***Address of Mr. Olympios Papadimitriou, SFEE President,***

***at New Year’s reception event***

*Grand Hyatt, 13 February 2023 – time:7pm*

***Medicine is investment in health, society and growth!***

**Honorable Ministers*,***

**Honorable representatives of political parties and bodies,**

**Honorable representatives of Patients’ Associations**

**Honorable representatives of Mass Communication Media,**

**Dear colleagues,**

**Ladies and Gentlemen,**

Welcome to the annual event of the Hellenic Association of Pharmaceutical Companies held for the traditional cutting of New Year’s Eve cake. On behalf of the Board of Directors, I would like to warmly thank you for your honorary presence and wish you all, from the depth of my heart, primarily health as well as personal, family and professional success.

COVID-19 pandemic has manifestly demonstrated how important good health is, for the people – in numbers as big as possible – and global prosperity as well. **According to World Bank, global GDP shrunk by circa 3.5% in 2020, due to the pandemic.** Nevertheless, this fact seems irrelevant if we bear in mind that, **each year, populations’ bad health causes shrinkage of the global GDP by 15%,** compared to the growth rate it might have attained.

Parallel to that, the war in Ukraine and its impact on energy, the problems incurred in the world supply chain and the new emerging threats on human health, shape a new reality that imposes substantial reforms on the public health systems and a diverse viewpoint in particular, considering the latter as pillars of social prosperity.

This will be attained if we focus on health by considering it an investment on

financial and social terms and avoiding the simplistic approach that it constitutes a social cost.

**Pharmaceutical innovation was brought into the limelight again, thanks to the speedy invention of the COVID-19 vaccines**; this, however, was only a drop in the ocean of research activity conducted worldwide for the discovery of newer, more effective and safe treatments and the coverage of important, unmet medical challenges:

Alzheimer disease, non-alcoholic steatohepatitis, obesity, various cancer forms, quite rare diseases such as muscular dystrophy, Duchenne, all constitute therapeutic areas that will see important therapeutic choices offered in the near future, choices that will radically change the lives of many fellow human beings and remove the death shadow from their immediate horizon.

**New vaccines, gene and cell therapies, a plethora of new biological medicines are to be found amongst the 8,000 new molecules under investigation in R&D from the pharmaceutical industry worldwide.**

At the same time, our country is at a critical crossroad where the challenges can very easily elbow out the opportunities, unless we dramatically change our worldview.

* Greece is unfortunately with a dwindling and ageing population.
* The epidemiological profile of the Greek population steadily deteriorates.
* **Almost 3 out of 10 Greeks are obese.**
* **We claim championship in child obesity – the worst legacy for the future.**
* **More than 1 out of 10 adult Greeks has Diabetes Mellitus, almost 4 out of 10 have hypertension, 6 out of 10 suffer of hyper-cholesterolaemia, while 4 out of 10 continue smoking.**
* The impact of the various cancer forms is expected to rise by 18.5% in the period 2020-2040.

The thunderstorm, therefore, is around the corner, but this specific one can not be dealt with through temporary measures – as in the case of “Barbara” that we recently faced – but with a long-term strategic planning.

**It is extremely important** to put the emphasis on the prevention programmes introduced by the government – also funded through the RRF

**It is extremely important** that there are efforts made for the modernization of the health system. Digital transformation in the field of health, the

introduction of institutions such as the personal doctor, the patient’s e-file and other reforms, are to bring about significant changes in patients’ daily lives.

**It is extremely important** that the offset system of investments & clawback was introduced in 2019.

Even in the broader field of economy, we see a more up-to-date labor law, we witness the reduction of unemployment rate, the improvement of the country’s investment grade.

**What we seem lacking, however, is an overall strategic plan for health and much more so for medicines.**

There are actually two sectors where we rank at the bottom of the scale:

* Funding of the health system and more specifically the medicines sector and
* Rational use of available resources, through the introduction of saving and monitoring measures of demand.

**One would actually expect the more unwilling a government to raise funding the more it would put the emphasis on curtailing waste, rationalizing the use of resources and controlling demand.**

**Yet neither of these are concerns for the government, since it has adopted a health policy consisting of DRGs while taking the temperature of the market through the eventual withdrawal of an important drug or a company.** As long as no withdrawal happens, everything goes well for the government.

Pharmaceutical companies have admittedly become the third funding pillar of the pharmaceutical care policy.

SFEE and its pharmaceutical member-companies have managed to successfully respond over the last years, despite the adverse conditions, to their basic mission, making all appropriate treatments available to the country’s population and making sure that no Greek patient will be in need of a necessary medicine. **Even during this period of extended shortages worldwide, in a domestic market where the conditions are extremely unfavorable for entrepreneurs compared to other European ones, we registered much fewer problems in the availability of medicines.**

The question, of course, lies in the degree to which this can be sustained in the future.

Let us examine 2 truths and 3 myths governing the pharma policy:

**Public funding for medicines is low – TRUTH**

The overall public spending on medicines in the last 10 years is approximately 2.5 billion Euros, while the overall pharmaceutical consumption has been steadily increasing, last year only by 8% vis-à-vis the year before the last - +6.3% in private drugstores and +12.5% in Hospitals (IQVIA data). Beyond that, Greece lags significantly behind in the public hospitals pharmaceutical expenditure per capita, by -52% and -63% vis-à-vis Southern Europe (SE) and Western Europe (WE) respectively (2019 data).

**There are savings effected in pharma expenditure, through the tactic of negotiations and DRGs - MYTH**

Public contribution to pharma expenditure has been stable, more or less, over the last years and therefore the State spends the same money anyway, it merely happens that, thanks to the negotiations, **compulsory refunds are prepaid by the pharmaceutical companies**. The benefit drawn by this practice is actually the improvement of EOPPYY’s cashflow.

**The agreements on DRGs enhance the companies’ capacity of forecasting – TRUTH**

It is true that through DRGs a company has better visibility of its returning goods that have been integrated in them. When no care is taken, however, for the limitation of prescriptions or when the size of the DRG has been wrongly calculated, it is quite probable to register an excess that will be transformed into a clawback for the products integrated in the specific DRG. Furthermore, the position of products left outside DRGs becomes depressed, since their overall budget remains stable while the overall expenditure rises.

**Clawback is shrinking – A MYTH**

Clawback is prepaid, not shrinking through negotiations. Nevertheless, this tactic offers the government the possibility to attain or come closer to the targets set by RRF. **A prime example of creative accounting, which, however, sweeps the problem under the rug**.

**The decisions taken on pharmaceutical policy are rational and contribute to the sustainability of the sector – A MYTH**

The decisions are usually taken a posteriori, with a view to affecting the impact of certain events and not preventing them. Retroactive changes with additional rebates, transformation of clawback into rebate, with deferred negotiations, budget break-down per distribution channel, all these cause disruptions, upset programs and can definitely not be characterized as rational. It is understandable, for instance, that certain medicine classes (i.e. cheap medicines) or even companies must be supported, for sustainable reasons. Why should that be brought about to the detriment of the rest? Why not with additional funding injections? This is precisely how distortions are further enhanced.

**SFEE proposals, specifically on pharma policy**

1. **More Reforms and further Digitization are needed:**

The digital tools able to assist prescription monitoring must be adopted as soon as possible, the correct implementation of DRGs must be effected, the FUNCTIONAL digital file of the patient must be launched, the interface of lab tests with e-prescription must operate, the e-prescription must also be introduced in Hospitals, as well as tendering procedures whenever this is possible.

1. **Creation of an Innovation Fund:**

The scanning of the horizon for the evaluation of treatments in the pipe-line and innovations accompanying them is an excellent initiative taken by the current government and, if properly applied, it can better prepare EOPPYY for the future.

**In this framework, the establishment of an Innovation Fund is a necessity**

and this Fund will be providing the finance for the new necessary treatments that are coming. A separate funding must be envisaged for the new innovative products that will be in the pipeline in the near future, so as to secure Greek patients’ access to this innovation.

1. **Normalization and streamlining of regulatory processes:**

Regulatory processes must be continuously updated, so as to better serve the categories of treatments in the pipeline. Current approaches in Health Technologies Assessment, pricing and re-imbursement may be unsuitable for

tomorrow’s treatments. Equally important is for the processes’ flow to be steady in time: Regular issuing of the positive list, price bulletins, approvals and decisions.

**The reply here is the Establishment of an independent Health Technologies Assessment Agency staffed with permanent and highly trained personnel.**

1. **Exploitation of data collected or collectible by the electronic systems.**

We must, yet again, reiterate that processing the data collected by the e-prescription system and the patients e-file constitutes a treasure that may lead to correct and documented decisions while it can also be used for commercial reasons, since it would be interesting for companies and universities to have access to that.

1. **Further incentives for investments:**

In the first batch of the Recovery & Resilience Fund, 250 mil. Euros were earmarked for investments. Circa 5% was used for clinical trials and the remaining for productive investments. Almost 9.5% of the overall sum is destined to foreign companies and the remaining to Greek ones.

Boosting Greek pharmaceutical companies is of decisive importance for the Greek Economy, the enhancement of the country’s medicinal autonomy and the promotion of our exports. Attracting more clinical studies, however, is a prime goal for the Ministry for Health and not solely for it, at least as we have repeatedly heard. The specific framework failed to constitute a clinical trials’ attraction incentive. The question rising is why should we be faced with a dilemma: productive investments or clinical studies? Should the government, perhaps, think of introducing a special incentives’ framework, established with national resources, aimed at attracting clinical studies, without affecting, of course, the current scheme already introduced in RRF? It should not escape our notice that clinical studies are the most direct and comprehensive way through which most international companies can invest in the country.

1. **Gradual increase of available resources:**

Health should gradually concentrate significantly increased resources over the next years, so as to be able to provide what is expected in a fairly governed social state. **The State should review the funding of the health system**.

**Medicine is investment in health, society and growth.**

**Better health brings prosperity.**

Allow me, in concluding, to underscore two important subjects:

1. The first one regards the strong imprint of the pharma sector on

public health, society, economy, employment, growth.

According to the latest estimates by IOBE, its overall contribution in GDP terms is estimated at €5.5 billion (3.3% of GDP).

**Thus, for each €1 of added value created by the companies in the pharma sector, another €2.2 are generated in the whole of Greek economy.**

In employment terms, the pharma sector’s overall contribution is estimated at 123 thousand jobs (or 3.3% of overall employment). In other words,

**each job in the pharma sector sustains another 3 equivalent full-time jobs in the economy.**

The impact on tax revenues effected by the pharma sector activity is estimated at circa €1.5 billion.

1. The second one regards the review of the European Medicines Strategy by the European Commission, which is currently under way. The decisions that are to be taken now will determine the medicines field in Europe for at least 25-30 years ahead. It is important to have rules and policies introduced, which will encourage investments. These could include a robust and predictable ecosystem of intellectual property rights and a state-of-the-art regulatory framework. If these are not secured, Europe will miss its chance to become a leading power in the field of Life & Health Sciences, with **direct**, of course, **effects on our country as well**. The investments will be directed to other regions of the planet, to USA and China, and the gap between us and the rest of the world will continue widening. If we keep investments in Europe, Greece will benefit, improving its share in them.

We are hopeful for a healthier future. As long as we set health as a top priority at the political and public level, paving the way for the **enhancement of our public health system**. We have always put ourselves at the disposal of the Ministry for Health and every government towards that end.

Our basic conviction in SFEE is the adoption of a patient-centered policy, which will be focusing on the real needs of Greek citizens, with the emphasis on prevention and timely diagnosis, with smooth access to new innovative medicines and technologies that may change the outcome of a condition, reduce mortality, avert a hospitalization or improve the life quality of people.

**Ladies and Gentlemen of the government and the opposition,**

**We look forward to a policy guaranteeing the predictability and sustainability of our sector and our system, a fair policy that keeps**

**equal distances.**

**Investment in health and medicine is an investment in social cohesion and human beings, it is an investment for a better future.**

**Happy New Year, all!**