

To

The Honourable

Mr Adonis Georgiadis, Minister of Health

Mr Demetrios Kontos, President of EOPYY

**Re: Calculation and allocation of clawback**

Chalandri, April 28, 2014

Dear Minister,  
Dear President,

Further to the clarifying letter of EOPYY dated 2/4/2014 (attached) regarding the determination of the transgression of the pharmaceutical expenditure (clawback) and the calculation of the market shares of the pharmaceutical companies for the allocation of the clawback, for which we thank you, we would hereby like to express the disagreement of our Association for the methodology applied. More specifically, SFEE's view for the calculation and allocation of the clawback are the following:

**1. Proportional allocation of the clawback to the pharmaceutical companies**

Pharmaceutical companies must be encumbered with a percentage of 67% on the final clawback, which represents the ratio of the ex-factory price to the Retail price.

**2. Determination of expenditure and transgression**

- For the determination of the expenditure and the transgression, the following must be deducted: VAT, EKAS, serums, blood derivatives, sugar stripes, consumables, vaccines, 1 Euro per prescription, any sums that do not concern pharmaceutical medicines and any withholdings from payments (e.g. 3% in favour of the Civil Servants Pension Fund (*MTPY*) etc.)
- Phasing between six-months periods

**3. Equal allocation of the clawback per MAH**

A. From the net expenditure, which comprises the expenditure of the pharmacies of EOPYY (from which the discounts of pharmaceutical companies to EOPYY have already been subtracted) and of the private pharmacies, the following are subtracted:

- The 9% rebate of the companies
- The volume rebate of the companies
- The expenditure for the medicinal products set out in law 3816 1A
- Any discounts from which EOPYY benefits (e.g. invoice discounts and credit note discounts)
- The profit margin of wholesalers (4.67%) which the MAHs are instructed to reimburse to EOPYY in case of direct sales to private pharmacies

The amount that results constitutes the basis on which the market shares of the companies-MAHs will be calculated.

B. For each MAH, EOPYY will calculate the exact amount spent for the medicinal products of the MAH per SKU (from the said expenditure, the discounts granted by the pharmaceutical companies to EOPYY have already been subtracted). From the said amount, the following will be subtracted for the same period for each MAH:

- The 9% rebate
- The volume rebate
- The expenditure for the medicinal products set out in law 3816 1A

- Any discounts granted by the MAH from which EOPYY benefits (e.g. invoice discounts and credit note discounts)
- The profit margin of wholesalers (4.67%) which the MAHs are instructed to reimburse to EOPYY in case of direct sales to private pharmacies.

The market share derives from the division of B by A. The said market share is used for the calculation of the exact amount (clawback) that will be imputed to the MAH on a reduction basis on the total transgression during the same period, as such period is communicated with the relevant notes of EOPYY.

*Example for the calculation of the share in the expenditure (A):*

	Total of market (A)	Company X (B)	Share of each company in the expenditure
Pharmacies of EOPYY excluding discounts (on the invoice or credit note)	300 m.	10 m.	
<b>PRIVATE PHARMACIES</b>	1,000 m.	30 m.	
<b>GRAND TOTAL</b>	1,300 m.	40 m.	
<b>MEDICINAL PRODUCTS OF LAW L.3816 1<sup>A</sup></b>	(40 m.)	(2 m.)	
<b>9% REBATES</b>	(70 m.)	(2 m.)	
<b>VOLUME REBATE</b>	(12 m.)	(0,4 m.)	
<b>4.67% REBATE</b>	-	-	
<b>TOTAL</b>	(122 m.)	(4,4 m.)	
<b>EXPENDITURE*</b>	1,178 m.	35,6 m.	<b>3,02% (A divided by B)</b>

\*(the rebates of pharmacies have not been subtracted)

Say transgression amounts to 30 m. therefore the company X will pay 0.9 m. (3.02% x 30 m.)

Taking into account all the above, we kindly request that you **promptly schedule a meeting** with SFEE's representatives, in order to allow as to more analytically explicate our views to you, so as to ensure the fair calculation and allocation of the clawback.

Your sincerely,

Konstantinos M. Frouzis  
President

Paschalis Apostolodis  
Vice President