



**HELLENIC ASSOCIATION OF PHARMACEUTICAL COMPANIES:
A REPORT ON HOSPITAL DEBTS TOWARDS SFEE's MEMBER-
COMPANIES**

Pending Payments on 30.06.2007

Athens, August 2007

Introduction

The Hellenic Association of Pharmaceutical Companies (SFEE) collected and analysed all the available data relating to pharmaceutical debts of public and private hospitals to its member-companies. The analysis resulted in a set of tables, which describe in detail the overall amount due per hospital, as well as the average length of payment delay. The tables included in the report are the following:

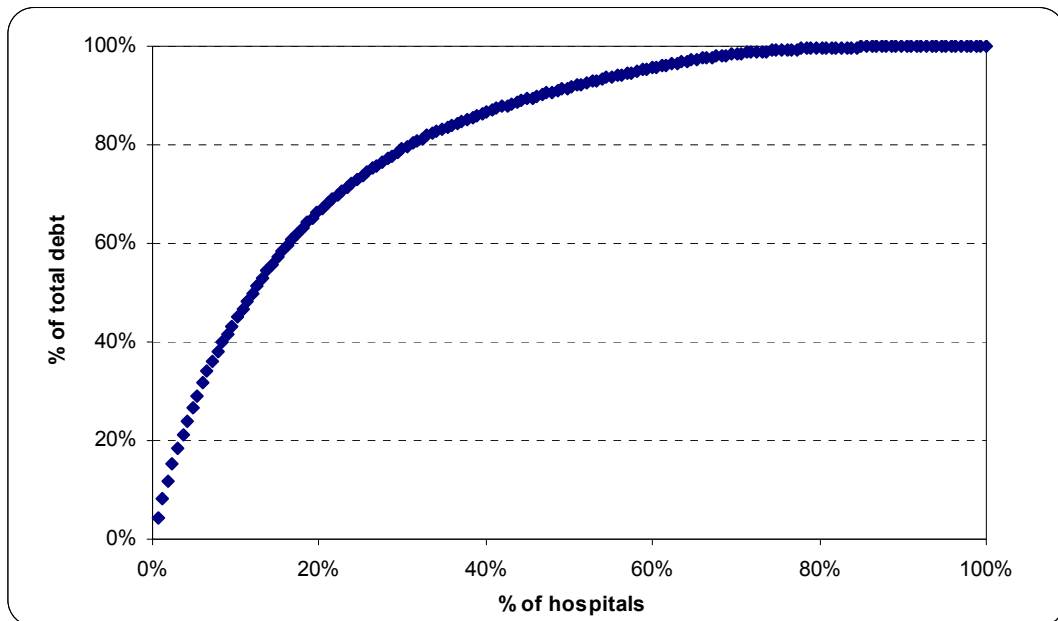
- **Table 1:** Hospital debts to SFEE member-companies
Hospitals ranked according to the amount due
- **Table 2:** Hospital debts to SFEE member-companies
Hospitals ranked according to the first month of pending payment
- **Table 3:** Debts towards the companies not included in Ministry's Debt Settlement
- **Table 4:** University Hospital debts towards SFEE member-companies
 - *Table 4a: Hospitals ranked according to the amount due*
 - *Table 4b: Hospitals ranked according to the first month of pending payment*
- **Table 5:** Psychiatric Hospital debts towards SFEE member-companies
 - *Table 5a: Hospitals ranked according to the amount due*
 - *Table 5b: Hospitals ranked according to the first month of pending payment*
- **Table 6:** Military Hospital debts towards SFEE member-companies
 - *Table 6a: Hospitals ranked according to the amount due*
 - *Table 6b: Hospitals ranked according to the first month of pending payment*
- **Table 7:** Debts of the Social Insurance Institute's (IKA) Hospitals to SFEE member-companies
 - *Table 7a: Hospitals ranked according to the amount due*
 - *Table 7b: Hospitals ranked according to the first month of pending payment*

Main points:

The main points resulting from the analysis of the tables are the following:

- On 30/06/07, the **total amount of hospital debt** towards SFEE's pharmaceutical companies was **€1.54 billion**. This figure shows a remarkable increase (25%) compared to the respective figure on 31.12.2006 (€1.23 billion).
- The **average length of payment delay was 17.03 months** (511 days), i.e. hospital debts are pending since February 2006. The average length of payment delay also presents significant increase compared to the respective delay on 31.12.06 (13.4 months).
- Total debt towards the companies which were **not included in the Ministry's Settlement** (2004) amounts to **€224.5 million** and exhibits an increase of 5% since December 2006. This amount represents approximately 14.6 % of total hospital debt, and its majority (84.3%) is **pending since 2001, 2002 and 2003**.
- The General Hospital of Athens "Evangelismos" presents the **highest debt**, which exceeds **€63.7 million** (4.1% of total debt). Moreover, the mean delay of its payments is **19 months**, which is higher than the average delay of hospital debt payment.
- Attica's Psychiatric Hospital and Crete's Naval Hospital show the **longest payment delay** among all public hospitals, as their debts are on average pending since January and July 2004, respectively. "Errikos Dinan" Welfare Institution gives a similar picture concerning average delay as its debts are pending since June 2004.
- The **top ten** hospitals with the highest levels of debt (jointly €486 million) account for 31.6% of total debt. In general, there is a **high degree of concentration** of debts to a small number of hospitals. As presented in the Inequality Distribution Diagram which follows, 20% of hospitals are responsible for 66.2% of total debts.

Inequality Distribution Diagram of Hospital Debts



- **Private hospitals** “Errikos Dinan” and Onassis Cardiac Surgery Center jointly owe **€30.4 million**, contributing by 2% to total hospital debts.
- **University Hospitals** have a debt which amounts to **€247.9 million**, representing 16.1% of total debts. The mean delay of debt payment is estimated at 18.3 months, in other words debts are pending since January 2006.
- **Psychiatric Hospitals’** debts slightly exceed **€20 million** and are pending since August 2004. The total delay of debt payment significantly exceeds the mean delay of public hospitals and amounts on average to 35 months (1,047 days). 68.9% of psychiatric hospital debt derives from **Attica’s Psychiatric Hospital**, which additionally presents the longest mean delay (its debts are pending since January 2004).
- **Military Hospitals’** debts to pharmaceutical companies amount to €40 million (2.6% of total debt). Their average length of payment delay reaches 16.4 months.
- **IKA’s Hospitals**, whose debts (€147.8 million) account for 9.6% of total debt, appear to be the most consistent payers. The mean delay of payment amounts to 10 months (303 days).