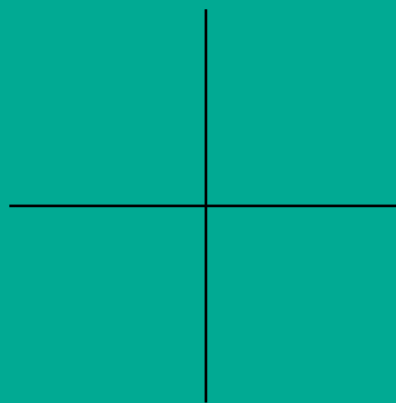


European Federation of Pharmacy Chains



Annual report 2019

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Foreword

Letter from the EFPC Head of Executive Board

Dear Friends,

This annual report summarizes activities carried out by the European Federation of Pharmacy Chains (EFPC) not only during last year, but also since the organization's recent establishment. In light of its numerous accomplishments achieved during the two years since it was created, I can say with confidence that EFPC has clearly demonstrated its purpose as an alliance of pharmacy chains.

There were several reasons behind the founding of the EFPC. Because the European pharmacy sector is undergoing reforms, often ideologically motivated, it is necessary to monitor their impact on the quality and accessibility of pharmacy services. Hence, the primary reason behind founding the EFPC was to create a platform for sharing information and exchanging practices with a view to freeing members from dependence on mediated information and facts interpreted with ulterior motives. In this regard, we have succeeded in creating numerous opportunities, both formal and informal.

The former without doubt include the first ever international pharmacy sector conference the EFPC organized last year in Prague. Not only we provided a platform for opinions, expert comments, and objective analyses, but we also gained valuable experience from organizing an event of such a scope. Several other EFPC meetings were subsequently held in Prague, Bratislava, Budapest, and Bucharest, where open, more informal discussions took place about the various aspects of pharmacy services both in EFPC member countries and elsewhere.

Another reason behind the EFPC's existence was to establish an expert entity competent to take part in debates on the development of both



Daniel Horák, Head of Executive Board, EFPC

the pharmacy sector and healthcare as a whole. A suitable opportunity in this respect arose on the occasion of an international conference held under the patronage of the Czech Ministry of Health. The event allowed us to present the EFPC as an organization capable of identifying challenges the entire sector will face in the future. This way, we were able to bring attention to the fact that pharmacists and pharmacy operators must be innovative in order to maintain influence over the future development of the pharmacy sector and healthcare. To preserve the unique position of pharmacies, we must formulate visions and take initiative, lest others do so.

The third reason behind the EFPC's establishment was to demonstrate that protecting patients' interests and defending the rights of pharmacy chain owners is not contradictory. On the contrary, these efforts are complementary, conditional on a reasonable degree of regulation. Facts collected within the EFPC show that the high quality of internal processes in pharmacy chains, market competition, and strong negotiating position vis-à-vis producers clearly improves the quality of services, including accessibility, affordability, and the availability of expert consultations. It is unquestionable that pharmacy chains help cultivate the marketplace.

I am happy to report that the aforementioned three main reasons behind the EFPC's establishment were fulfilled in the period under review. I trust that the ranks of our members will continue to grow in the future.

Daniel Horák

Head of Executive Board, EFPC

Membership

Members and observers of the EFPC 2019

The European Federation of Pharmacy Chains (EFPC) was founded by three national associations at the end of 2018. The EFPC's three regular members came from the national pharmacy associations from the Czech association of pharmacy chains (APLS), Slovakian association of pharmacy chains (APSI) and Hungarian Association of Network Pharmacies (HGYSZ). In 2020, the EFPC has started to cooperate with the Association of Pharmaceutical Distributors and Retailers in Romania (ADRFR) and two pharmacy chains from Serbia. Both candidate countries have shown great interest in becoming regular members of the EFPC, and during the year they cooperated on an ad hoc basis.

In July 2019, the EFPC proudly announced that the ADRFR had fulfilled all conditions to become a full member of the EFPC and had proved that is in agreement with the EFPC's efforts. The ADRFR became a regular member of the EFPC and has been fully involved in EFPC projects and activities since July 2019.

Serbia holds the status of observer in the EFPC for 2019.



January 2019

- 1,316 pharmacies
- 7,500 pharmacy experts
- 3 members

Czech Republic:

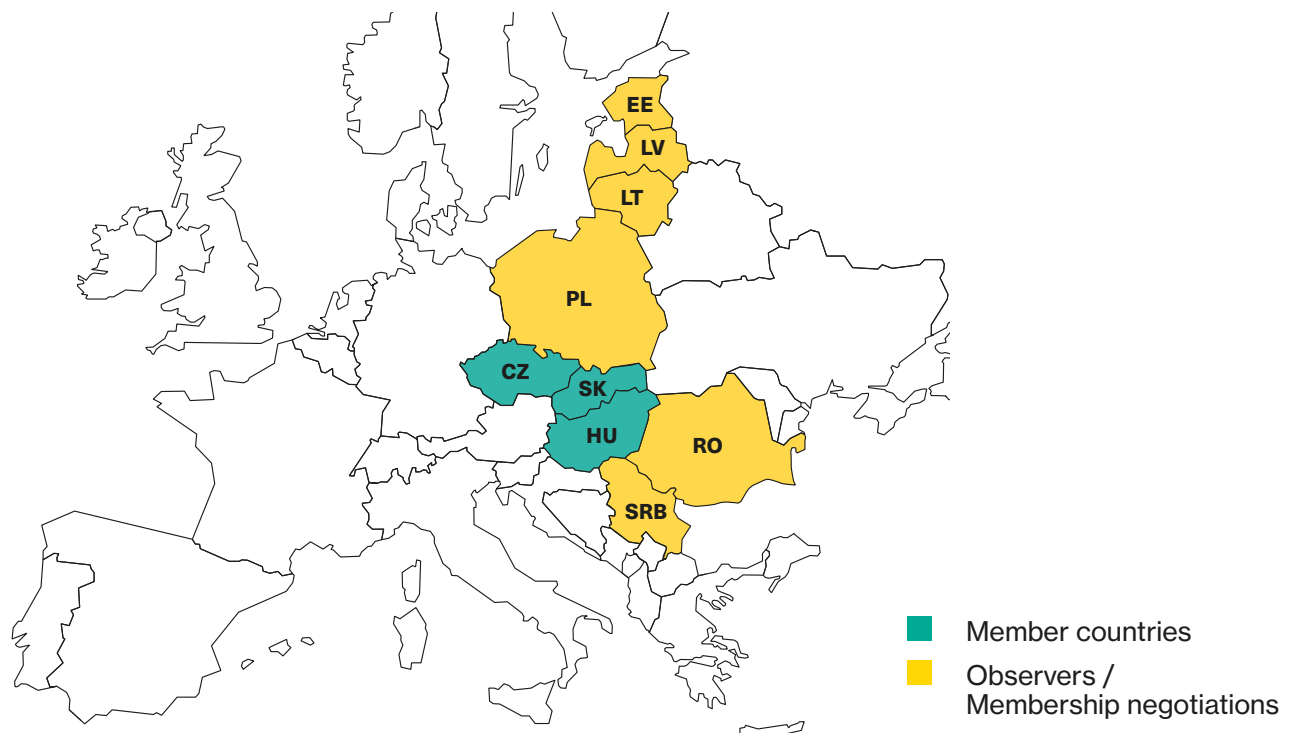
- Number of public pharmacies: 2,450 (+250 OOVL)
- APLS: 650 pharmacies (approx. 26 % market share)
- Pharmacy professionals: 4,000

Hungary:

- Number of public pharmacies: approx. 2,400
- HGYSZ: 248 pharmacies (approx. 10 % market share)
- Pharmacy professionals: 1,300

Slovakia:

- Number of public pharmacies: approx. 2,150
- APSL: 418 pharmacies (approx. 20 % market share)
- Pharmacy professionals: 2,200



December 2019

- 2,550 pharmacies
- 13,700 pharmacy experts
- 4 members

Czech Republic:

- Number of public pharmacies: 2,450 (+250 OOVL)
- APLS: 650 pharmacies (approx. 26 % market share)
- Pharmacy professionals: 4,000

Hungary:

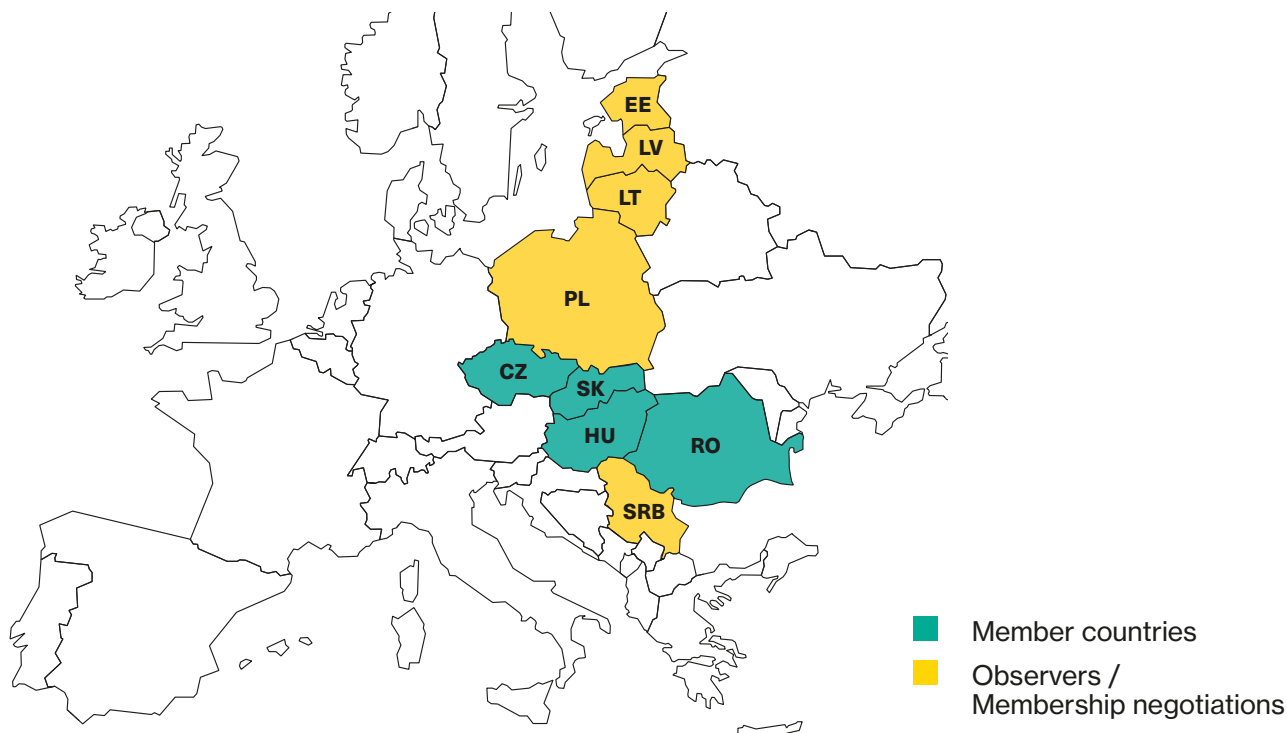
- Number of public pharmacies: approx. 2,400
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- Pharmacy professionals: 1,300

Slovakia:

- Number of public pharmacies: approx. 2,150
- APSL: 418 pharmacies (approx. 20 % market share)
- Pharmacy professionals: 2,200

Romania: (since July 2019)

- Number of public pharmacies: approx. 9,360
- ADRFR: 1,251 pharmacies (approx. 13 % market share)
- Pharmacy professionals: 6,204



Romania

In 2019 The Romanian Association of Pharmaceutical Wholesalers and Retailers (ADRFR) became a member of EFPC. The main objective of the European Federation of Pharmacy Chains is to defend and promote the interests of patients as well as of employees and pharmacists working for the pharmacy chains associated in EFPC member organizations.

We believe in high quality standards at pharmacy chains and want to transmit this to the important stakeholders on European and National level. Currently, pharmacy chains do not have a voice in the EU.

ADRFR considers that joining forces with the EFPC marks a continuous mission of development and maintains a modern and dynamic pharmaceutical environment, which allows the patients' access to the necessary medication in the best conditions of safety and comfort.

The EFPC membership represents a great opportunity for Romania because it provides a valuable forum for retail pharmacy policy practitioners and experts to discuss crucial European issues, such as: FMD, pharmaceutical services, new regulations. Being a member it can be translated through the advantages gained from the constant lobby made at the European authorities to update the legislation by signaling the flaws of the current system.

Furthermore, for Romania being part of the EFPC, represents a great support due to the educational activities in the pharmaceutical field and advocacy service that is assured for its members, as the training and education of our pharmacists is one of the most important pillars of the industry.

Sebastian Ring

Member of Executive Board, EFPC



Sebastian Ring, Member of Executive Board, EFPC

Highlights of the Year

10 January 2019 Prague

Press Conference and EFPC Research on
Quality of Care Services

17 October 2019 Prague

1st EFPC Conference “Pharmacy Care –
Towards Beyond”

Press conference

– 10 January 2019 Prague

On 10 January 2019, the first press conference of the EFPC since its founding was held in Prague. The reasons for establishment of the European Federation of Pharmacy Chains were presented in the European context. On this occasion, EFPC Research on the Quality of Care Services in Czech pharmacies was presented in conjunction with the Emergency Pharmacy Service System in Slovakia.



The EFPCs' Annual Conference

– 17 October 2019 Prague

The first international conference organized by the EFPC was the first-ever conference about pharmaceutical issues in Central and Eastern Europe ridden by representatives of European pharmacy chains. The conference on “Pharmacy Care – Towards Beyond” was held in Prague on 17 October 2019. It revolved around actual issues of pharmacy sector and provide right and open platform for discussion and opinion exchange between pharmacy chains operators and national authorities in Europe.

The conference was the most unique event in pharma sector especially because of the scope and multinational representation. Keynote and plenary speakers of the conference were experts from the Czech Republic, Slovakia, Hungary, Romania, Sweden and Germany. Over 100 participants from 10 countries and highly interdisciplinary audience attended the conference.

The main topics debated included pharmacy ownership, healthcare availability and quality, and the shortage and education of pharmaceutical professionals. A separate block was reserved to pharmaceutical innovations.

Johan Wallér, CEO of the Swedish Pharmacy Association, presented the pharmacy market deregulation model that has been successfully implemented in Sweden. Most of the main objectives of Sweden's effort to implement a fully competitive scheme have been fulfilled, such as extending the opening hours, including weekends, improving the local availability of care, including rural areas, increasing distribution efficiency, and reducing the prices of over-the-counter pharmaceuticals.



Johan Wallér, CEO of the Swedish Pharmacy Association



Max Müller, Chief Strategy Officer at DocMorris



Gábor Báthory, Van Bael and Bells Law Firm



Peter Pažitný, Pažitný & Kandilaki

Despite expectations, however, competition has not resulted in lowering the prices of prescription drugs. Among other benefits, market liberalization in Sweden has been conducive to the growth of strong market players. Apart from the state-run Apoteket pharmacy chain, which counts 394 outlets, there are 388 pharmacies operated by the private chain Apotek Hjärtat ICA and 327 outlets run by the Kronans Apotek chain. Consumer satisfaction with the functioning of the pharmacy market is high.

On a five-point scale, where five corresponds to the highest rating, 80% of Swedes rate the market with four to five points. The Swedish market is also undergoing rapid development of electronic prescribing, an effort advocated by another speaker – Max Müller, Chief Strategy Officer at DocMorris, the biggest online pharmacy company in Europe. Müller stressed that more and more patients are ready to use virtual pharmacies and expect them to be available. He also presented Promofarma, a project involving one of the largest European electronic pharmacy marketplaces.

Gábor Báthory, a Hungarian delegate from the Van Bael and Bells Law Firm, focused on the legal aspects of ownership. He pointed out various unresolved issues, such as the extent to which restrictions are justified on already liberalized market and conditions under which regulatory measures may be imposed. In addition, he mentioned nationalist trends that have recently emerged in some Central European countries, and spoke about the degree to which government restrictions should be allowed to place foreign operators at a disadvantage and what measures can be considered discriminatory. Another issue he examined was the legitimacy of state protectionism to place restrictions on organizations established under laws formerly in effect.

Healthcare expert Peter Pažitný from the Slovak consultancy Pažitný & Kandilaki compared the Czech and Slovak pharmacy markets, pointing out that pharmacies are the most affordable health facilities in both of the countries. At the same time, he mentioned the key features of the Slovak pharmacy sector, such as the implementation of generic prescription drugs, anti-export measures, and the emergency system.

Daniel Horák, CEO of the Dr.Max Czech pharmacy chain and Vice President of the Association of Pharmacy Chains, compared the quality of services provided in chain-member and independent pharmacies in the Czech Republic, pointing out that inspections carried out by regulatory authorities in pharmacies associated in APLS-member chains have identified fewer deficiencies than in the rest of pharmacies on the market. Likewise, APLS-member outlets account for the highest share of pharmacies that receive the highest ratings and achieve year-over-year improvement. Horák also remarked that the quality of services provided by pharmacy chains has been recognized by regulatory authorities in both the Czech Republic and Slovakia.

Doina Draganescu from the Carol Davila University of Medicine and Pharmacy in Bucharest, Romania stressed that the pharmaceutical profession involves both specialized education and continual adaptation to ongoing economic and political changes. She pointed out that pharmacists have numerous options as regards professional career, thanks to which the pharmaceutical profession no longer has the status of a “second-choice career”.

They need, however, to acquire numerous skills pharmacists were not required to possess until recently, particularly those relating to pharmacy management. Another person who examined the content of education programs was Ján Kyselovič from the University of Veterinary Medicine and Pharmacy in Košice, Slovakia. He focused on modern ways of educating pharmaceutical professionals about innovative pharmaceuticals. Their effect is directly proportionate to the quality of education delivered to university students.



Daniel Horák, CEO of the Dr. Max Czech pharmacy chain and Head of Executive Board, EFPC



Doina Draganescu, Carol Davila University of Medicine and Pharmacy in Bucharest



University of Ján Kyselovič, Veterinary Medicine and Pharmacy in Košice, Slovakia





EFPC Regular Sessions

10 March 2019

Executive Committee Meeting in Bratislava

11 June 2019

Executive Committee Meeting in Bratislava

26 July 2019

Members' Meeting in Bratislava

16 October 2019

Members' Meeting in Prague

Executive Committee Meeting in Bratislava – 10 March 2019

The representatives of the Association of Pharmaceutical Distributors and Retailers in Romania attended the meeting as a potential candidate for membership in the EFPC.

The board members evaluated the press conference and media coverage from 10 January 2019.

The Head of the Board submitted the plan for the conference in Prague. It was suggested that the conference should be the appropriate platform for the enhanced communication of pharmaceutical issues and an open platform for discussion and opinion exchange in the pharmaceutical sector in Europe. An organizational team for the upcoming conference was established.

The issue of new members was discussed. The Executive Director stated that a meeting with Polish representatives would be arranged in the following days and added that Serbian pharmacy chains had also contacted him regarding membership.

Executive Committee Meeting in Bratislava – 11 June 2019

The delegate from the Serbians' Dr. Max pharmacy chain was a guest of the Executive Committee meeting in Bratislava. The issue of Serbian membership was discussed, and legal support services were offered for the establishment of a national association. For effective cooperation, the Executive Committee also offered organizational support to the Romanian association.

The Executive Director requested the creation of a statement on activities related to unethical and illegal practices in Europe. The Statement of Professional Standards and Ethical Principles in Pharmacy Practice should become the mandatory internal standard for the EFPC's members. When Romania's membership was announced, this statement was also published.

Members' Meeting in Bratislava – 26 July 2019

The Association of Pharmaceutical Distributors and Retailers in Romania (ADRFR) became a regular member of the EFPC with the right to vote in July 2019. At the Members' Meeting held in Bratislava on the membership of the ADRFR, all members of the EFPC unanimously voted in favor of the ADRFR joining the EFPC.

Members' Meeting in Prague

– 16 October 2019

In October, the Members' Meeting focused on electing the members of the Executive Board. Wolfgang Wallisch had resigned from the EFPC Executive Board and had given his position to the Romanian member. Sebastian Ring was nominated to the EFPC Executive Board by the ADRFR, and he was elected. Sebastian Ring became a member of the Executive Board of the EFPC on 16 October 2019.

During the Members' Meeting in Prague, an amendment to EFPC Article 5, paragraph 8 was suggested. The members of the EFPC approved this change of Articles of the EFPC. The regular annual election of the Executive Director was replaced by an election to be held every three years. Daniel Horák was elected as the Executive Director for the next three years.

Our Member Countries' Pharmaceutical Retail Markets

Czech Republic

Overview of the Czech Pharmacy Market – The Functioning and Organization of Pharmacy Care in the Czech Republic.

The Czech Republic had 2,755 registered pharmacies as of 31 December 2018. Out of this number, 131 are specialized facilities that supply medicines to hospitals and have the status of hospital pharmacies. The remaining 2,624 are public pharmacies, 245 of which are dispensation outlets serving people in small remote communities. The law requires such dispensation outlets to operate as part of their parent pharmacy. In addition to the above number of pharmacies, the Czech population is served by 208 shops specializing exclusively in medical devices. On their part, pharmacies maintain an assortment of subscription and over-the-counter medicinal products, medical devices, medical supplies, nutritional supplements, therapeutic and other cosmetics, and other products. In 2019, there was one pharmacy per 3,900 inhabitants. Pharmacies and medical device shops receive 70 million medicine prescriptions and four million vouchers for medical devices. The total revenues of pharmacies and medical device shops amount to approximately 90 billion crowns. Hospital pharmacies and hospitals account for a large part of this figure because their assortment includes innovative pharmaceuticals and medical devices that are not dispensed by public pharmacy outlets. Last year brought a year-to-year increase in pharmacy revenues by approximately 8.0%. Inpatient healthcare accounted for a large part of this figure. As to public pharmacies, only the largest pharmacy chains recorded an increase in revenues. As regards availability, the Czech market is unique in that 14 pharmacies in the entire country are open on a 24/7/12 basis. Seven of these pharmacies are in Prague. In the vast majority of Czech regions, at least one pharmacy is open during the day on weekends.

The Czech pharmacy market is currently going through the peak of sector-wide consolidation. The biggest chain operators are Dr. Max pharmacies and BENU with more than 450 and 230 outlets, respectively. Apart from these two, there are other pharmacy chains on the market, but none of them operates more than 50 pharmacies. The structure of pharmacy chains is interesting: one half of pharmacies are new outlets, while acquisitions account for the other half. Some independent pharmacies have responded to the consolidation by associating in virtual chains. The largest virtual chain in the Czech Republic includes approximately 400 pharmacies, but business partners concur that its flexibility and efficiency are much lower than actual chains.

A pharmacy can be opened in essentially any location subject to no restrictions, as long as the relevant legal requirements are met. Pharmacy registration is managed by regional authorities, and chief pharmacist licenses are issued by the Czech Chamber of Pharmacists. The issue of a license is conditional on membership in the chamber, the possession of specialized qualifications, and the fulfillment of the requirements of the chamber's continuing education program.

The Czech Republic has a highly effective system for setting prices and reimbursements for medicinal products. The prices of medicines covered by the public health insurance scheme are among the five lowest in Europe. The system for setting prices and reimbursements from the medical insurance scheme functions on a referential basis. As a result, some pharmacies that hold a distribution license as well as distributors resort to the re-export of pharmaceuticals to improve their financial figures. Estimated to amount to roughly CZK 5.5 billion, re-export and the temporary unavailability of medicinal products result in occasional shortages in the supply of certain drugs, many of which are important for the treatment of Czech patients. The issue of re-export does not concern the Czech Republic's largest pharmacy chains. They focus on optimizing their financial performance through their regular business operations. On 1 January 2018, the Czech Republic introduced the mandatory electronic prescription of medicinal products. The law grants certain exemptions, such as home visits by physicians, loss of Internet service, etc. For the time being, electronic prescriptions are not issued for medicinal products containing addictive substances (opioids).



The past five years have seen a vast increase in the assortment of products offered by online pharmacies in the Czech Republic. Year-to-year growth figures in this segment amount to several tens of percent. The law requires every online outlet to be associated with a brick-and-mortar pharmacy.

Online dispensation is permitted solely for over-the-counter medicinal products and other products sold by pharmacies, such as nutritional supplements, cosmetics, parapharmaceuticals, and other similar products.

The recent years have brought a rapid development of supplementary services, which are provided by numerous pharmacies, both independent and chain-member outlets. These services include various screenings and early diagnostic programs for selected highly frequent chronic conditions, such as glycaemia and pressure tests, programs aimed at helping people stop smoking, early diagnosis of Alzheimer's disease, detection of vascular, pulmonary, and other ailments, and others. These services are not covered by the public medical insurance scheme. The vast majority of them have been provided free of charge until now, impacting considerably the financial situation of pharmacies.

The above facts show that the pharmacy sector is going through a period of rapid development and change. The speed and extent of future changes cannot be reliably predicted beyond the period of the next five years.

Slovakia

In Slovakia, attention has been focused on-call emergency pharmacy services. In dealing with this issue, the Slovak Chamber of Pharmacists teamed up with the Association of Pharmacy Chains to mount a joint effort aimed at ensuring that pharmacies are compensated for on-call emergency services in a similar way as physicians. This is the first time the two platforms have agreed to a joint course of action, despite their mostly contrasting interests.

A recent amendment to the Slovak Pharmaceuticals Act did not institute the much expected regulation of pharmacy operations. Rather, it introduced stricter requirements for pharmacists and increased their liability. At the same time, the amendment introduced the mandatory availability of on-call emergency pharmacy services in every self-administering region, without awarding additional compensation. The new requirement has been criticized by the Slovak Chamber of Pharmacists as unconstitutional. Worth noting is that the Ministry did not accept the Chamber's legislative proposal submitted at the time the amendment was drafted in 2017.

Until now, on-call emergency services have been provided in different ways in different parts of the country. The availability of services has been coordinated by the Chamber, which prepared schedules for pharmacies at the local level. The reason behind the amendment was the fact that there was no nationwide system in Slovakia. Pharmacists, however, ask the question whether such a system is necessary. In many large cities, chain pharmacies are regularly open at least until 8:00 or 9:00 p.m. In smaller municipalities, the opening hours of pharmacies correspond to the office hours of local physicians.

Initially, the Ministry did not lay down any requirements regarding on-call emergency pharmacy services and only prepared a system of fixed



Only 5% of pharmacies are located in the proximity of emergency medical services and 54% of patients have to travel a distance of more than one kilometer.

points in the locations of medical emergency facilities. The Chamber subsequently demanded that on-call emergency pharmacy services be remunerated using similar principles as physicians.

The reasoning is based on the fact that the law sets the minimum wage of a physician on duty (EUR 12 per hour) and requires insurance companies to pay healthcare providers a fixed compensation for wages (EUR 8,500 per month) as well as the cost of emergency treatments. Because of this, among other reasons, staffing medical emergency services is relatively easy.

Although the Ministry acknowledged the Chamber's proposal, it failed to incorporate it into the amendment. In response, the Chamber has assessed the impact of the amended legislation after it entered into force, and, simultaneously, filed a motion with the Prosecutor General to review the constitutionality of the law. The Chamber's reasoning is based on a Constitutional Court ruling that responded to a similar complaint regarding an order issued in 2011, which required general practitioners to provide on-call emergency service.

At that time, the Court ruled that such a requirement infringes on physicians' rights, but that it is admissible as long as on-call emergency duty is remunerated. Hence, on-call emergency service may not be ordered without providing appropriate compensation. The Chamber is therefore relying on the same argument in the case of pharmacies. Communication with the Prosecutor General regarding this matter is currently under way.

The Chamber has also collected data from the field for assessing the effectiveness of on-call emergency pharmacy services. The data will be presented to the Minister of Health with the aim of negotiating a rational agreement. A review of 1,400 received responses shows that only 5% of pharmacies are located in the proximity of emergency medical services and 54% of patients have to travel a distance of more than one kilometer.

Likewise, it has been demonstrated that because of regional differences, two to three pharmacies can be required to provide on-call emergency service on a given day, where over 90% of such pharmacies serve fewer

than five patients per hour; 21% of them serve no patients at all. It means that providing on-call emergency service lacks substantiation in the case of at least 60% of pharmacies.

As many as 95% of pharmacies record hourly turnover of less than EUR 50, and 22% of them register zero proceeds. These figures disprove the Ministry's claim that pharmacies have revenues from the sale of assorted goods while providing on-call emergency service.

No less importantly, 93% of on-call emergency pharmacies record proceeds of less than EUR 10 from medications prescribed by physicians on emergency duty.

Another serious problem is the transport of pharmacists on duty to their place of residence after the end of their shift, not to mention their personal safety. An example is a pharmacy holdup in Prešov during which a 24-year old pharmacist was held at gunpoint and robbed of EUR 1,500.

Paradoxically, the issue of on-call emergency pharmacy service has united all pharmacies, both independent outlets and pharmacy chains. Although chains have an approximately 20% share of the Slovak market, they are responsible for nearly a half of on-call emergency services.

Considering that pharmacies are subjected to increasingly stricter requirements, which necessitate financial investments – such as the recently launched verification of medicinal products – pharmacy chains and the Chamber agreed to join forces. One of the reasons is that pharmacy revenues have been declining in the past 10 years, as the absolute value of pharmacy margins is stagnating.

The seriousness of the situation in the Slovak pharmacy sector is evidenced by the fact that it has brought together groups with otherwise conflicting interests. They have realized that it is primarily important to deal with problems of existential nature and put matters of industry-wide importance above interests of personal nature.

Source: APATYKÁŘ®, a news portal specializing in the pharmacy sector in the past 20 years



Hungary

The BENU chain has launched a booking system for prescription medicines in Hungary. Similarly as in other countries, including the Czech Republic, patients can choose from approximately 3,000 medicinal products and collect them by the next working day in a pharmacy of their choice. The service is currently provided as part of a pilot program in eight pharmacies, but BENU plans to rapidly increase the number of outlets to 100, following which the service will be available on a nationwide scale.

Source: APATYKÁŘ®, a news portal specializing in the pharmacy sector in the past 20 years





Romania

The pharmaceutical market in Romania registered 9359 pharmacies in 2019, in the urban area there are 5489 pharmacies and in the rural area 3870 pharmacies. This number incorporates both active and inactive pharmacies. In our country there are 5 large national chains of pharmacies that accounts for 30% of the total number of pharmacies in the urban area, with the remaining 70% being represented by smaller chains of pharmacies and independent ones.

In Romania the establishment of pharmacies is based on the demographic criterion; the legislation does not mention the geographical criterion.

The establishment of a community pharmacy in the urban environment is made according to the number of inhabitants as follows:

- in Bucharest, a pharmacy for 3,000 inhabitants;
- in the county residence, a pharmacy for 3,500 inhabitants;
- in the other cities, a pharmacy for 4,000 inhabitants.

Currently, no other pharmacies can be set up in the urban environment, as the demographic criterion has been reached. To encourage the establishment of the pharmacies in the rural areas the demographic criterion is not applied.

Typically, large pharmaceutical chains buy licenses from the independent pharmacies on the market. It is usually important to be part of a well-recognized pharmaceutical chain as patients will have more trust in your specialists and the products on display.

For the RX products the state establishes the maximum selling price. The price proposed by MAH for approval at the Ministry of Health has to

be lower / equal to the average of the minimum three prices of the same drug from the list of 12 reference countries.

Romania the RX products are prescribed by the doctors and released by the pharmacist according to the Framework Contract. The number of 4565 RX products are reimbursed by the state. On the prescriptions the International Nonproprietary Name is mentioned.

There are different percentages of reimbursement starting from 20% to 100%. For the drugs released on prescriptions for PNS – National Program –diabetes, oncology, post-transplant, the percentage is 100%. The payment term of the National Insurance House is 90 days from the invoice submission at it. Maximum 7 drugs can be prescribed on a regular prescription.

The conditions of the setting up and the functioning of the online pharmacies were regulated in Romania. The selling of OTC products is permitted under certain rules: the space for the on-line pharmacy must be linked to a physical Community Pharmacy, the transportation conditions are strictly regulated, there has to be an interactive communication of the pharmacist with the patient.

The pharmacy chains and the wholesalers are constantly lobbying to the Romanian authorities to update the current legislation by signaling the flaws of the current system, flaws we encounter during our work and consultations with the patients. Therefore, we often offer solutions to improve the access for our patients to better pharmaceutical services. There are two major projects on-going, the implementation in Romania of the FMD directive and the framework contract, which states the conditions under which a patient has access to health services and medicines.

Our objective for 2020 is the improvement of the pharmaceutical services provided to the population by flu vaccination and by measuring particular biological parameters. These are essential aspects in prevention and detection at an early stage of some chronic diseases as diabetes and hypercholesterolemia, which have high prevalence in our country.

The mission is to
provide the patients
in Romania with the
best solutions, human
and professional
competences for their
wellness and health.

Executive Director Letter

Letter from the EFPC Executive Director

Even though the EFPC was registered only at the end of 2018, its activities began earlier, and the organization made itself widely known at the start of the subsequent year. The press conference announcing the EFPC's establishment was broadcast live on the ČT24 television news channel, and it was reported by numerous other media, including specialized publications.

The EFPC was represented in the main block of the international conference "Current Trends in the European Pharmacy Sector" organized by the Czech Ministry of Health in the first semester of 2019, and at an assembly of middle and higher management of Phoenix and BENU pharmacies in the Czech Republic and Slovakia.

During most of last year, we focused on organizing the first edition of "Pharmacy Care – Towards Beyond", an international conference held in Prague during 16–17 October 2019. We were well aware that the contributory value of issues discussed at the event would be used in assessing our work and the purpose of our existence not only by representatives of the public, such as regulators, journalists, academics, and others, but also, and more importantly, by foreign organizations that might be interested in the EFPC's activities in connection with their prospective membership. I am pleased to report that the conference was received by all delegates very favorably, and that demands were voiced for its subsequent editions in the future. Encouraged by the response, we have decided to organize the second edition in Bucharest, Romania during 14–15 October 2020.

Although the Prague-held conference owes its success to all organizers, lecturers, and delegates, I want to highlight the contribution of the Romanian national association, ADFRF, whose representatives were

among delegates who delivered the most important presentations despite having only joined the EFPC in July 2019.

Thanks to the favorable response to presentations examining the current problems in pharmacy operations in Europe and beyond, national associations of pharmacy chains from other European countries expressed interest in partnership with the EFPC with a view to gaining membership in the future.

The trust they expressed in our efforts is a great obligation for the future. The EFPC is aware that only the consistent adherence to its principles and programming priorities will ensure the active involvement of European national associations in efforts to protect our program of “Pharmacies for Patients” from restrictive measures concealed under populist political proclamations. We will report on the EFPC’s achievements in the next annual report that will be published in about a year’s time. Rest assured that we will do our utmost to succeed in our endeavors.

Zdeněk Blahuta
Executive Director, EFPC



Zdeněk Blahuta, Executive Director, EFPC

Events overview

19 March 2019 Prague

Conference of the Ministry of Health in
Prague “Current Trends in European
Pharmacies”

24 July 2019 Prague

ApaVision podcast session “Premium
Pharmacy Services”

3 September 2019 Prague

ApaVision podcast session “Shortages –
Possible Solutions in a Global Context”

7–8 November 2019 Prague

Conference of the Employers’
Organization of the Czech Republic
“Healthcare 2020”

Conference

19 March 2019 Prague

In March, Daniel Horák, the EFPC Head of the Executive Board, was the plenary speaker for the “Current Trends in European Pharmacies” conference, organized by the Ministry of Health of the Czech Republic. Daniel Horák introduced the remuneration of pharmacies in Europe and the future of pharmacy services and current patients’ changing shopping behaviors.

7–8 November 2019 Prague

At the end of 2019, Daniel Horák, the Head of Executive Board, attended the “Healthcare 2020” conference, one of the largest healthcare conferences ever held in the Czech Republic. More than 500 guests from the Ministry of Health, state authorities, health insurance companies, hospital management, pharmaceutical companies, and experts had the opportunity to discuss current issues and the future of the Czech healthcare system. Daniel Horák discussed the Falsified Medicines Directive (FMD) and the unavailability of drugs in the Czech Republic and the EU with representatives of the Czech Ministry of Health, the State Institute for Drug Control, and the Association of Pharmaceutical Companies on the second day of the conference. The conference was organized by the Employers’ Organization and was backed by the Ministry of Health of the Czech Republic.

ApaVision

24 July 2019 Prague

In 2019, EFPC representatives participated twice in the ApaVision podcast session in Prague. In the first session on 24 July, Zdeněk Blahuta, the Executive Director, talked about Premium Pharmacy Services.

3 September 2019 Prague

In the second session held in Prague on 3 September, Daniel Horák, the EFPC Head of the Executive Board participated in the discussion on “Shortages – Possible Solutions in a Global Context”.

apavision.cz





About the EFPC

The European Federation of Pharmacy Chains (EFPC) was established on 10 October 2018, with operations set to launch in January 2019 in Prague. The EFPC brought together the national pharmacy chain associations from the Czech Republic (APLS CZ), Slovakia (APLS SK) and Hungary (HGYSZ).

The EFPC is the only organization representing pharmacy chains in Europe. The EFPC is an independent, voluntary, non-political and non-governmental organization, which cooperates and encourages strong links between European organizations to resolve issues in the pharmaceutical sector.

It represents over 13,700 pharmacy experts, 2,550 pharmacies and 4 European countries.

An important part of EFPC activities is supporting and protecting the interests of its members, as well as conducting and reporting on surveys of work-related issues. Furthermore, the EFPC provides educational activities in the pharmaceutical field and an advocacy service for its members. The EFPC was developed in response to negative trends in some Central and Eastern European countries which are in conflict with patient interests.

The EFPC is a reliable partner and stakeholder for national and European regulatory authorities. It supports open and constructive discussion in the pharmaceutical sector.

Vision

EFPC members believe that the liberalization of the pharmacy market is the best way to improve patient comfort and that this leads to high consumer satisfaction in the functioning of the pharmaceutical market. The EFPC is following patients' changing shopping behavior in other fields and is aware that there is a high probability that corresponding changes will also soon occur in the pharmaceutical sector as well. By that time, the implementation of some processes should be led by legislators to meet patients' needs, to ensure safe service, and to maintain medical practice standards.

Mission

The mission of the EFPC is to defend the free market and the interest of patients, pharmacy workers and pharmacy owners in Europe. The EFPC creates optimum conditions for the development of the pharmacy business, the activities of pharmacy operators in EU member states, and the provision of services related to the performance of their activities. Also, it has established safeguards against any violation of the fundamental rights to their properties/shareholding rights. The EFPC wants to draw attention to actions that go against these activities, especially that of promoting the concept of the "Pharmacy for the Pharmacists". (This concept is unheard of in all other business sectors.)

The EFPC represents and protects the economic, business and social interests of its members in the pharmacy business.

Aims and Objectives of the EFPC

- Defend the interests of patients and pharmacy workers and owners
- Monitor activities which could potentially limit patient rights, worsen accessibility, or reduce the effectiveness of pharmacy care in our members' countries
- Protect the economic, business and social interests of EFPC members
- Create the optimum conditions for the development of the pharmaceutical business
- Cooperate closely with the members of national associations
- Coordinate PA and PR activities

Communication

Statement

In October 2019, the EFPC published The Statement of Professional Standards and Ethical Principles in Pharmacy Practice ('the Statement') where it was established that members of the EFPC oppose the illegal supply and delivery of prescription drugs which leads to health and economic risks for patients. Its members believe that the division of roles in health services in Europe has a historical, cultural and logical rationale. This division of roles sets up the most favorable conditions for doctors and pharmacists to work effectively – where a doctor diagnoses and determines patient treatment and a pharmacist prepares and dispenses the medicine. This division of roles allows patients to choose the pharmacy that best suits their needs, and it also implements the safety “four eyes principle” in the dispensing process. The illegal supply and delivery system of medicines jeopardizes the availability of pharmacy service care. The members of the EFPC have declared that this system is unsafe and hazardous. They are not, and will never be, willing to participate in these activities. They will put enormous effort into stopping these activities.

The issue of illegal practices was brought to the EFPC's attention by the ADRFR. The ADRFR sees this issue as being of fundamental importance, especially in Eastern Europe. The Statement became a mandatory standard for the EFPC's members.

Newsletter and social media

The EFPC started publishing a regular newsletter in 2019 which presents current issues, topics and events in the pharmaceutical sector. The EFPC newsletter is distributed quarterly by e-mail, and breaking news is published on both its own website and LinkedIn.com as well.

Cooperation

GIRP

The EFPC contacted the European Healthcare Distribution Association (GIRP) regarding their partnership in 2019. A meeting was held in GIRP's Brussels office on 3 September 2019. The EFPC board members and the GIRP representatives discussed the potential of cooperation in the pharmaceutical sector. Both associations agreed to continue exchanging best practices in an informal setting with the potential to combine their efforts on an ad hoc basis. The regular exchange of partnering structures, support and consultation on particular issues is a priority for both groups in the upcoming years.

Upcoming Events 2020

In 2020, the EFPC is going to continue to participate and attend national and international conferences in Europe and proactively communicate the burning issues of the pharmacy sector to representatives of European state authorities, health insurance representatives, heads of state institutes, presidents of professional chambers and other stakeholders. The EFPC wants to be a reliable partner for national and European regulatory authorities and serve as an advisory board for them.

The members of the EFPC plan to organize a few roundtable discussions and academic conferences across Europe, which will cover the specific issues of the European pharmacy market and support an open and constructive discussion about the future of pharmacy care in Europe.

After the very successful first year of the EFPC international conference held in Prague, the members of the EFPC Executive Board determined to organize the second year of this conference. The conference is planned for 14–15 October 2020 and will be held in Bucharest.

Regarding membership, the EFPC is going to negotiate with further potential member countries, such as Poland and Ireland, and it will stay in touch with representatives from Baltic countries. The EFPC Executive Board members predict that Serbia will become a full member of the EFPC in 2020 as well.

To attract more associations and pharmacy operators, the EFPC is going to create a special membership program which will be perfect for individuals interested in the field.

The EFPC wants to conduct European commercial research focused on the quality of pharmaceutical services across Europe this year. This research and the results should be introduced at the second EFPC conference in Bucharest.

One of the EFPC's aims for 2020 is to link national and European pharmaceutical associations and to involve them in the European discussion. The EFPC strongly feels the need to build a strong umbrella organization for strategic planning and to coordinate their activities regarding European pharmaceutical issues.

The EFPC Executive Team

The EFPC Executive Director



Zdeněk Blahuta, Czech Republic

He has more than 30 years of experience with the management of public pharmacies, hospital pharmacies and pharmaceutical wholesalers. He is the former Head of the State Institute for Drug Control in the Czech Republic (SUKL), and he was Member of the Board of the European Medicines Agency (EMA).

The EFPC Executive board



Daniel Horák
Head of Executive
Board



Karolina Korodi
Member of Executive
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Sína Niku
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