To the Honorable Mr. Pelopidas Kalliris Secretary General Ministry of Health

Cc: Mr. I. Karavokiris, President of the Court of Auditors

Halandri, 23 November 2012

Subject: Refusal to approve outstanding invoices

Dear Mr. Kalliris,

SFEE member-companies inform us that the chief accountants of the General Hospital of Rhodes and Pyrgos refuse to approve outstanding invoices of 2011 and require from pharmaceutical companies to send the prices posted at the price observatory, because otherwise the Commissioner of the Court of Auditors will not sign the payment orders.

For this issue we would like to note the following:

- Article 24 of L. 3846/2010 par. 2 provides for the creation of a data base at the price observatory for the control of prices of products of L.3580/2007.
- Following delegation of the above article the Ministerial Decision no YA08/31.5.2010 (GG 777/B/2010) was issued, article 2 of which foresees that the price observatory takes into consideration the lowest price achieved for products of article 10 of L. 3580/2007.
- From the combined implementation of article 10 of L. 3580/2007 par. 3 and article 24 par. 3 of L. 3846/2010 medicinal products are included in the scope of the observatory.
- Therefore, the observatory uploads the lowest price for medicinal products, without taking into account whether they were supplied to hospitals with or without a contractual process.

On the basis of the above legislation in force, the pharmaceutical company is not obliged to supply all hospitals with the lowest price uploaded on the website of the price observatory.

More specifically, the Ministerial Decision no $\Delta Y \Gamma 3\alpha/o\iota\kappa$.97018 (GG 2719/B/8.10.2012) for the pricing of medicines, expressly provides in Article 3 § 1 that pharmaceutical companies <u>may</u> provide <u>additional</u> discounts on hospital price <u>without limitation</u> to public hospitals etc. Thus, the discount is <u>voluntary</u> and not always the same. The pharmaceutical company can provide a bigger or smaller discount to a hospital within the framework of its trade policy.

Λ. Κηφισίας 280 & Αγρινίου 3, 152 32 ΧΑΛΑΝΔΡΙ, ΑΘΗΝΑ ΤΗΛ. 210 6891101 – FAX 210 6891060 280, Kifissias Ave. & 3, Agriniou Str., GR 152 32 Halandri, ATHENS, GREECE TEL (+30 210) 6891 101 FAX (+30 210) 6891060 e-mail: sfee@sfee.gr





By taking into account mandatorily the lowest price uploaded on the website of the observatory the above provision of the Ministerial Decision is being essentially invalidated for the aforementioned reasons, while at the same time the Price Bulletins issued on the basis of the above Ministerial Decision are also invalidated.

Based on the above, there is no obligation of the company to supply the public hospitals with the lowest price uploaded on the observatory. This obligation arises only in the case where the supplies are carried out through the tendering process and not in case of contractual supply of medicines.

For all these reasons, Mr. Secretary General, we ask for your immediate intervention in order to resolve the above issue as soon as possible so as to avoid any problems in the smooth supply of public hospitals.

Faithfully yours,

Kostas Panagoulias Vice-President Yannis Chryssospathis Legal Counsel

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