



## Services hold the key to pharmacy success!

For the first issue of 2014, *EPF Newsletter* spoke to Stefano Pessina (Executive Chairman, Alliance Boots) about his vision for the future of the pharmacy...



### What do you think will be the key drivers of the pharmacy sector in the future?

The key drivers of the sector will include the increasing needs of an ageing population, a strong commitment from society to invest in preventative medicine and the increasing desire of people not just to feel good, but also to look good too!

Manufacturers are having to consolidate further, cope with the take-off of generics, review their research and development, and redeploy their production networks. If we look at wholesalers, we are seeing the development of increasingly aggressive cost-containment policies, new purchasing approaches, the greater use of generics, the co-existence of different models of distribution and the advent of an era of more personalised medical provision.

### What does the future hold for the independent pharmacist?

I see divergent trends happening across Europe. For example, in the UK, independents

### We have to work together... so that independent pharmacies thrive

will continue to co-exist quite happily with chains and the main area of friction will probably be between chains and independents on one side, and supermarkets on the other.

In the rest of Europe, many countries are still committed to the 'classic' model of the independent pharmacist and traditional market consolidation is unlikely to happen.

### How do you see the role of technology changing the pharmacy sector?

Digital technology will play a key role in the future and will be a major channel for pharmaceutical and consumer healthcare companies. From a consumer perspective there will be many notable developments, such as in access to medical records, drugs

adherence, online self-diagnosis and patient forums; the changes are potentially unlimited!

### How will the increase in added-value services contribute to pharmacy?

To stay ahead of competitors, pharmacists will have to offer a whole range of services. These could include homecare equipment and services, personalised medication reminders, weight-loss advice, help with managing lifelong conditions such as diabetes, home nursing visits, vaccinations, smoking cessation programmes, home delivery...the list is potentially endless!

### How will Alliance Boots aid growth and development in the pharmacy sector?

A few years ago we were principally a pharmaceutical wholesaler; but now we operate many pharmacies in a number of markets and we are probably today the largest international employer of pharmacists.

In parallel, the partnerships that we have developed for our independent customers in many countries, such as Alphega Pharmacy in Europe, have enabled us to put in place effective platforms that can help sector professionals to grow core aspects of their business. We are currently investing massively in logistics, IT, marketing, finance and training to further support a strong future for independent pharmacy!

### How can the EPF aid the future success of the pharmacy sector?

I believe the EPF has a very important role to play in the future of the sector in Europe! The expertise and knowledge of its members is unrivalled and, at a time of change in the sector, it is vital that we listen to, and learn from, a forum of this kind.

With this in mind we have to work together, in partnership, for the future of the sector, so that independent pharmacies do not simply survive, but thrive in the pharmaceutical market of tomorrow! ■

### International events

- 25-27 March  
**Infarma 2014**,  
Madrid, Spain
- 28-29 March  
**Salon Pharmagora**,  
Paris, France
- 2-3 April  
**Gesundheitskongress  
des Westens**,  
Cologne, Germany
- 25-26 April  
**Clinical Pharmacy  
Congress 2014**,  
London, UK
- 9-11 May  
**Cosmofarma**,  
Bologna, Italy



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## United Kingdom



### Pharmacy features strongly in Government plans for healthcare

Community pharmacy is becoming an increasing part of Health Department plans for the National Health Service. NHS England is running a "Call to Action: community pharmacy" consultation to contribute to a five-year strategic plan for the NHS. Community pharmacy representatives and NHS bodies have been asked to hold local meetings to gather feedback. The pharmacy "Call to Action" is running alongside similar ones for other parts of primary care, including general practitioners and dentistry. NHS England also launched a national publicity campaign, aimed at older people and their carers, telling them to take advice from community pharmacies and to do it "the sooner, the better" so that health problems can be tackled at an early stage.



## France



### Survey indicates generics scepticism

Only 57% of patients will accept a branded original drug being substituted with a generic, according to results of a survey commissioned by pharmacy group PHR. A similar amount (55%) said they were against a rule whereby patients who refuse generic substitution are liable for the entire up-front public price of the drug. Moreover, 40% of respondents were of the opinion that generic medicines are not as safe as original branded drugs, with 31% claiming they were less effective. The generics industry association said the results show the need for a wide-reaching communication campaign to reassure patients and healthcare professionals of the quality and safety of generic medicines. Meanwhile, the Competition Authority published its final report on competition in the distribution chain, concluding that the sector would benefit from "a little more competition". The report acknowledges that authorities are already taking steps to address issues identified, including planning legislative changes designed to counter "disguised rebates" on generic medicines. Most significantly, the Authority advises that it favours liberalising the sale of OTC medicines as a means to reduce the prices of non-reimbursed non-prescription medicines.

(Source: IMS)

## Czech Republic



### Online OTC sales to grow in Czech Republic

News agency CTK reports that according to Martin Kasa, head of a Czech healthcare web portal, around 2% of OTC drugs are sold via the Internet in the Czech Republic, and online sales are expected to increase to around 3-4% in 2014. Sales in online pharmacies in 2014 are expected to increase by 36% year on year. There are 2,818 pharmacies in the Czech Republic and 190 of the pharmacies offer distant sale services, CTK said. Czech customers use online pharmacies to buy OTC drugs, dietary supplements and other products, with certain painkillers and cough/congested nose medications being most popular. The e-pharmacies revenue totals around CZK500 million (€500,000), while the total value of the Czech OTC market is estimated at CZK15 billion (€540 million).

(Source: Ceepharma.com)

## Portugal



### Government suspends generics price revision

The Ministry of Health has suspended the annual price revision for generic drugs in 2014. Public prices of generics will not, as planned, be realigned with those in France, Spain and Slovenia in late April or early May. It is understood the price revision for branded drugs will still occur in April 2014. In other news, local press reports the Ministry plans to impose penalties on hospitals whose prescribing costs for certain medicines are higher in 2014 than in 2013. The measure will apply to drugs prescribed in a hospital setting and dispensed by community pharmacies. Physicians working in primary care have been subject to similar penalties since 2011.

(Source: IMS)

## Turkey



### Government backs domestic drug development

According to reports in the press, Science and Technology Minister, Nihat Ergün, has announced that 26 manufacturing consortia have applied to take part in a programme that aims to develop Turkey's first domestically-produced pharmaceuticals for the treatment of patients suffering from cancer and kidney conditions; and that the Scientific and Technological Research Council of Turkey will be providing support for the project. The Minister reportedly observed that currently 51% of medicines on the Turkish market are imported, and almost all of the drugs produced by domestic manufacturers are generics.

(Source: IMS)

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## Italy



### AIFA publishes list of new drugs included in industry payback scheme

On 1 December 2013, the Italian Medicines Agency (AIFA) published a list of reimbursed drugs newly included in the industry payback scheme for 2013, as their manufacturers have opted to take part. The list also includes details of products that were previously included in the scheme that have now been removed by manufacturers and will now be subject to a 5% price cut.

Following this, the 2014 Stability Law, which came into effect on 1 January, made the optional scheme permanent for reimbursed medicines. The Stability Law also increased 2014 healthcare funding to €109.8 billion to cover the shortfall resulting from the cancellation of the patient co-payment system, before reducing funding by €540 million in 2015 and by €610 million in 2016.

(Source: IMS)

## Switzerland



### Consumer group launches campaign against over-prescribing

The Swiss Alliance of Consumer Organisations plans to launch an education campaign to reduce excessive and/or unnecessary prescribing of medicines by both primary and secondary care doctors. The Alliance intends to draw up prescribing recommendations for healthcare professionals, while patients will be educated around the use and misuse of non-prescription drugs. In other news, a number of pharmaceutical manufacturers have contested price cuts implemented by the Federal Office for Public Health on 1 November 2013. The appeals have been lodged despite the industry agreeing in April last year to refrain from further lawsuits challenging revised international price referencing rules. However, a spokesman for industry association Interpharma says the appeals do not run counter to the April agreement as they concern minor points. In January 2013, two manufacturers, Novartis and Roche, successfully appealed the implementation of similar price cuts for their products.

(Source: IMS)



## Spain



### Increase in patient co-payments

According to press reports, patient co-payments for chronically ill individuals have been increased with effect from 1 January 2014, with the increase based on the retail price index for 2013. The maximum co-payments for chronically ill patients have gone up from €4.20 to €4.26. These patients pay 10% of the public price for drugs for certain conditions defined as chronic and severe, up to the maximum threshold. Co-payments have also increased for pensioners, depending on which of three annual income brackets they fall under. The local press also report that the National Pharmaceutical Research Programme, under which companies are rated according to their investment in research and development in Spain (and are eligible for discounts on their payback contributions), is to be extended until the end of 2016.

(Source: IMS)

## The Netherlands



### Fall of 16% in reimbursed retail pharmaceutical spending

Spending on reimbursed retail drugs in The Netherlands has fallen 16% since 2008 to an estimated €4,400 million in 2013, according to the Foundation for Pharmaceutical Statistics (SFK). Several factors have contributed to the decline, including the effectiveness of the Medicines Prices Act, governing maximum pharmacy purchase prices in The Netherlands, and the transfer of funding responsibility from health insurers to hospitals for certain high-cost drugs since 2011.

Furthermore, the SFK also reports that per capita spending on reimbursed retail drugs is predicted to total €280 in 2013. The figure is 18% lower than the corresponding figure of €342 in 2008.

(Source: IMS)



## Germany



### New Government continues reimbursed drugs freeze

Germany's new government has extended a bill stipulating a price freeze on all reimbursed drugs beyond the original 31 December 2013 deadline until 31 March 2014. With statutory health insurers facing an additional €500 million in costs if the freeze was lifted, discussions are underway to extend the bill until the end of 2017.

The government has also initiated legislative steps aimed at setting manufacturers' mandatory rebates on non-reference priced drugs at 7% from 1 April 2014. The price fell to 6% on 1 January from 16% previously. Finally, the government has announced plans to abolish the de facto early drug benefit assessment requirement, with the Federal Joint Committee set to impose a benefit assessment on new innovative drugs launched prior to 1 July 2011. The de facto early drug benefit assessment has been suspended while parliamentary discussions continue.

(Source: IMS)

# Highlights from the final EPF Seminar of 2013



The fourth EPF Seminar of 2013 took place on 2 and 3 December in Monaco, bringing together leading pharmacists from across Europe to hear from a number of key speakers and to discuss current topics in the pharmacy sector.

An introduction from **Andrew Lane** (EPF President) opened the two-day event, before delegates received the latest country updates from EPF members from across the network.



Tricia Kennerley

**Tricia Kennerley** (Healthcare Public Affairs Director, Alliance Boots) then introduced a series of workshops

covering the development of pharmacy leadership for prevention and self-care services. These included segments on the role of the pharmacist and the need to respect confidentiality and listen to patients; working with stakeholders and the importance of guaranteeing service quality; and new pharmacy models and the need for pharmacists, wholesalers, manufacturers and patients to work together, both now and in the future.



added that: "The future of independent pharmacists is full of promise and opportunity."

Yves also gave an update on Alliance Boots, and mentioned the success of the Alphega Pharmacy European Convention, which took place in Monte Carlo in November and was attended by over 1,000 guests including pharmacists and manufacturers. He discussed the fact that Alliance Boots has now assumed full ownership of Hedef

Alliance in Turkey, and the recent launch of Serum7 Renew in Portugal, France, Italy and Germany.

Finally, Yves informed delegates about the partnership between Alliance Boots and the EORTC Charitable Trust and their aim to create the SPECTAcolor Biobank for the research and treatment of colorectal cancer, which has recently enrolled its first patients in Dresden.



Pablo Moliner

In a closing message, external speaker **Pablo Moliner** (Lead Partner, Health Practice, AT

Kearney) then explained to delegates that five trends will determine the future of pharmacy: healthcare budget containment; increased competition; transformation of the supply chain; the emergence of new distribution channels; and growing patient needs.

To keep up with this new environment and remain profitable, Pablo mentioned that pharmacies must pursue two complementary strategies: increase performance efficiency and diversify income streams. However, he added that this model will only succeed if the pharmacy is integrated in the wider healthcare network. ■

## The future is full of promise and opportunity

On the second day of the Seminar, **Yves Romestan** (Director of Group Communications, Alliance Boots) presented on a range of projects aimed at improving EPF communications and

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