FINLAND AT A GLANCE

Finland has not been hit hard by the recession yet. However, the two channel funding system may pose some problems as healthcare expenditure rises. 

- **Total population:** 5.3 million*
- **Life expectancy (years):**
  - Male: 75.8
  - Female: 82.8*
- **GDP per capita:**
  - €35,041 (2008)**
- **Growth:**
  - 0.9 per cent (2008)**
- **Health expenditure per capita:**
  - €2586 (2006)*
- **Health expenditure as percentage of GDP:**
  - 8.2 (2006)*

Source: * Statistics Finland; ** Invest in Finland

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INTRODUCTION

Finland is a sovereign parliamentary and presidential republic since 1917. From 1809 to 1917, Finland was an autonomous Grand Duchy by the peace treaty, as many other European countries are in the Russian Empire, and from 1648 to 1809 as part of the Kingdom of Sweden. The country has a high standard of living and has a large welfare state. The population is around 5.5 million, and the capital is Helsinki.

The Finnish Parliament consists of 200 members representing nine parties. The members are elected for four-year terms, and a president is elected every six years. Tarja Halonen has held the position since March 1, 2000. The President leads the foreign policy together with the government and acts as the Commander-in-Chief of the National Defence Forces. She also appoints the highest civil servants and the judges of the Supreme Court.

Finland's economy has not been affected by the recession as much as many other European countries'. The financial sector in particular has survived quite well. However, the unemployment rate was 7.6 per cent in February 2009 and tens of thousands of people have been temporarily laid off. The gross domestic product has been in decline, down 9.8 per cent in January 2009. The ruling parties and opposition parties disagree over how to stimulate the economy: by lowering taxes or by financing municipalities.

The economy is dependent on exports. The largest export industries are electrical and optical equipment (19.9 per cent), pulp, paper and paper products (15.3 per cent), metal products (13.2 per cent), and machinery and equipment (13.0 per cent). The most renowned company is Nokia and 99 per cent of households have mobile phones. 66 per cent own a personal computer.

Finns are highly educated. Almost 75 per cent of the population aged 25-64 has completed upper secondary or tertiary education and one-third of the population has university or other tertiary qualifications. That represents the highest percentage in the EU countries. The life expectancy of Finns is high: 75.8 years in men and 82.8 in women.

In Finland, the municipalities are in charge of organising the social welfare and healthcare services. Most services are governed by law, but this does not specify the extent or the content of the operations or how the services should be organised. The municipalities can organise the services independently or by participating in a municipal federation. They can also buy services from other municipalities or private service providers.

The Ministry of Social Affairs and Health has decided to relocate the National Agency of Medicines as part of the decentralisation programme. The Agency, now headquartered in Helsinki, will start operating from 2009.

Figure 1. Health Expenditure in Finland

<table>
<thead>
<tr>
<th>Year</th>
<th>Special Healthcare</th>
<th>Primary Healthcare</th>
<th>Dental Care</th>
<th>Occupational and Student Healthcare</th>
<th>Institutional Care of the Elderly</th>
<th>Private Healthcare Reimbursed by Social Insurance</th>
<th>Medicines and Medical Consumer Goods</th>
<th>Medical Devices and Other Medical Consumer Durables</th>
<th>Administration</th>
<th>Travel</th>
<th>Health Care Gross Investments</th>
</tr>
</thead>
</table>

In 2008, the government allocated a total of 21.5 billion euros to health sector investments.
The medicines used under the special patient-specific permit are not reimbursable. However, the products are not reimbursable.

The PPB also requests an opinion on the potential special reimbursement status. The PPB will consider the applications for special reimbursement when it is in full.

The average time required in 2005–2006 for the evaluation of applications for special reimbursement was 25.9 per cent of the total social expenditure. Figure 1 shows the percentage of the applications submitted by the pharma company. PPB also has the option to cancel the special reimbursement status if it does not accept the wholesale price proposed by the pharmaceutical company. PPB also has the option to cancel the special reimbursement status if it does not accept the wholesale price proposed by the pharmaceutical company.

In addition, some public health organisations receive subsidies for pharmaceuticals. Sygeforsikringen Danmark is the largest health insurance company in Denmark, with 1.8 million members. However, the number of services, including the additional reimbursement of pharma companies, is divided between public and private insurance funds available for reimbursement. The public funding includes the Social Insurance Institution – Kela, employers and households. In 2008 the share of public funding was 75.4 per cent (state 22.8 per cent). The public funding includes the Social Insurance Institution – Kela, employers and households. In 2008 the share of public funding was 75.4 per cent (state 22.8 per cent). The public funding includes the Social Insurance Institution – Kela, employers and households. In 2008 the share of public funding was 75.4 per cent (state 22.8 per cent). The public funding includes the Social Insurance Institution – Kela, employers and households. In 2008 the share of public funding was 75.4 per cent (state 22.8 per cent).

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APPLICATION PROCESS CONTINUED... 

2006 – Adoption of the basic reimbursement price system in Finland. A new product was 12 months later. The Act was put into practice. The pharmaceutical company has to file an application for registration of a new pharmaceutical substance for a new pharmaceutical substance. The price reference system is based on the wholesale price application. In total, the cost of a new pharmaceutical substance is given. 

MEANING OF THE MEDICINES ACT 

Reference pricing is introduced in the reference price system. A reference price is fixed when the prices of a new product are calculated. The price reference system is an exception to the basic reimbursement price system in Finland. 

REIMBURSEMENT ACT 

Pharmaceutical companies are responsible for the reimbursement system. The pharmaceutic companies may only be reimbursed if the product is approved by the respective authorities. 

IMPACT OF REFERENCE PRICING 

The reference system is introduced to ensure the availability of pharmaceutical products in pharmacies. It also allows the price of the most expensive products to be increased in the new system. 

AMENDMENT OF THE MEDICINES ACT 

The reference pricing system is introduced. It is expected that the reference system will increase. 

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Orion Pharma is the only pharmaceutical company still owned by Finns. Orion is a relatively small player but does have significant operations in the Nordic region, as well as a presence in the US. The company has a large portfolio of generic, off-patent prescription medicines, hospital ingredients and diagnostic tests globally. The company also has a research and development focus on antineoplastics and immunomodulators.

**MAJOR STAKEHOLDERS**

The regulatory environment means that PIF's major stakeholders include the Finnish and EU authorities and political lobbying. PIF's major stakeholders include the following:

- Communications through publicity and co-operation with the key operators of the pharmaceutical industry (social and political lobbying)
- Co-operation and interaction with the member companies, including the work in committees, workshops and PIF's internal expert networks.
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PIF is a member of the International Federation of Pharmaceutical Industries and Associations (IFPMA), the European Federation of Pharmaceutical Industry and Associations (EFPIA) and the Federation of European Self-Medication Industry (AESGP). It is also a member of the International Federation of Medicinal Products (IFM).

The organisation works to guard the industry's interests and communicate and is responsible for enforcing the Code for the Marketing of Medicinal Products.

The 60 member companies range from large-scale multinationals to Finnish family-owned SMEs, from Finland-based pharmaceutical manufacturers to medicine importers and companies providing clinical trial services. The combined product selection of the member companies covers prescription-only, OTC and veterinary medicines.

The number of ongoing clinical trials varies between 400 and 500, and the number of participants is 32,000–61,000. Most trials are phase II and III. Unfortunately, at present doctors have fewer opportunities to participate in clinical trials compared to many other countries and in relation to the country's population. Research funding is also at a low level compared to countries with fewer resources. Clinical trials and train young researchers.

FINNISH MEDICAL RESEARCH

Finnish medical research is respected internationally and the high level of education and training of researchers, to a large extent, contributes to the success of Finnish companies. The industry has performed significantly more clinical trials per capita (per 1,000 inhabitants) than in many European countries (Figure 2). Between 2005 and 2006 the number of ongoing clinical trials varied between 800 and 1,100, and the number of participants between 25,000 and 50,000. Most trials were conducted by large companies, while Finnish companies conducted trials that were more focused on rare diseases. In terms of the number of trials, Finland a focus on cost-effectiveness is needed. As mentioned earlier in the introduction, Finns are well educated and, therefore, able to absorb the information provided and give their informed consent. Provided that the information is provided and the consent obtained, the trial interruption rate is usually very low.

**CONCLUSIVE CLINICAL TRIALS**

Clinical trials are studies conducted in humans to evaluate the effects of new medical treatments and treatments that are less commonly used. A clinical trial involves research volunteers participating in research that has been approved by a review board. The research volunteers are participants in the trial, and the research results are used to determine whether further studies are warranted. Clinical trials are an essential component of medical research.

Clinical trials have two main objectives: to determine whether a new medicine is safe and effective, and to determine the best way to use a medicine. Clinical trials are used to determine whether a new medicine is safe and effective, and to determine the best way to use a medicine. Clinical trials are an essential component of medical research.

Clinical trials are an important tool for medical research. They provide valuable information about the safety and effectiveness of new medicines and treatments. Clinical trials help to establish the appropriate use of medicines and treatments, and to identify the best ways to use them. Clinical trials also help to improve the quality of medical care and to reduce healthcare costs.

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FIGURE 3. FINNISH SALES OF MEDICINAL PRODUCTS IN 1998-2007, €M

Source: Finnish Pharmaceutical Data, 2008

DOMESTIC PHARMACEUTICAL PRODUCTION CONTINUED

Another significant company is Leiras, now part of the Swiss company Nycomed Group. Leiras was the developer of the levonorgestrel-releasing intrauterine system Mirena.

The sales of medicinal products have increased steadily, even though the growth in medicine wholesales is clearly more contained than in the very first years of the millennium (Figure 3). Authorities have taken measures to slow down the growth. The wholesale prices of reimbursable medicines have been cut by 5 per cent and all pharmacy rebates have been prohibited. Moreover, the reimbursement of two important cholesterol drugs was limited.

The Author
Pia Raninen-Bullivant, Practice Director, Hill and Knowlton Finland.

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