To the Honorabe Mr. Andreas Lykourentzos Minister of Health & Social Solidarity

Koiv.: Mr. M. Salmas, Alternate Minister of Health Mrs. F. Skopouli, Deputy Minister of Health

Mr. Antonis Demopoulos, Secretary General for Public Health

Mr. G. Voudouris, EOPYY President Prof. Y. Toutas, EOF President

Halandri, July 5, 2012

Honorable Minister,

With the letter of the Ministry of Health dated 4/7/2012, signed by the Secretary General Mr. Dimopoulos, you inform us and ask us to inform our members that according to the data concerning consumption of medicines certified by EOPPY and other social security institutions, despite the recent announcements of EOPPY about the opposite, it was certified that the binding budget of social insurance bodies for pharmaceutical treatment (refund mechanism - claw back) for the insured during the first quarter of 2012 was exceeded.

At the same time, you inform us that the calculation for the collection of the above exceeding amount per company has been already activated, and that it will be notified to every concerned company in the immediate future in order to proceed with the payment.

We are completely opposed to this action of the Ministry for the following reasons:

- 1) The claw-back measure has been established by the Ministry as a supplementary measure, as a last resort. This means that this measure will be imposed only under the condition that the full implementation of the other measures for the containment of pharmaceutical expenditure has already taken place, i.e. complete implementation of e-prescribing in conjunction with therapeutic protocols, reduction of the profit margins of the stakeholders of the supply chain, patients' co-payment etc. These measures, however, because of the government's timidity and the long election period have been either not implemented or partly implemented. Because of this fact the state turns to pharmaceutical companies to pay the difference resulting from the non-implementation of the established measures, which is unacceptable and abusive.
- 2) The method according to which the amount exceeding the binding budget of the social insurance bodies has been calculated is completely non-transparent, which is also one of the main reasons why we filed before the Council of State an application for the annulment of the Ministerial Decision establishing the automatic return mechanism (claw-back).

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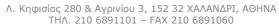


- 3) We do not know whether the VAT and hospital products have been included in the calculated by the Ministry amounts. Note that the inclusion or the non inclusion of these two elements for the total pharmaceutical expenditure constitutes a serious parameter in order to decide whether the budget of the social insurance bodies has been exceeded or not.
- 4) According to EOPYY, as officially announced in its report dated 25/6/2012, the projected pharmaceutical expenditure for the first half of 2012 is within the target set by the Memorandum.
- 5) Finally, we would like to remind you that the accumulated debts of EOPYY and hospitals now exceed €1,5 billion and we expect their settlement within July.

For the above reasons, we ask you to set a meeting in order to inform us about the progress of the implementation of the measures that have been decided for the rationalization of the pharmaceutical budget, the trend of other health costs and the settlement of accumulated debts.

Faithfully yours,

Fotis Mangalousis Director General Konstantinos M. Frouzis
President



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