

Shaping the Future of Healthcare in Greece



Access to Innovation: Is it necessary and financially affordable in GR?

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(Hellenic Association of Pharmaceutical Companies)**

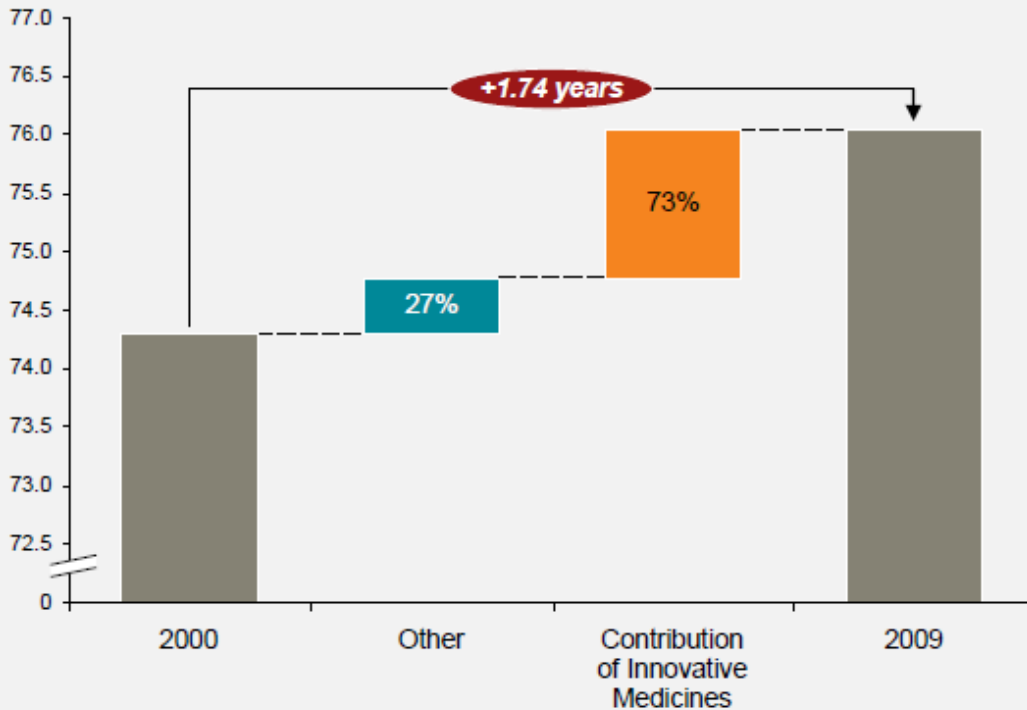
27 March 2014

- Wide variations in health attainments remain across Europe, amounting to almost 10 years of life expectancy
- Medicines usage has made major contribution to recent advances

Contribution of innovative medicines to increase in life expectancy (2004-2009)



Life Expectancy (years)



- ❖ From 2000 – 2009, an improvement in population life expectancy of 1.74 years was seen across 30 OECD countries.
- ❖ Innovative medicines are estimated to have contributed to 73% of this improvement.

Positive impact of pharmaceutical innovation

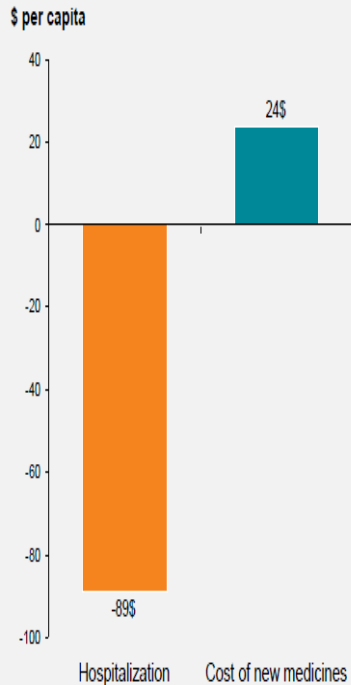
- Significant increase in life expectancy
- Significant progress in quality of life (e.g. asthma, diabetes)
- Improved level of health and longevity (e.g. HIV/AIDS, many cancers, cardiovascular diseases)
- Less overall Health Care costs (Hospitalization etc.)
- Improved treatment lead to more productive population and therefore...
- High impact on better economic productivity rates in the country ...

Medicines reduce other health costs

Relative to costs of hospitalisation, cost of innovative new medicines are a good investment

Example: Cardiovascular

Cost of newer cardiovascular medicines compared to savings in hospitalizations in 20 OECD countries 1995 - 2003



Σε σύνολο, \$18 επένδυση σε καινοτόμο φάρμακο επιστρέφει \$129 σε εξοικονόμηση - εξοικονομούνται \$7 για κάθε \$1 που επενδύεται



← Αύξηση κόστους φαρμάκου

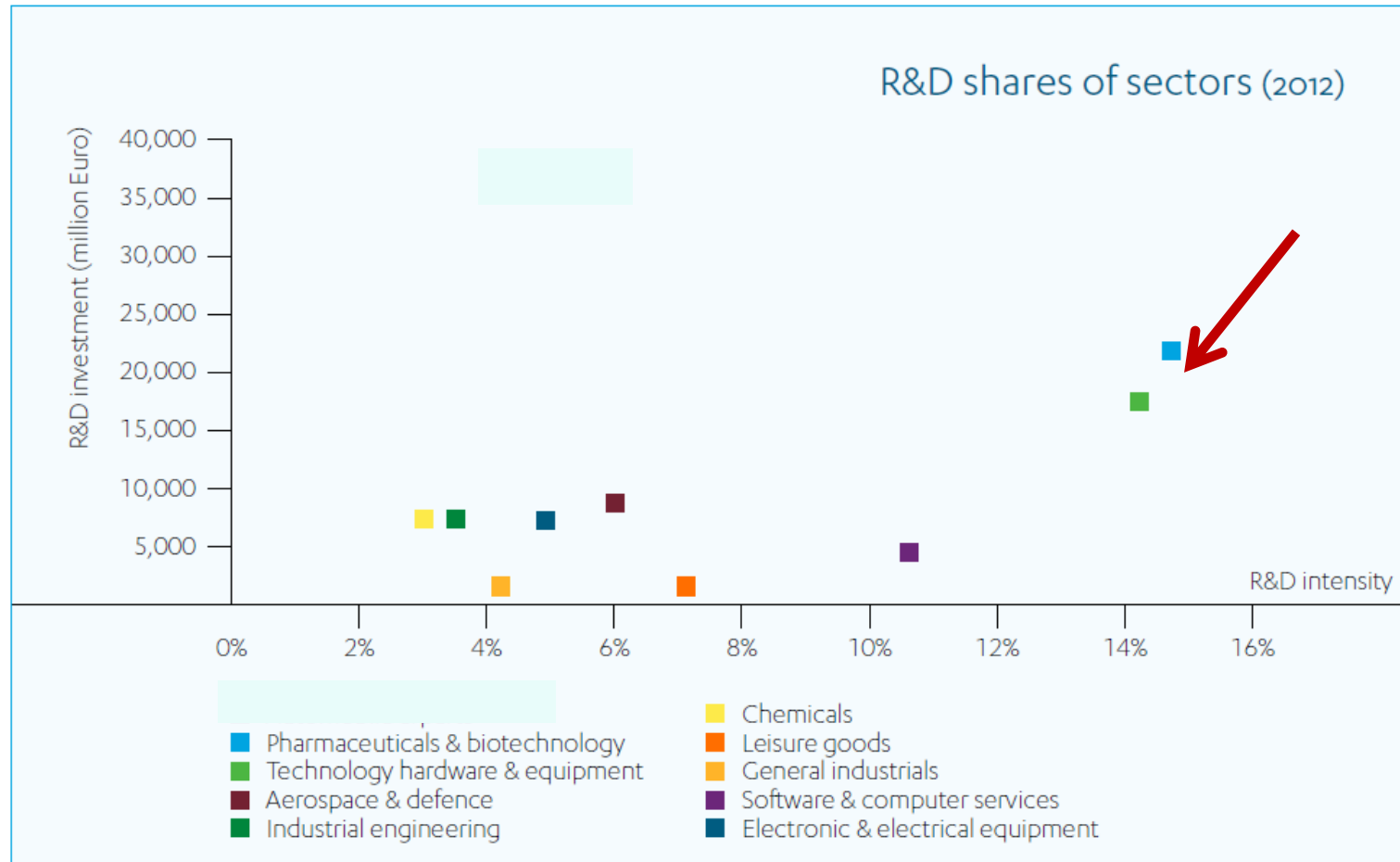
Εξοικονόμηση από επισκέψεις σε ιατρούς εκτός νοσοκομείων

Μείωση ιδιωτικών δαπανών

Εξοικονόμηση από εξωτερικά ιατρεία

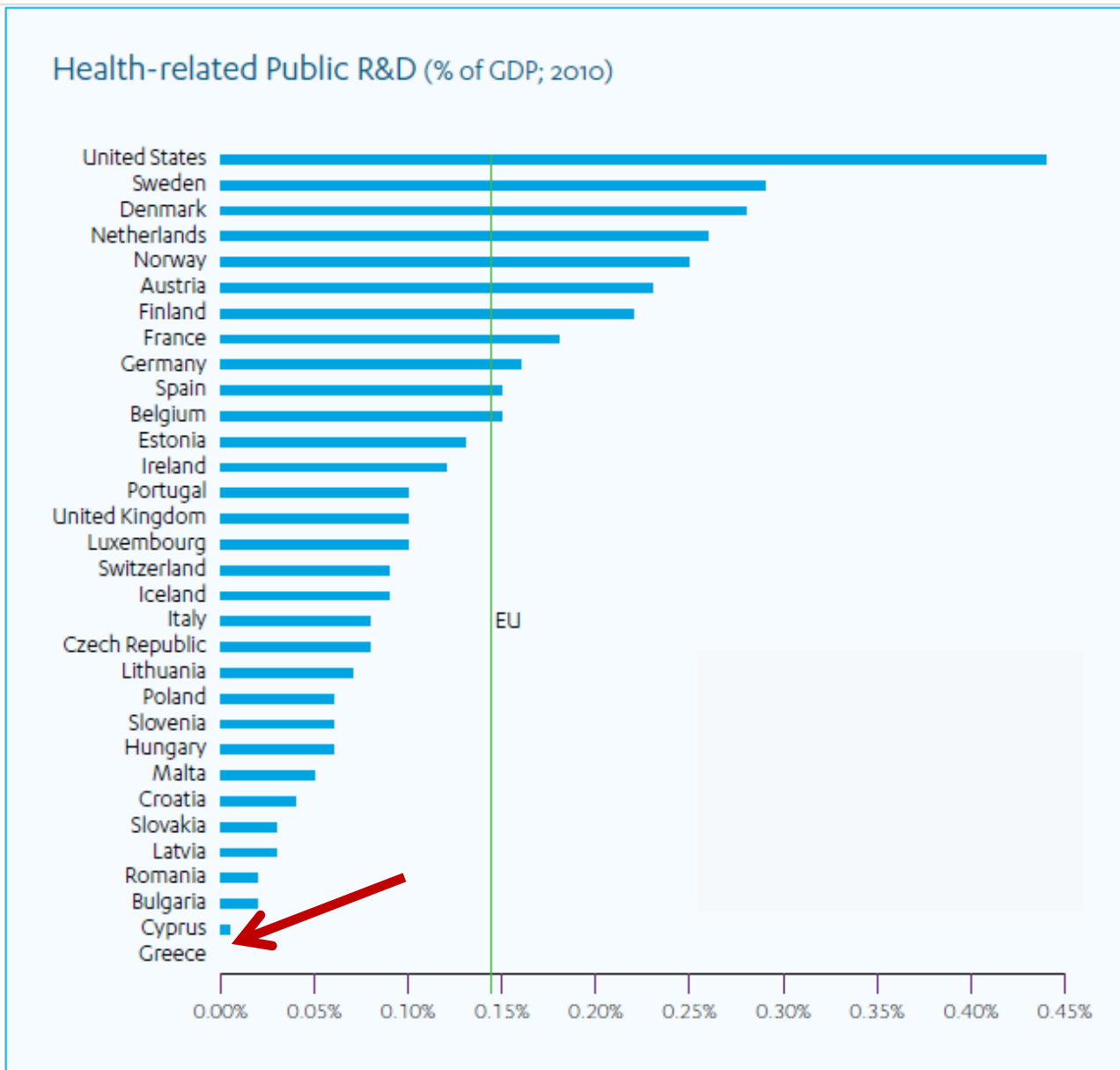
Εξοικονόμηση από τα Επείγοντα

Pharmaceuticals is the most R&D intensive sector in Europe



(Source: European Commission – EU R&D Scorecard 2012)

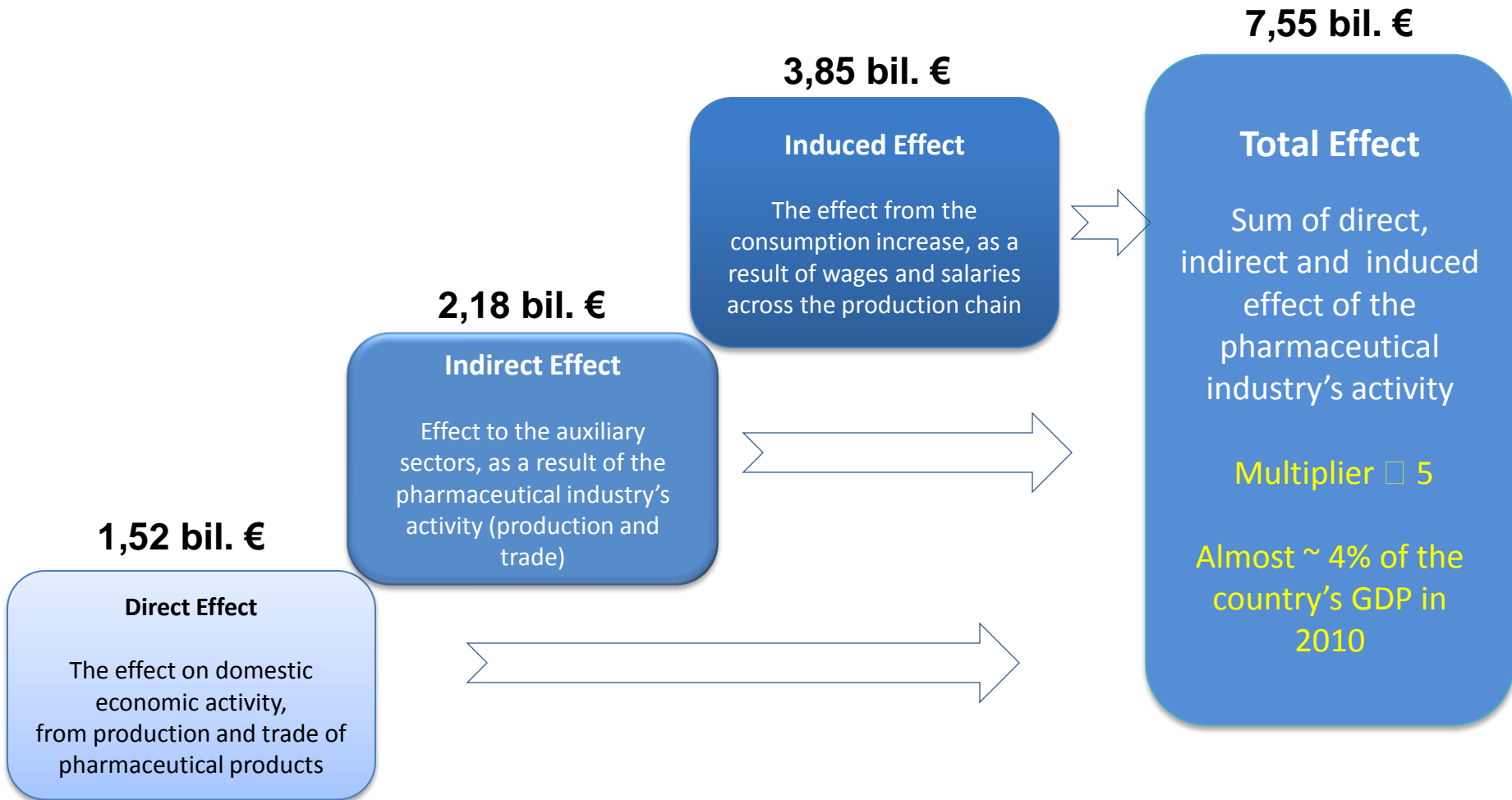
Public health related R&D in Europe, as % of GDP (2010)



Public health related R&D in Europe, as % of GDP (2010) (Source: Eurostat GERD)

Contribution of Pharma industry in the National Economy: (1/2)

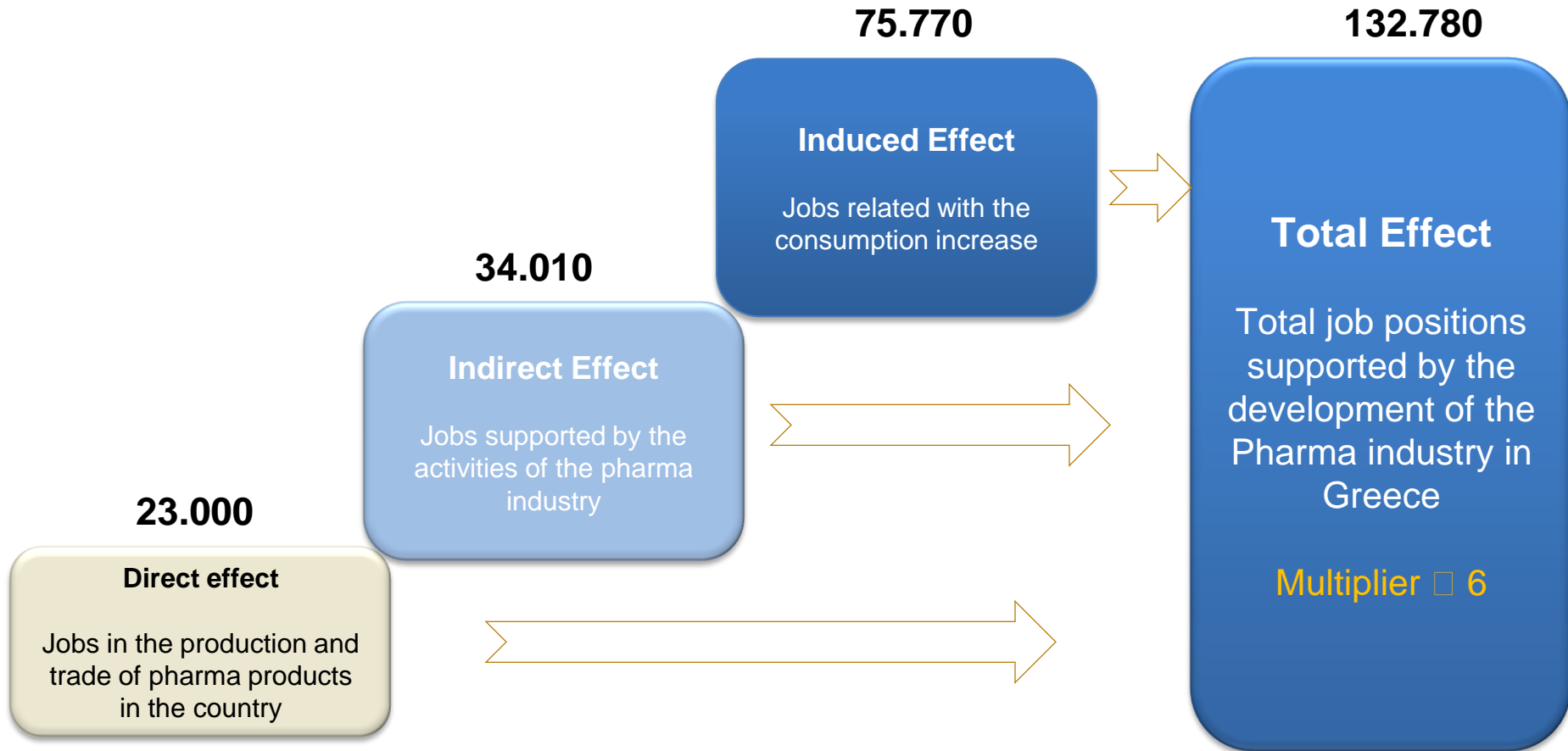
The effect on GDP through Investment



- ✓ **€400 mil** payments in taxes and social contributions
- ✓ **€150 mil** investment in R&D (Clinical Trials in Greece)
- ✓ **≈20%** of our turnover is yearly reinvested in R&D
- ✓ **€1 bil** the value of exports in **100** countries
- ✓ **21** plants in Greece

Contribution of Pharma industry in the National Economy: (2/2)

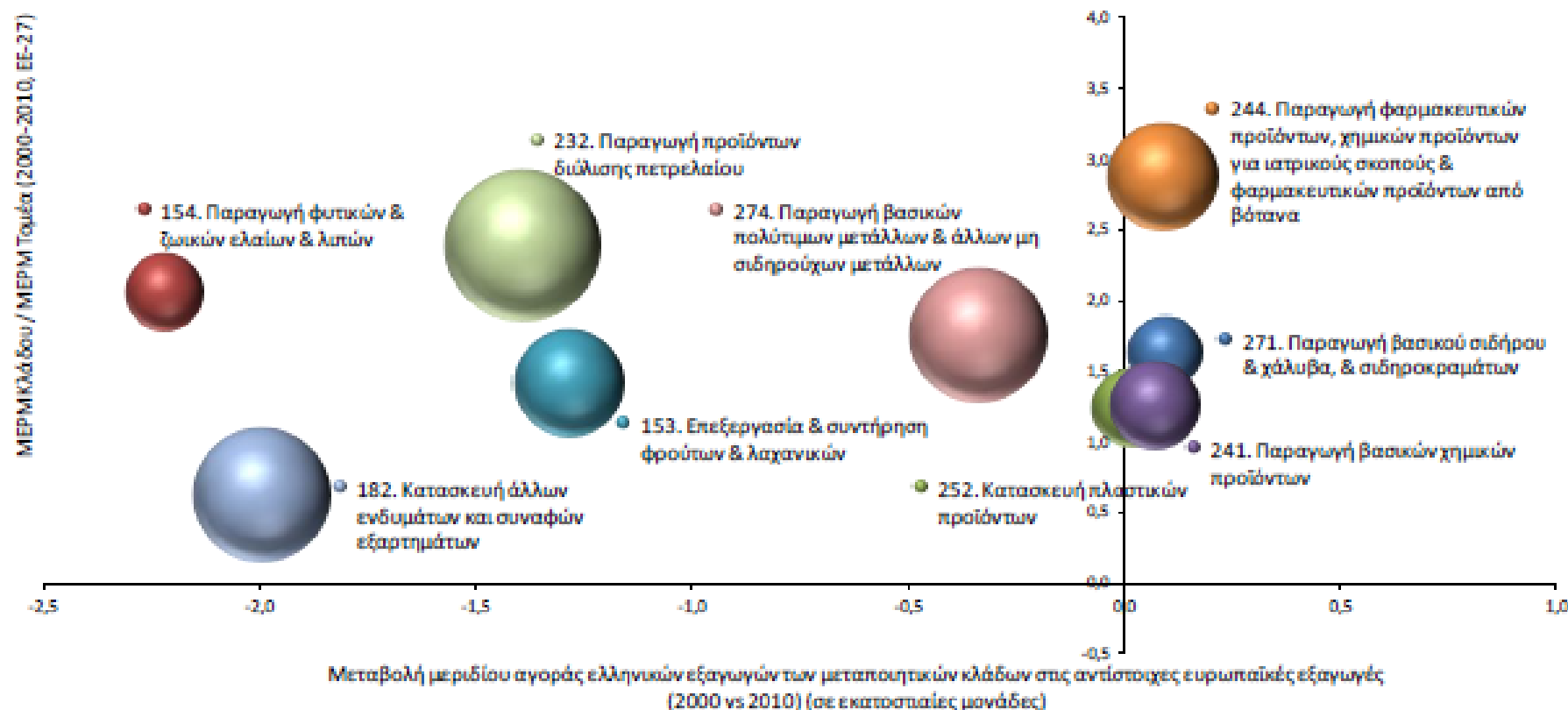
The effect on Employment-133,000 employees in GR depend on pharma sector



V. Συμβολή τομέα φαρμάκου στην οικονομία: Εξαγωγές

Ταξινόμηση ανάλογα με μέγεθος του μεριδίου αγοράς των εξαγωγών των μεταποιητικών κλάδων στο σύνολο των ελληνικών μεταποιητικών εξαγωγών

MEPM* Κλάδων / ΜΕΡΜ Τομέα
(2000-2010, ΕΕ-27)

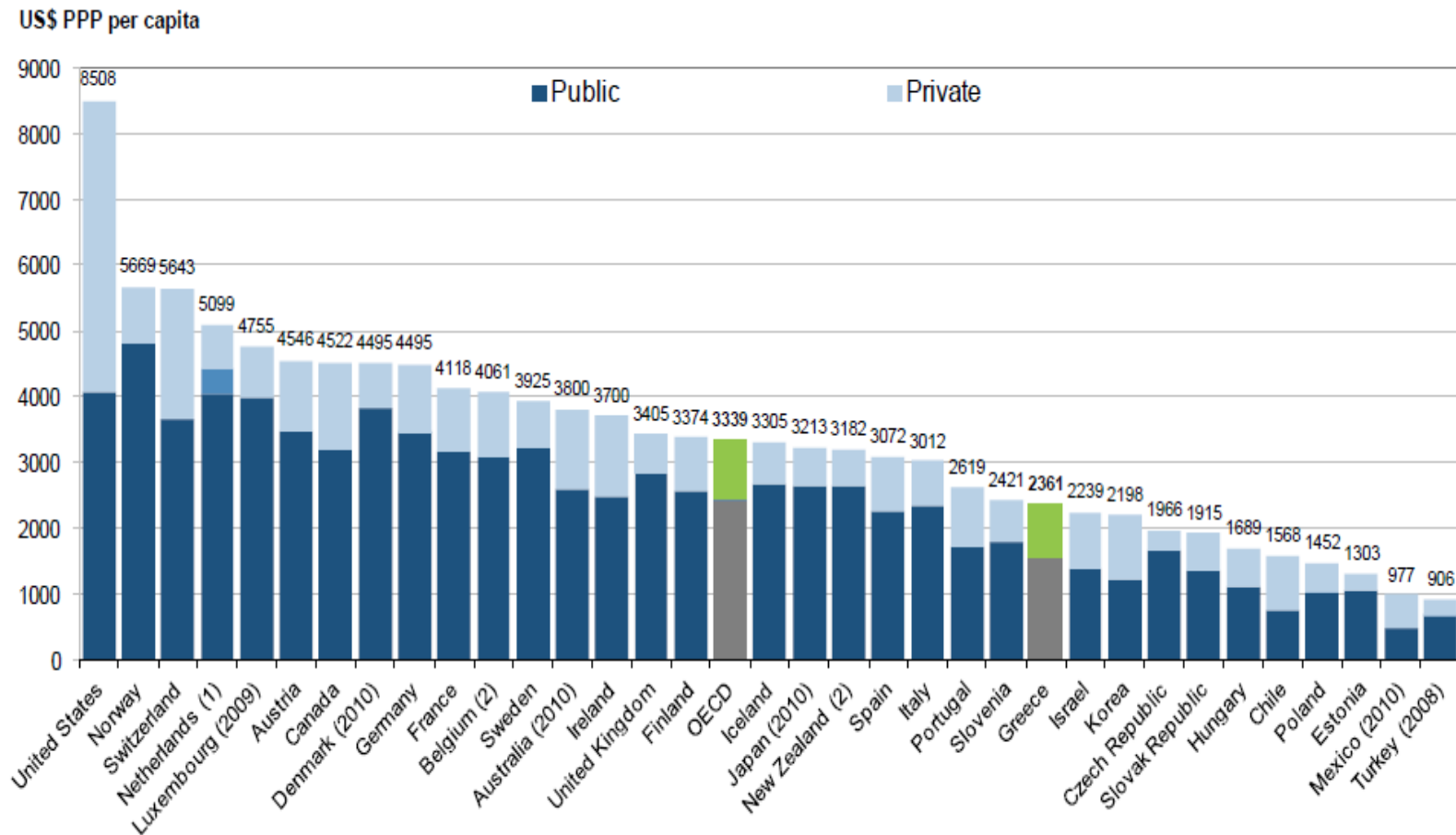


*ΜΕΡΜ: Μέσος ετήσιος ρυθμός μεταβολής

Το μέγεθος της σφαίρας αντιπροσωπεύει το μερίδιο των εξαγωγών του κλάδου στο σύνολο των εξαγωγών της μεταποίησης στην Ελλάδα

Health expenditure per capita in GR is much lower than OECD avg

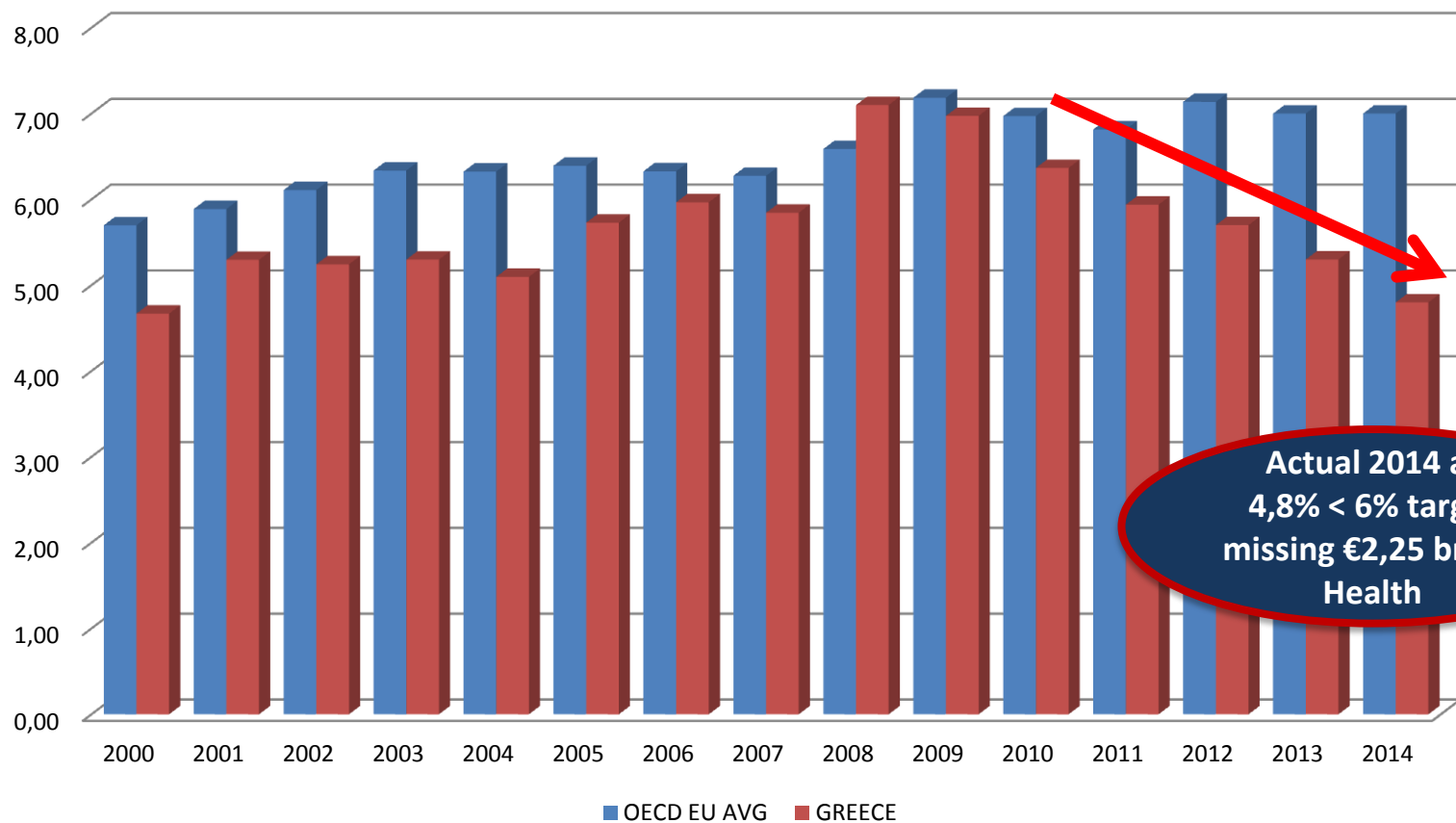
2011: Public HC spent in GR vs OECD: -40%, (in 2013 -50%)



Source: OECD health data 2013

OECD avg of Public HC at > 7,5% of GDP while. In GR it contacts dramatically <4,8% of GDP

Public HC expenditure as % of GDP



Actual 2014 at
4,8% < 6% target
missing €2,25 bn for
Health

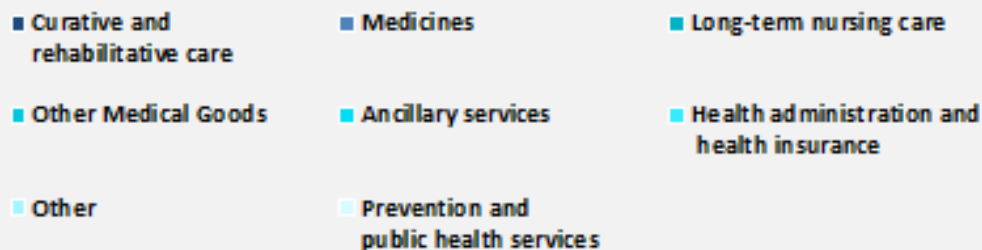
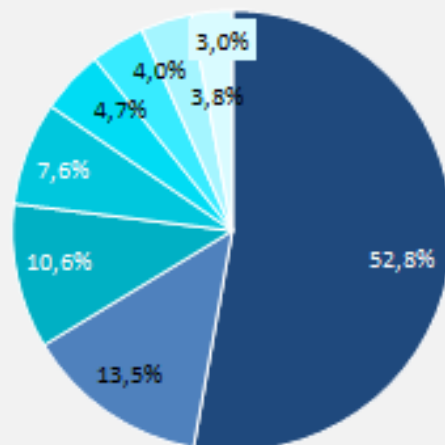
Source: OECD Health data 2013

OECD EU AVG for 2013 & 2014 are projections

Greece for 2012,2013 & 2014 based on actual social budget

Overall medicines across Europe represent $\cong 15\%$ of total expenditure (Greece = $1\% / 6\% = 17\%$)

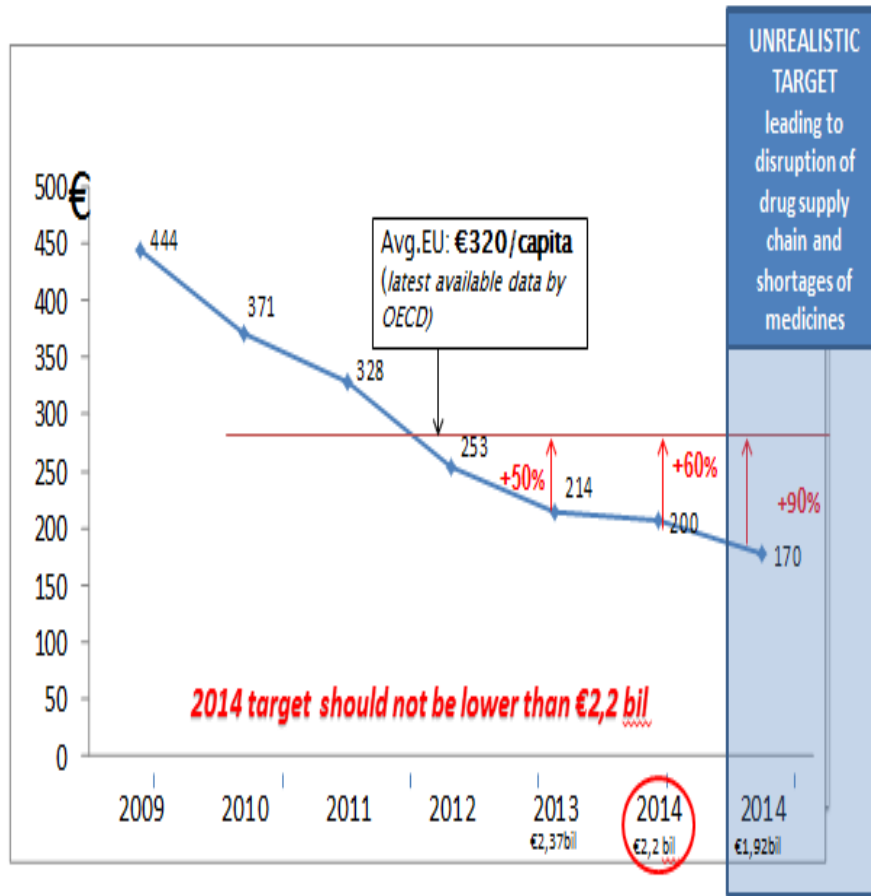
Total healthcare expenditure by function (2010, pop.-weighted, current prices, PPP, \$)*



Source: * OECD Health Statistics Database (accessed 2013); [†] A.T. Kearney analysis (2012); ^Δ Schwarzkop et al. (2010); [#] Damm et al. (2012)

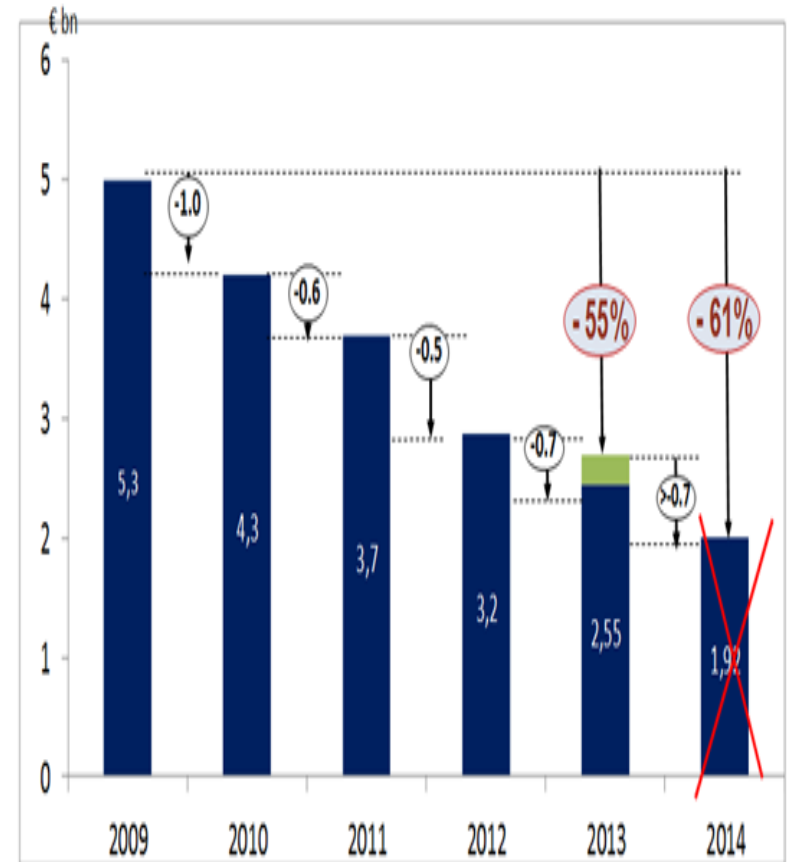
GR Public outpatient drug spend/capita vs EU

With Target at 2,2 bn, EU average is higher by 60%



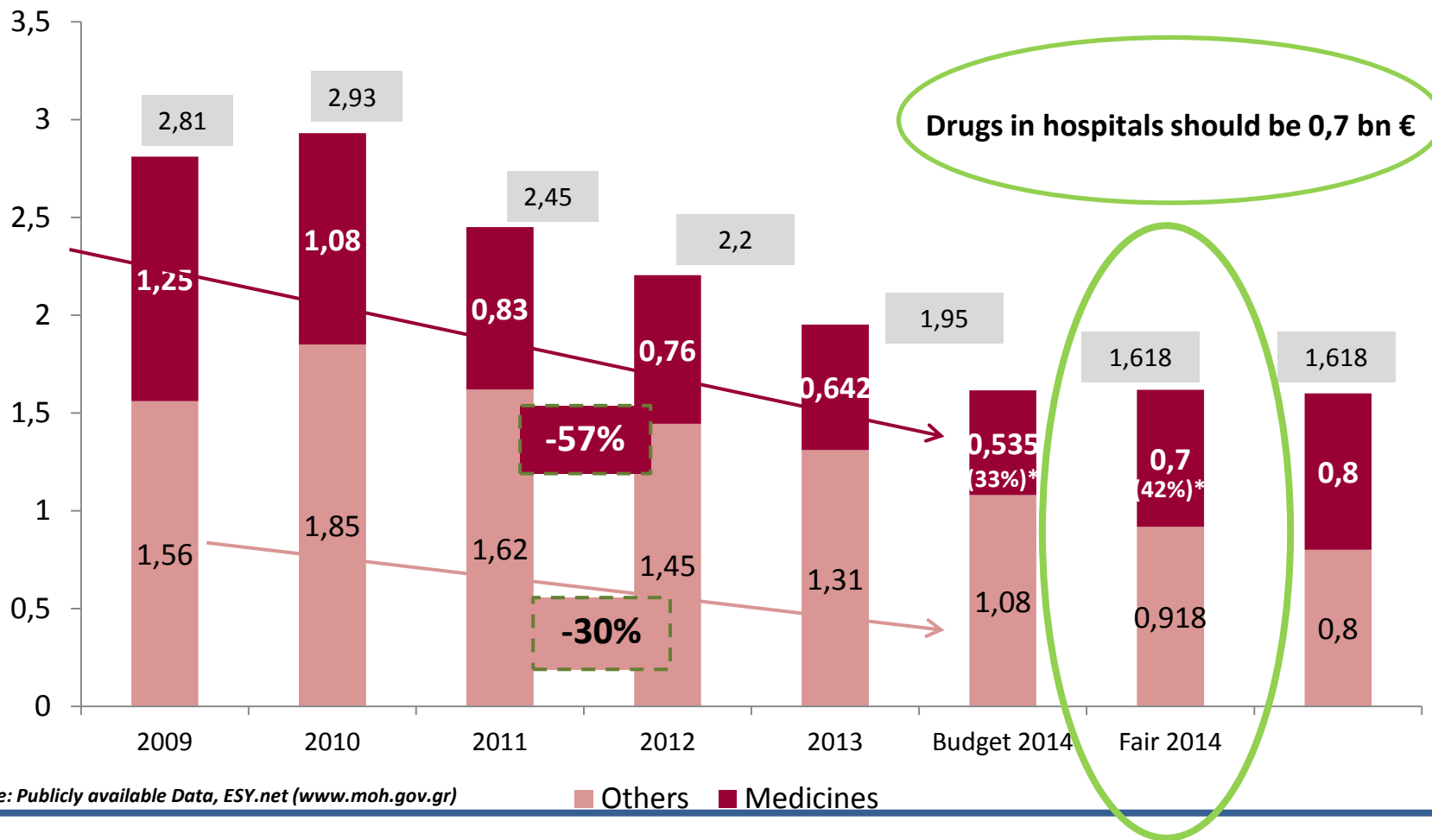
Source: IOBE/SFEE, Facts & Figures 2012

2014 outpatient pharmaceutical spend should be set at €2,2bn

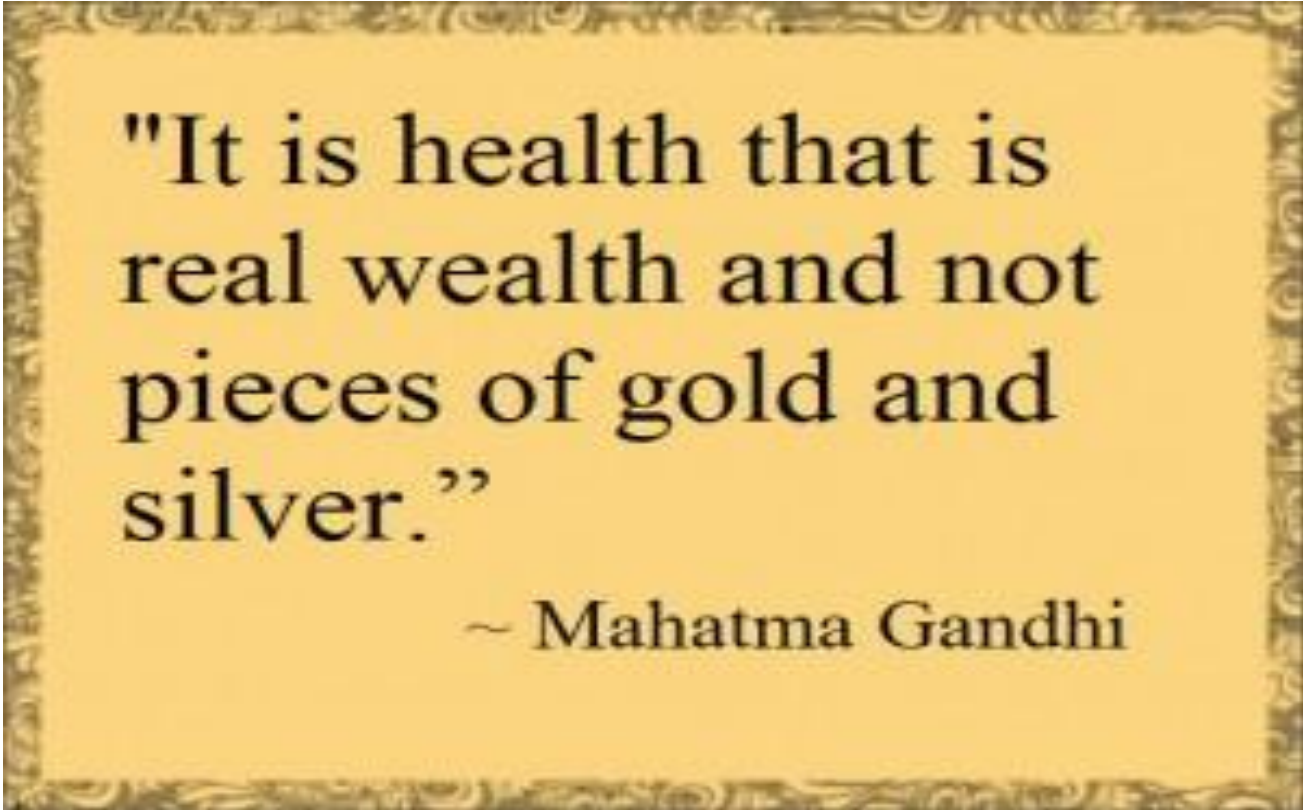


Hospitals' Cost Centers Evolution (excl. Payroll)

In most EU countries the ratio of medicines and other hospital supplies is ~1:1



“the greatest wealth is health”



"It is health that is
real wealth and not
pieces of gold and
silver."

~ Mahatma Gandhi