



**SFEE's REPORT ON PUBLIC HOSPITALS' DEBTS TOWARDS
SFEE's MEMBER-COMPANIES**

Sales, receivables and debts from 01.01.2010 to 31.03.2011

Athens, April 2011

The Hellenic Association of Pharmaceutical Companies (SFEE) collected and analyzed all the available data regarding debts of public hospitals to its member-companies, for the invoices issued from 01.01.2010 to 31.03.2011. The analysis describes in detail the data regarding sales, receivables and outstanding debts for invoices issued in 2010, in 2011 and collectively the invoices issued in 2010 and 2011, only for the pharmaceutical sector, as well as the total time of delay of settlement of the outstanding debts.

Moreover, the data on pending debts of military hospitals towards SFEE member-companies for invoices issued before 01.01.2010 were collected and analyzed.

A) Sales, receivables and debts for 2010 invoices

The **main points** resulting from the analysis of the data on sales, receivables and debts for invoices issued from **01.01.2010 until 31.12.2010** by SFEE member-companies, are the following:

- The **total amount of sales** effected by SFEE's member-companies to public hospitals from 01.01.2010 until 31.12.2010 **reached €1,333.8 million.**
- On 31.03.2011, the **total amount of receivables from** public hospitals to SFEE's member-companies for invoices issued from 01.01.2010 until 31.12.2010, reached **€435.4 mil.** In other words, **33% of the total debts of public hospitals** for invoices issued in 2010 have been **settled.**
- On 31.03.2011, the **total amount of public hospitals' debts** towards SFEE's member-companies for invoices issued from 01.01.2010 until 31.12.2010 was **€898.4 million.**
- On 31.03.2011, the **average delay for the settlement of all the outstanding debts** for invoices issued **from 01.01.2010 until 31.12.2010** reached **10.1 months** (303 days), *i.e.* public hospitals' debts are -on average - pending since June 2010.

B) Sales, receivables and debts for 2011 invoices

The **main points** resulting from the analysis of the data on sales, receivables and debts for invoices issued from **01.01.2011 until 31.03.2011** by SFEE member-companies, are the following:

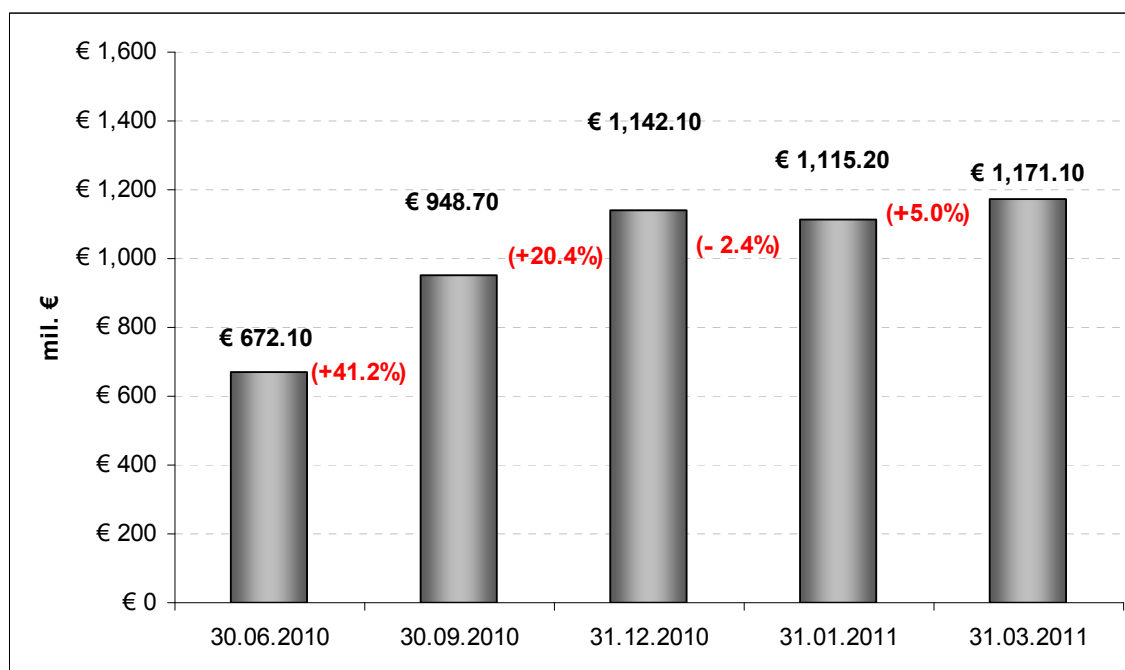
- The **total amount of sales** effected by SFEE's member-companies to public hospitals from 01.01.2011 until 31.03.2011 **reached €275.3 million.**
- On 31.03.2011, the **total amount of receivables from** public hospitals to SFEE's member-companies for invoices issued from 01.01.2011 until 31.03.2011, reached **€2.6 mil.** In other words, **1% of the total amount** owed by public hospitals for invoices issued in the first trimester of 2011 has been **settled.**
- On 31.03.2011, the **total amount of public hospitals' debts** towards SFEE's member-companies for invoices issued from 01.01.2011 until 31.03.2011 was **€272.7 million.**

C) Sales, receivables and debts for 2010 & 2011 invoices

The **main points** resulting from the analysis of the data on sales, receivables and debts for invoices issued from **01.01.2010 until 31.03.2011** by **SFEE member-companies**, are the following:

- The **total amount of sales** effected by SFEE's member- companies to public hospitals from 01.01.2010 until 31.03.2011 reached **€1,609.2 million**.
- On 31.03.2011, the **total amount of receivables from** public hospitals to SFEE's member- companies for invoices issued from 01.01.2010 until 31.03.2011, reached **€438.1 mil.** In other words, **on 31.03.2011 27% of the total debts** of public hospitals have been **settled**, compared to **21% of the total debts** of public hospitals that had been settled on 31.01.2011.
- On 31.03.2011, the **total amount of public hospitals' debts** towards SFEE's member-companies for invoices issued from 01.01.2010 until 31.03.2011 was **€1,171.1 million**, as shown in Figure 1.

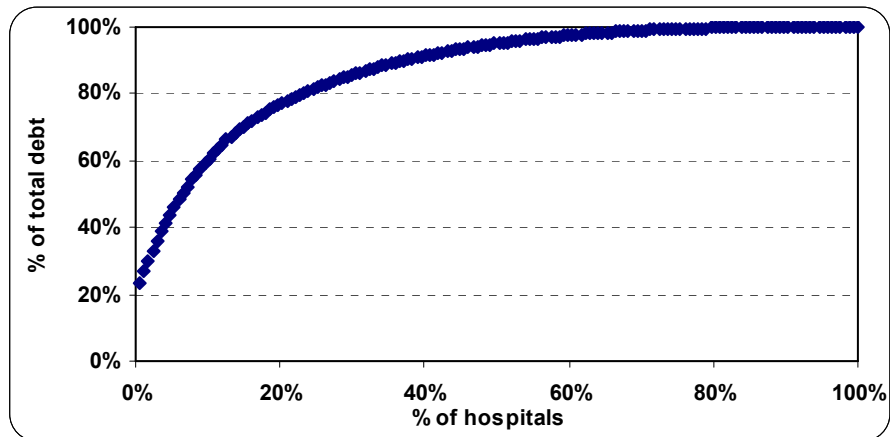
Figure 1
Evolution of Hospital Debts



- On 31.03.2011 the **average delay for the settlement of all the outstanding debts** for invoices issued from **01.01.2010 until 31.03.2011** reached **10.9 months** (327 days), *i.e.* public hospitals' debts are -on average - pending since May 2010.
- On 31.03.2011, **significant variations** are observed **between the amounts paid by different hospitals** of the National Health System, **for invoices issued from 01.01.2010 until 31.03.2011**. Specifically, the **payment rates for invoices range from 1% to 45% among large hospitals**, *i.e.* among hospitals with total sales of more than €20 million. Indicative of this phenomenon is the variation in the settlement of similar amounts of invoices by the University Hospital of Larissa and the University Hospital of Ioannina, where payment rates equal to 1.2% and 44.6% respectively. Significant **variations in the payment of invoices are also observed among medium-sized hospitals**, *i.e.* among hospitals with total sales of €10 mil- €20 mil., for which the **payment rates of invoices range from 17% to 59%**, with the General Hospital of Heraklion "Venizeleio" having settled 16.5% of invoices, and the General Hospital of Piraeus "Tzaneio" 50.6% of invoices. Finally, **even greater variations in the payment of invoices are noticed among small-sized hospitals**, *i.e.* hospitals with total sales less than €10 million, for which **payment rates range from 0.3% to 97%**, with the Psychiatric Hospital of Attica and the Psychiatric Hospital of Petra Olympos having paid 0.34% and 57.9% of invoices, respectively.
- The hospitals and pharmacies of IKA have the highest debt towards SFEE's member-companies, with total debts of approximately **€273.4 million** (23.4% of the total debt) on 31.03.2011. The 74.5% of the total debt corresponds to invoices issued in 2010, while the remaining 25.5% corresponds to invoices issued in the first quarter of 2011.
- The hospitals of Judicial Prisons have the lowest debt toward the member-companies of SFEE, worth **€80.1 thousand**, and the highest payment rate of approximately 82% of invoices issued from **01.01.2010 until 31.03.2011**.
- A **high degree of concentration** of debts in few hospitals is observed. The **top ten** -ranked based on the amount owed- public hospitals have total debts that exceed **€565.2 million**, corresponding to **48.3%** of total debts.
- Furthermore, as shown in Figure 2, **20% of public hospitals** have debts that correspond to **77%** of total debts.

Figure 2

Inequality Distribution Diagram of Hospital Debts 31.03.2011



- It should be noted that based on the total amount of sales of the **first quarter of 2011**, it is estimated that the **total amount of sales of SFEE's member-companies to public hospitals for 2011 will reach €1.1 billion**, decreased by 17.4% compared to 2010.
- Finally, it should be mentioned that on 31.03.2011, the total amount of debts of Military Hospitals towards SFEE's member-companies for invoices issued **prior to 01.01.2010** reached **€ 52.3 million**.