

Pharmaceuticals and Health Care: A Step Ahead

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The new government is called upon to address serious problems across the entire spectrum of state activity. Among the most pressing problems are those encountered in the sector of health care. A key challenge in this respect is that we should resist the temptation of quick-fix solutions or of putting blames on each other, which eventually will result to sweep issues under the carpet. We should, instead, attempt a leap into the future, to advance a comprehensive approach that will mark a step beyond conventional practices and lead the health care system into a new era.

The use of “we” is justified by the fact that the new government has committed itself to promoting and putting into practice values such as participation and consultation. It has given rise to optimism that the answers to the problems will not come as the result of the personal, piecemeal initiative of any given individual, but will rather emerge from an open, collective process that will integrate and encapsulate the accumulated knowledge of all parties involved.

SFEE has always supported policies that promote the common interest of the citizens, the State and pharmaceutical companies. It has taken a crystal-clear and consistent stance regarding the necessity of a step ahead for the sector of health care.

Our stance is underpinned, on the one hand, by our members’ recognised expertise and decades-long familiarity with the Greek reality and, on the other hand, by the careful selection of best practices followed in the advanced countries of Europe and in the United States.

Moreover, we believe that we have to reach an agreement regarding the defini-

tion, content and scope of concepts. For instance, when we speak about the debt of public hospitals, we should all see it as a serious problem which, if not addressed, could disrupt the functioning of the pharmaceuticals market and thus jeopardise the hard-won access of all citizens to all medicines.

When we talk about the prices of pharmaceuticals, we must keep in mind that the price of each medicine in Greece is determined exclusively by the State and is the lowest in the European Union, according to the relevant market decree. When we talk about pharmaceutical expenditure, we should not confuse it with the total sales of medicines, but we should understand it to mean public expenditure incurred by social security funds and public hospitals, which roughly represents half of the total sales of medicines. It is essential to avoid ineffective makeshift solutions or methods that have been tried in the past and have proven to be absolute failure.

The right path to follow is to attack problems at their root and eliminate their causes, so as to prevent their re-emergence in the future. Now, on the eve of the year 2010 and the new decade, it is worth being bold enough to take this path. The burning issue of huge accumulated debts must be addressed right away. Decisions are urgently needed to ensure the immediate settlement of the long-standing debts of public hospitals, which on 31 December 2008, for our member companies only, amounted to the astounding figure of 2.68 billion euro. Thereafter, if it is clear that the health care system faces funding problems, it is equally clear that the answer would involve the

streamlining of IT infrastructure and technological up-grading of the system.

We believe that it is necessary to introduce electronic prescribing and electronic controls of diagnostic and treatment referrals. No other initiative and no other administrative measure will have the same three-fold positive impact on health care finances – and with zero side-effects.

First, as international experience has shown, the streamlining of the IT infrastructure of the health system will save resources worth about 30% of total health care expenditure (no doubt an enormous amount and much higher than annual pharmaceutical expenditure).

Second, it will reinstate a culture of law observance and respect for public resources, setting an example and ushering in a new era of sound management for all segments of the public sector.

Third, it will breathe new life into the health care system as a whole, making it less cumbersome and more efficient, and will minimise all types of delays, thereby bolstering public confidence in the National Health System and ensuring greater user satisfaction.

An important point not to be missed is that the main problem of the health care system is not the prices of medicines. Given that the prices are set on the basis of the average of the three lowest prices in the European Union, Greece 'imports' directly the cumulative effect of all the policies and pharmaceutical cost methodologies applied in individual countries of the European Union with a view to ensuring the lowest possible prices.

Thus, Greece is the only European Union country to have squeezed medicines prices to that extent. This is evidence that the funding problems of the Greek health care system are rooted in the lack of control and in the fact that the system lags behind and clings to obsolete methods.

With medicines prices at so low levels, any further squeezing is not possible without causing dysfunctioning in the market and would leave intact the squandering of resources. Against this background, we all



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must contribute towards a rapid change in the governance of the system; the establishment of an integrated IT infrastructure; technological upgrading; and control in all the aspects of the system. This structural change, going hand in hand with a curbing of overspending that will bring about huge cost-saving, will enable hospitals and health insurance funds to meet their debt obligations in a timely manner and will eliminate in the future the phenomenon of accumulated debts which hamper the health care system, impair its viability and are a drag on the real economy. The conclusion to be drawn from the above is that we have now the opportunity for a real breakthrough, for a real step ahead. This is an opportunity that we cannot afford to miss.

