. This is a result of the "trinnpris" system's strong contribution to reducing prices for several medicines with large sales within this group of medicines.

ATC group N consists of antidepressives, painkillers, sleeping pills etc. ATC group C consists of medicines to lower blood pressure and cholesterol level. ►

ATC 1 st level	Main groups	2008 mill. NOK, incl. VAT	% change 2007-2008	2008 mill. DDD	% change 2007-08
A	Alimentary tract and metabolism	1 883	0.7	451	1.3
B	Blood and blood forming organs	895	9.5	220	5.2
C	Cardiovascular system	2 139	-3.0	822	8.0
D	Dermatologicals	485	6.7	3	7.1
G	Genito urinary system and sex hormones	915	1.9	164	2.7
H	Systemic hormonal preparations, excl. sex hormones and insulins	422	6.8	73	5.0
J	Antiinfectives for systemic use	884	8.0	35	3.1
L	Antineoplastic and immunomodulating agents	2 864	11.1	24	8.6
M	Musculo-skeletal system	575	-2.2	96	-0.8
N	Nervous system	3 323	-1.2	369	4.6
P	Antiparasitic products, insecticides and repellents	60	-2.8	1	-1,0
R	Respiratory system	1 732	0.7	283	1.3
S	Sensory organs	407	6.8	28	10.7
V	Various	175	12.1	0	16.4
Total		16 758	2.8	2 570	4.5

Table 8: Sales of medicines in relation to ATC classification

THE 25 MOST SOLD SUBSTANCES ACCORDING TO VALUE

	ATC 5th level	Substance (example on brand)	2008 mill. NOK, incl. VAT	% change 2007-08	2008 mill. DDD	% change 2007-08
1	L04AB01	Etanercept (Enbrel)	501.9	12.2	1.4	13.4
2	L04AB02	Infliximab (Remicade)	355.8	22.4	1.6	21.9
3	R03AK06	Salmeterole and other remedies for obstructive lung diseases (Seretide)	324.8	-0.1	19.6	1.3
4	N02BE01	Paracetamol (Paracet)	248.7	3.1	37.3	6.8
5	L04AB04	Adalimumab (Humira)	241.2	16.7	0.6	24.8
6	C10AA05	Atorvastatin (Lipitor)	235.4	-23.3	84.8	2.2
7	R03AK07	Formoterole and other remedies for obstructive lung diseases (Symbicort)	223.1	9.2	12.6	9.8
8	A02BC05	Esomeprazole (Nexium)	221.4	-10.4	22.9	0.0
9	C10AA01	Simvastatin (Zocor)	210.7	16.0	218.5	18.9
10	N06AB10	Escitalopram (Cipralext)	175.7	7.1	28.5	13.0
11	M01AE01	Ibuprofen (Ibux)	172.4	14.9	24.1	10.6
12	N07BA01	Nicotine (Nicorette)	168.4	3.6	6.3	6.2
13	C09DA01	Losartan and diuretics (Cozaar Comp)	165.4	-3.9	21.7	2.6
14	N02AA59	Codein, combinations excl. psykoleptics (Paralgin Forte)	150.5	1.4	21.3	0.8
15	H01AC01	Somatropin (Genotropin)	143.3	6.4	0.6	5.4
16	C09CA06	Candesartan (Atacand)	135.5	10.0	29.3	17.2
17	L02BB03	Bicalutamide (Casodex)	133.3	-11.2	3.6	9.6
18	L03AB07	Interferon beta-1a (Rebif)	132.7	-4.5	1.0	-4.7
19	C07AB02	Metoprolol (Selo-Zok)	127.9	-25.6	43.1	4.5
20	N06BA04	Methylphenidate (Ritalin)	125.6	16.0	9.0	16.8
21	N05AH03	Olanzapine (Zyprexa)	121.1	-41.1	4.9	3.8
22	L01XC02	Rituximab (MabThera)	119.1	19.0	0.0	18.7
23	B01AC06	Acetylsalicylic acid (Albyl-E)	116.3	11.3	117.6	5.5
24	N03AX09	Lamotrigine (Lamictal)	115.6	1.1	5.0	16.0
25	A10AC01	Insulin(human) (Insulatard)	114.4	-0.7	12.5	-0.5
	Sum 25		4 780.2	1.4	728.0	0.1
		Combined total	16 758.4	2.8	257.2	4.5

Table 9: The 25 most sold active substances ranked according to value in 2008 (million NOK)

SALES OF NON-PRESCRIPTION MEDICINES IN PHARMACIES

Self care is one of the pharmacies' core work areas. Pharmacies have an important task in advising and guiding patients in the use of non-prescription medicines. Non-prescription medicines are sold in pharmacies and in outlets under the supervision of a pharmacy. A selection of non-prescription medicines is also sold outside pharmacies.

In total, pharmacies sold non-prescription medicines for NOK 2.0 billion. This constituted 9.9 percent of the total turnover for pharmacies.

As a group, the growth in sales of non-prescription medicines was 5.3 percent compared to 2007.



	ATC 5th level	Substance (example on brand)	2008 mill. NOK	% change 2007-08	2008 mill. DDD	% change 2007-08
1	N02BE01	Paracetamol (Paracet)	180.4	-1.6	16.38	-4.7
2	N07BA01	Nicotine (Nicorette)	168.4	3.6	6.28	6.2
3	M01AE01	Ibuprofen (Ibux)	136.3	15.9	11.25	10.7
4	R01AA07	Xylometazoline (Otrivin)	95.0	4.2	23.20	1.8
5	R06AE07	Cetirizine (Zyrtec)	58.1	5.1	8.51	7.4
6	A01AA01	Sodium fluoride (Flux)	55.0	-6.4	105.04	-10.6
7	A02BA53	Famotidine, combinations (Pepcid)	54.4	21.0	1.75	20.7
8	R05CA10	Combinations (Bergensk brystbalsam)	45.0	-1.6	3.70	-5.5
9	G01AF02	Clotrimazole (Canesten)	38.3	-6.1	1.59	-7.4
10	N02BB51	Phenazone, combinations excl. psycholeptics (Fenazon-koffein)	36.1	1.9	3.87	-5.2
	Sum		867.2	3.8	181.56	-5.8
	Total		2008.3	5.3	384.5	-2.6

Table 10: The 10 most sold active substances in pharmacies – non-prescription medicines (million NOK and million DDD)

NON-PRESCRIPTION MEDICINES OUTSIDE PHARMACIES

A selection of non-prescription medicines is sold outside pharmacies.

On 1 January 2003, sales of a selection of nicotine preparations for smoking cessation became permissible outside pharmacies. On 1 November 2003, the range of medicines that could be sold outside pharmacies was widened with a number of other non-prescription medicines. Turnover outside pharmacies has concentrated on simple pain-relieving medicines (paracetamol, ibuprofen), and nose decongestion sprays (xylometazoline). These represent a minimum list, which is a requirement for sales defined by the Norwegian Medicines Agency. The nicotine preparations can be sold without fulfilling the requirements of the minimum list.

By 1 January 2008, there were almost 6100 sales locations outside pharmacies for the medicines included in the regulation. (Source: The Norwegian Medicines Agency)

According to the Norwegian Institute of Public Health, sales outside pharmacies during 2008 accounted for 41 percent of sales of medicines on the general sales list (basic range), measured in DDDs. This share during the corresponding period in 2007 was 38 percent.

The grocery retail sector also sells a small range of other medicines such as antacids, travel sickness medicines and cough mixtures. These account for a negligible share of total medicine sales outside pharmacies. ●

ATC 5th level	Substance	2008 DDD/1000 inh./day	% change from 2007	Share of sales in non-pharmacy outlets			
				2007	Jan.-April 2008	May-Aug. 2008	Sept.-Dec. 2008
A02AC01	Calcium Carbonate*	0.93	-9 %	9 %	10 %	4 %	Only in pharmacies
M01AE01	Ibuprofen	10.6	9 %	38 %	38 %	37 %	38 %
N02BB51	Phenazone + caffeine	2.7	-4 %	14 %	16 %	16 %	16 %
N02BE01	Paracetamol	17.5	-1 %	44 %	46 %	45 %	46 %
N07BA01	Nicotine	4.5	5 %	16 %	20 %	19 %	18 %
R01AA05	Oxymetazoline*	2.3	-11 %	Only in pharmacies	Only in pharmacies	Only in pharmacies	Only in pharmacies
R01AA07	Xylometazoline	28.3	5 %	50 %	50 %	53 %	52 %
R05CA10	Combinations	1.7	-5 %	12 %	10 %	10 %	9 %
R06AE05	Meclozine	1	1 %	7 %	8 %	5 %	13 %
	Sum	69.5	2 %	39 %	40 %	40 %	41 %

Table 11: Non-prescription medicines (in the basic range) sold in the grocery sector and pharmacies combined. * May be sold outside pharmacies but are not included in the range sold through the grocery retail sector. (Source: Norwegian Institute of Public Health)

MEDICINE PRICES

PRICE REGULATION FOR ON-PATENT MEDICINES

Norwegian authorities set a maximum pharmacy purchase price (AIP) for every prescription medicine given a market authorisation in Norway. This is in addition to the traditional regulation of the pharmacy maximum sales price (AUP) and the maximum pharmacy mark-up.

The setting of a maximum price is a two-stage procedure: First, a maximum purchase price for pharmacies (AIP) is set for the medicine in question. Then a maximum mark-up from the pharmacy's sale for each medicine is set, before VAT is added. In total, this fixes the medicine's maximum sale price from the pharmacy (AUP).

The Norwegian Medicines Agency has worked out guidelines for setting the maximum AIP. The main rule is that the maximum AIP is set to be the average of the three lowest market prices for the medicine in the following countries: Sweden, Finland, Denmark, Germany, the United Kingdom, the Netherlands, Austria, Belgium and Ireland. This type of price regulation is often called "International reference pricing".

PRICING SYSTEM FOR GENERIC MEDICINES

The Norwegian Medicines Agency sets a maximum sale price also for generic medicines. The top-selling substances with generic competition are regulated by the so called "trinnpris" (tiered) pricing system. When the "trinnpris" system was introduced on 1 January 2005, it applied to 21 substances. By 1 June 2009, the number of substances had risen to 50.

The "trinnpris"-system ensures that the prices for medicines automatically fall when the medicines get stable generic competition. In this pricing system, medicines for which the patent has expired and which are listed on the Norwegian Medicines Agency's exchange list get reduced prices. The price reductions are tiered, see table 12.

All pharmacies have to offer their customers at least one generic brand within each group on the exchange list at this reduced price. This price is also the maximum amount refunded by the National Insurance Administration. Exceptions apply where the doctor has found medical reasons for denying the pharmacy from generic substitution. In such circumstances, the National Insurance Administration system will refund the full price of the medicine.

Sales for substances included in the "trinnpris" system in 2008 amounted to NOK 2 022 million. ●



Sales last 12 months prior to generic competition*		< 100 mill. NOK	> 100 mill. NOK	
Point of time for price reductions		Price reduction		
1. reduction	When there are generic alternatives available and stable generic competition.	30 %	30 %	
2. reduction	6 months after generic alternatives are available	55 %	75 %	
Sales at least 12 months after last reduction*		> 15 mill. NOK	> 30 mill. NOK and < 100 mill. NOK	> 100 mill. NOK
Point of time for price reduction		Price reduction		
3. reduction	At the earliest 12 months after last ordinary reduction	65 %	80 %	85 %

Table 12: Pricing system for generics – price reductions by January 1st 2008.

*Sales for 12 months, Public selling price incl VAT in million NOK.



PRICE COMPARISONS WITH OTHER COUNTRIES

Norway is among the cheapest countries for medicines in Western Europe. This applies both for medicines covered by patents and for medicines with generic competition. At the same time, the distribution margin for Norwegian pharmacies are among the lowest.

These are the main findings in the most comprehensive analysis of the price of medicines ever carried out in Norway. (The report is a follow-up on a similar study ordered by the previous Minister of Health, Mrs. Sylvia Brustad, which was presented may 28th 2008.) The report, published on May 7th 2009, was compiled by the Institute for Research in Economics and Business Administration (SNF) on behalf of the Norwegian Pharmacy Association. The report compares the price of medicines and margins in Norway with the nine European countries selected by the Norwegian authorities as being the most comparable.

The investigation used several methods, all of which place Norway one of the very cheapest countries, based on prices and consumption during the first six months of 2008. The report also establishes that the pharmacy margins in Norway are among the lowest in Europe.

The report is based on data from IMS Health about the 300 most used substances (sales value) in Norway during the first six months of 2008. The data set included price, volume (packaging and dosages), patent status, original/generic, packaging size, presentation form, strength, etc. In addition to data from Norway, data from Sweden, Finland, Denmark, Germany, the UK, the Netherlands, Austria, Belgium and Ireland were collected. It is prices from these countries that are used to set maximum prices for prescription medicines in Norway.

Volume-weighted average prices for each substance were calculated for the pharmacy purchase price and the pharmacies' selling price, as well as pharmacy margin. Average prices and margins were compared to those of the other countries in the investigation.

The data were then analysed by calculating price indices and by regression analysis in order to test whether the differences in price were statistically significant. ►

ACTUAL RESULTS

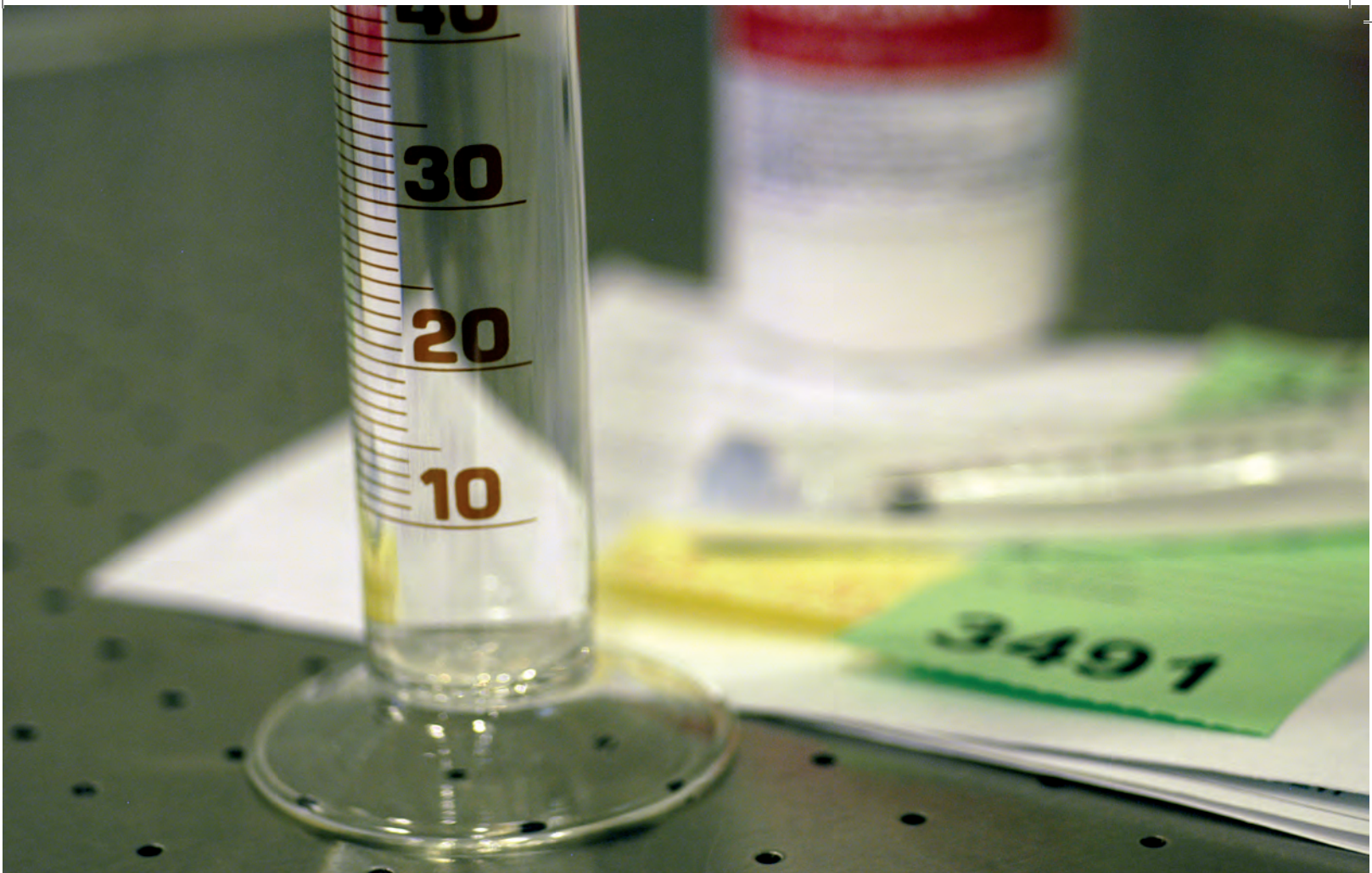
	All	Patented	Off patent	Trinnpris
Norway	100.0	100.0	100.0	100.0
Sweden	107.4	109.2	104.1	120.7
Denmark	101.7	111.8	83.2	105.7
Finland	122.2	124.0	119.1	137.7
UK	90.1	90.8	89.1	103.5
Germany	138.9	126.8	163.7	161.3
Holland	123.0	111.4	143.4	182.8
Belgium	149.2	146.6	154.2	198.9
Austria	120.5	117.6	125.6	169.5
Ireland	231.9	189.7	306.2	414.8

Table 13: Bilateral indices (Public selling price) for all substances, Norwegian weights, Norway = 100

The investigation shows that when the Norwegian consumption of medicines is used as the basis, Norway has the lowest prices of all the ten comparison countries for medicines included in the Norwegian "trinnpris" system, which includes the vast majority of the high turnover off patent drugs. In the other segments, only UK has lower prices than Norway, although Denmark also is cheaper on off patent medicines that is not included in the Norwegian "trinnpris" system.

As this report is a follow up of a similar report from 2008, it contains an analysis of the development in prices from 2007 to 2008. Most countries, except for Denmark and Finland, have a nominal price increase in this period. The increase in Norway is, however, weak compared with the reference countries.





Also, the investigation shows that pharmacy margin is low in Norway. By using regression analysis, the authors compared the difference in margins between Norway and the rest of the rest of the countries. Table 14 shows that pharmacy margins in Norway are statistically significant lower than pharmacy margins in any other country except for UK and Denmark. Lower margins are marked by a "-", whereas "+" denotes higher margins. A "?" indicates that the difference is not statistically significant, so that the result is inconclusive. ●

	All drugs	On patent	Off patent
Sweden	+ [*]	?	?
Denmark	- ^{**}	?	- ^{***}
Finland	+ ^{***}	+ ^{***}	?
Holland	+ ^{***}	?	+ ^{***}
Austria	+ [*]	+ ^{**}	?
UK	- ^{***}	- ^{***}	- ^{***}
Belgium	+ ^{***}	+ ^{***}	+ ^{**}
Germany	+ ^{***}	+ ^{***}	+ ^{***}
Ireland	+ ^{***}	+ ^{***}	+ ^{***}

Table 14: Result of regression analysis

***: significant at 1 % level. **: significant at 5 % level. *: significant at 10 % level.

REIMBURSEMENT OF MEDICINES

All persons who are either residents or working as employees in Norway or on permanent or movable installations on the Norwegian Continental Shelf are compulsorily insured under the National Insurance Scheme, financed by national taxes. Also certain categories of Norwegian citizens working abroad are compulsorily insured.

The National Insurance Scheme offers reimbursement for certain medicines to patients suffering from chronic illnesses according to a list of diagnoses (ICPC-2 / ICD-10) with a set of criteria the patients have to meet. For each diagnosis there is a corresponding list of reimbursable medicines. The Norwegian Medicines Agency decides the inclusion of medicines in the reimbursement programme, upon application from the pharmaceutical industry. A health economic evaluation of the product is mandatory when applying for reimbursement.

The National Insurance Scheme financed approximately 45 percent of total drug sales in Norway in 2008. Total turnover of drugs in 2008 was 17.1 billion NOK. The National Insurance Scheme's expenditure for drugs in 2008 was 7.8 billion NOK.

CO-PAYMENT

Within the National Insurance Scheme a co-payment is required from most patients. Persons receiving minimum old-age pension or minimum disability pension and children below 12 years of age do not pay a co-payment. The co-payment in 2009 is 36 percent of sales value, but no more than 520 NOK for each prescription. If the patient's total combined co-payment on medicines, visits to physicians or psychotherapy combined exceeds 1780 NOK before the end of the year, then the patient will receive a "free card" and do not have to pay further co-payment during the year.

For generic medicines the reimbursement price normally is equivalent to the price of the cheapest generic alternative, as defined by the "trinnpris" system. If the patient insists on having the more expensive alternative, then the patient will have to pay the difference between the actual price, and the price of the cheaper alternative in addition to the normal co-payment. Exceptions apply when the physician has found medical reasons for denying the pharmacy the right to generic substitution. In such cases, the National Insurance Scheme reimburses the price of the product chosen by the physician, and the patient only has to pay the normal co-payment. ●



ABOUT THE NORWEGIAN PHARMACY ASSOCIATION

The Norwegian Pharmacy Association (Apotekforeningen) is the trade organisation for pharmacies in Norway and their owners. According to the association's rules, The Norwegian Pharmacy Association shall primarily work to secure the best possible and predictable framework terms for the pharmacies. In addition the association shall work to promote the pharmacies a clear and valuable position within the health care system, the pharmacy profession and towards consumers.

The Norwegian Pharmacy Association also fulfils some joint functions and service tasks on behalf of the trade. ►

MEMBERS

All Norwegian pharmacies, 647 in total, are members of the association as of 1 June 2009. Included in this figure are 33 publicly owned hospital pharmacies.

THE BOARD

As of 1 June 2009, the board consists of representatives from independent pharmacies, hospital pharmacies and the pharmacy chains Apokjeden AS, Alliance Boots Ltd. and NMD AS.

The names of the representatives and their personal deputies are available at the Norwegian Pharmacy Associations home page www.apotek.no by choosing "Om Apotekforeningen" on top of front page.

ADMINISTRATION

As of 1 June 2009, The Norwegian Pharmacy Association including the organisation AS Apotekernes Hus had 42 employees. The association's employees are skilled in pharmacy, economy, statistics, IT and teaching.

For information about individuals (names, phone number etc) – try www.apotek.no

OTHER COMPANIES

A number of business activities are organised in AS Apotekernes Hus. Special mention should be made of NAF-gårdene AS and NAF-Data AS.

NAF-gårdene AS projects pharmacy premises and owns several commercial buildings in Norway, including some smaller shopping centres.

NAF-Data AS sells, maintains and develops an IT system which is used by all pharmacies – called FarmaPro.

PHARMACY POLICY

The framework terms are one of the core working areas for The Norwegian Pharmacy Association. The work is carried out through hearings, dialogue and contact meetings with ministries, government authorities and political authorities, in co-operation with other participants in the pharmaceuticals area, by development of documentation, analysis and statistics, and contacts with mass media.

PUBLICATIONS, ETC

The Norwegian Pharmacy Association publishes, among others:

- **Apotekforeningens tidsskrift** (The Journal). See also www.apotektidsskrift.no
- **Apotek og legemidler** (Pharmacies and pharmaceuticals). Trade statistics on the pharmacies' operation and sales of medicines
- **Apotekboka** (The Pharmacy Book). Overview of laws and regulations for the pharmacy and pharmaceutical trade
- **Handbook for pharmacy outlets**
- **A weekly e-mail newsletter**

TRADE STATISTICS

The Norwegian Pharmacy Association receives data from the pharmacies and produces common trade statistics. The purpose is to create knowledge and documentation as the basis for input to authorities and for public debate.

The system is based on all sales registered in the pharmacy computer system FarmaPro. The statistics system includes, among other things, detailed overviews of medicine sales with prices, reimbursement and anonymised prescription information.

PHARMACY SERVICES

The Pharmacy Service Department operates several common services for the trade and associated businesses:

Nordisk nummercentral (Nordic Number Office)

On behalf of the Nordic pharmaceutical industry, the Nordic Number Office (NNC) allocates Nordic article numbers for pharmaceuticals to be marketed in one or several of the Nordic countries.

Vareregistersentralen – VRS (Norwegian Article Number Registry)

VRS maintains and updates the pharmacies' common article registers. VRS co-operates with the Norwegian Medicines Agency and the National Insurance Administration regarding information exchange.

The register forms the basis for Norwegian public drug consumption statistics. It is also used in individual IT systems for physicians.



The Norwegian Pharmacy Associations educational services

The association's educational services cover producer-independent continuing and postgraduate education, primarily for pharmacy technicians. Additionally, special courses for other professionals are also arranged.

Service production system

The goal of the centralised service production system for pharmacy products is to secure good availability of medicines which are not offered by the pharmaceutical industry. The system is administered by the company ServiceProduksjon AS (SPAS). The Norwegian Pharmacy Association has the product responsibility for these pharmacy products.

INTERNATIONAL CO-OPERATION

The Norwegian Pharmacy Association is a member of Nordisk Apoteksforening – NA (The Nordic

Pharmacy Association), a joint organisation for the pharmacy associations in Denmark, Finland, Norway and Sweden (Apoteket AB). The board consists of the elected leaders of each country's association.

The Norwegian Pharmacy Association is also a member of Fédération Internationale Pharmaceutique / International Pharmaceutical Federation (FIP), which is a world-wide professional organisation for pharmacists, and Europharm Forum, which is a network of national pharmacist organisations in Europe, linked to WHO.

The Norwegian Pharmacy Association is an observer to The Pharmaceutical Group of the European Union (PGEU), a political organisation working within the EU system. The organisation follows developments within the pharmacist profession and the pharmacy sector, and produces policy documents in areas important to pharmacies. ●

2009

FACTS AND FIGURES

FACTS AND FIGURES 2009

The majority of statistics in this publication is based on The Norwegian Pharmacy Association's trade statistics which includes all sales registered in the pharmacy computer system FarmaPro in nearly all Norwegian pharmacies.

Additional information in English on the Norwegian medicinal market and prices on medicines in Norway is available from The Norwegian Pharmacy Association in print or on our website www.apotek.no.

FACTS AND FIGURES – PHARMACIES AND PHARMACEUTICALS IN NORWAY is a brief presentation of Norwegian pharmacies and their trade organisation The Norwegian Pharmacy Association (Apotekforeningen).

FACTS AND FIGURES – PHARMACIES AND PHARMACEUTICALS IN NORWAY contains basic facts on pharmacies, sales of medicines, regulation of pharmacies, the Norwegian reimbursement system etc.

THE NORWEGIAN PHARMACY ASSOCIATION is the trade organisation for pharmacies in Norway and their owners. According to its rules, the organisation shall primarily work to secure the best possible and predictable framework terms for the pharmacies. The association fulfils some joint functions and service tasks on behalf of the trade. In addition the organisation shall work to secure the pharmacies a clear and valuable position within the health care system, the pharmacy profession and towards consumers.

Requests may be sent to:

The Norwegian Pharmacy Association
Postboks 5070 Majorstuen, NO-0301 Oslo, Norway
telephone: +47 21 62 02 00, fax: +47 22 60 81 73
e-mail: apotekforeningen@apotek.no
www.apotek.no
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