

FIRST SESSION

OPENING CEREMONY

Mehmet Domaç, Pharm.

The President of Turkish Pharmacists' Association

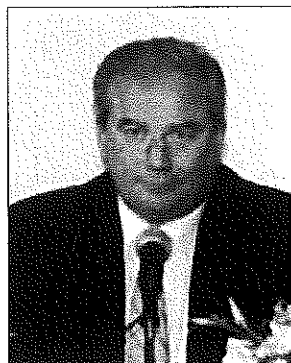
Zafer Kurtul

General Director of Akbank

Yaşar Okuyan

Minister of Work and Social Security

MEHMET DOMAÇ, Pharm.
(The President of TPA-Turkish Pharmacist's Association)



Minister of Work and Social Security, General Director of Budget and Finance, General Director of Bağ-Kur, Deans, Deputy, directors of Turkey's drug industry and corporation owners, representatives of European Union Pharmacy Group, General Director and representatives of Akbank, dear guests, Chairmen of the Associations; I welcome you all.

I'd like to express my gratitude for your participation to our meeting which is being held for the discussion of Pharmacy and Reimbursement Systems in the Countries of European Union.

Turkey's candidacy process to European Union provides all of the public and profession groups an opportunity and also loads a responsibility to learn and evaluate the European standards.

The first issue that we point out in a general evaluation of European Union is the respect for human rights, social security system's being designed for the for human's leading a life healthy and of good quality. European Union is rapidly moving along to be a social Europe. In the process of passing to a human-centered Europe from a market-centered one, Europe traces the heritages of the era of enlightning.

The European Social Code, signed in 1989 is the most important indicator and earning of human-centered Europe. An improved coverage of social security which includes every one has to be seen an obligation for the goal of equality and social solidarity.

The reimbursement systems in the field of social security are both an important problem and an important obligation. The importance of a pharmacist against increased financial burden and health expenditure is more and more revealed. Pharmacist is the most important element of rational drug usage. Whatever which reimbursement system is used, one of the most important input of these systems are drugs and the pharmacist who is responsible for them.

Today we will be listening to presentations on the organization of reimbursement systems of 4 European Union member countries and we will try to explain to our European friends how the system works in our candidate country.

We hope this meeting will provide an opportunity for further evaluations and cooperations.

Turkey claims to achieve further goals and point of views, the democracy that we need, improve the political, social and individual relationships that we are missing.

While taking steps toward these goals and point of views, Turkey will be benefiting from the acceleration effects of its candidacy to European Union, facilitating dynamics and the knowledge and experience of European Union.

Turkey has a new page in history in front of European Union. In this page, of course, there are also difficulties and handicaps, but maybe hope takes place more than anything else.

With all my respect.
Again, I welcome you all.

We have prepared some plates to present to our friends who had contributed in this meeting, I' d like to invite them here.

I' d like to invite Akbank Institutional Banking Marketing Director İlham Süheyl Aygül.

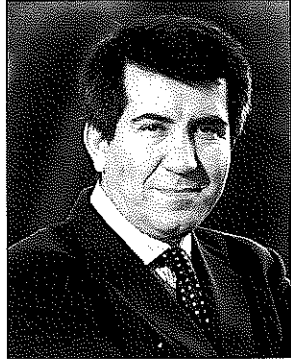
Head of Institutional Banking Marketing Department,
Ferda Besli.

Assitant General Director of Akbank,
Ziya Akyurt.

General Director of Akbank,
Zafer Kurtul.

ZAFER KURTUL

(General Director of Akbank)



Welcome my Minister, dear guests.

First, we'd like to thank you all for attending our meeting on Pharmacy Practices and Reimbursement Systems in the Countries of European Union.

On the other hand, we are honored to having contributed to a meeting like this, and the subject of the meeting's being about pharmacy profession group that we give great importance to. As Akbank, our goal is to be the leading bank in every product. In order to achieve this goal, we have started a comprehensive alteration project. According to us, the key to success is being customer-focused and we have always put this forward. Our aim is to present excellent service to our customers.

What we have accomplished up till now on the basis of our projects are as follows: We have completed the reorgani-

sation of our General Directorate, started the reconstruction of our branch offices, established our central operation, our call centre began functioning, started our special banking services, presented the first and only profitable life card Axxess to our customers and started our projects, directed to KOBIs that we give special importance to.

Our first project, I am happy to say, is the Pharmacy Package Project.

Our service packages directed to KOBIs. These are: Cash management, credits, foreign trade finance, internet banking, investment products, insurance and consultancy services. In the operations that we have started, that are directed to KOBIs, we aimed to deepen our relationships with our customers, providing customer requirements and expectations with our bank's wide product range, wide network of branch offices, alternative distribution channels; contribute to our customers' rivalry forces and establishing long-term relationships with them. Our first project directed to KOBIs, our Pharmacy Package Project was brought to life on 16th August, 2002.

For the first project, I am again delighted to say we have chosen pharmacy profession group. The reason for this is this profession group's having very high morality, credibility, education and technology usage levels.

As the result of market investigations that we have conducted before starting the Pharmacy Package Project, we determined the financial instruments that the pharmacies use the most. With the package, including POS machine,

chequebook, internet banking, credit products directed to companies' we have estimated special prices and presented special advantages to pharmacies.

At the beginning of the project, the number of pharmacies working with our bank was nearly 2 thousand, in May this number exceeds 10 thousand. The market share of our bank was %10 before this project had started, now due to our project, it has increased to %50.

Our operations, directed to pharmacies, which are the last ring of the chain of drug industry, will be expanded to cover other rings of drug industry such as drug depots, manufacturing companies. These operations will continue with our bank's excellent service comprehension and our bank will participate in other projects.

I again welcome you all and thank you for your participation.

Now, I'd like to invite my Minister.

YAŞAR OKUYAN

Minister of Work and Social Security



The President, managers and members of Turkish Pharmacist's Association, my deputy friends, dear guests and guests who are participating in this meeting from abroad, first I'd like to present my heartfelt welcome.

I wish this meeting, organized by Turkish Pharmacist's Association on Pharmacy Practices and Reimbursement Systems in the Countries of European Union will result in beneficial outcomes.

Nowadays, that we have taken great steps for the membership of European Union, organizing a meeting like this

one will contribute to this process, at least in obtaining information of pay back systems in the field of pharmacy. My dear friends, Turkey's absolute goal has to be membership to the European Union from the point that we have reached so far. We are not surprised to find resistance to our membership to European Union by a limited part of our community and with their opposing ideas and efforts to manipulate the community in a wrong way; but we also don't have the chance of overlooking them. If Turkey would be a modern country, as the founder of our Republic, beloved Atatürk once said, if we would come to the level that he pointed as the level of modern civilizations, the point that we have reached today and our goal is obvious: membership to European Union.

European Union can be evaluated in a versatile way. In the course of our membership candidacy process, we can focus on our deficiencies; we have to question our pluses and minuses on the basis of political, social, economical criteria and we have to fulfill our obligations on that subject. We have especially performed most of our short term obligations that we have put forward as a National Programme, but the ones we still haven't fulfilled are unfortunately on the agenda of Turkey, and I think that with the announcement, which will be made after the meeting of National Security Committee, some hesitations will be put aside. This is an important improvement for us.

When you examine the health and pharmacy systems of European Union countries', you encounter countries that have similarities with our system; countries that practice different models than us; countries that have more prob-

lems than we have; that is to say, when you consider 15 countries of European Union individually, in all of the countries, except 3-4 one of them, health systems have actually lower standards than Turkey, especially England's health system has totally collapsed today. We are aware of the fact that, to be examined by an ophthalmologist, you have to wait for 14-96 months. In Turkey today, nobody is waiting for this long to be examined by an ophthalmologist.

In fact, we have lots of other problems; but when we compare our system with those of different European countries', despite our many deficiencies, I can say that we are in a better position.

We have problems, but with a 68 million population we are sure to have problems in this field also, like many others. The main thing is how and for how long a period and with what measures these problems will be solved. We, as looking at these problems from this aspect, know these issues and try to minimize them by introducing our project day by day on how to solve them.

We have serious problems in the field of pharmacy and drugs just like the rest of the world, waste and abuse are being the primary ones. For example, last year the social security and civil foundations spent 3 quadrillion TL on drugs. As I had shared this knowledge with the public sincerely before, we can define 1 quadrillion of this expenditure as waste and abuse. When you open each refrigerator or drug closet in every house today, you will encounter drugs past their expiration dates. We buy drugs and put

them there. We lack serious cultural and educational issues in the usage of drugs. If we have to take 10 tablets of a prescribed drug, after taking 3, or let's say 4, we feel that we have recovered and halt to take that drug anymore; this won't do any good neither to us nor to that drug. We have this kind of a misunderstanding, wrong thinking and attitude. When we consider these altogether and if we talk about a waste and abuse of one out of three drugs, we are not to take this number too simply.

Let me give you an example: We have recently started a pharmacy automation system in Bağ-Kur on February. In February, March, April and May, there was a 17-18 trillion decrease in drug payments of Bağ-Kur in just three months. Why this has happened? There are 3 reasons for this: First, we started dosage follow-up, a system has been applied by Emekli Sandığı before. Second we started premium follow-up; we didn't give drugs to the ones who didn't pay their premiums. Third, according to this system, we started the practice of equivalency in drugs. With these 3 practices, we had a decrease of 17-18 trillion in the expenditures of Bağ-Kur; which means 200 trillion a year. You don't stand the chance of overlooking this 200 trillion, it is a serious number.

As you all know very well, our social security system today has been bankrupted as the result of laws, prepared years ago according to populist policies. Retirement age has been lowered, lots of practices have been performed without premium equivalent, people were allowed to retire at the age of 38, even 2 year old children were retired from SSK. I don't think that anybody will recall someone getting retired at the age of 22 even in Uganda.

As the result due to continuing negativity since 1965, SSK, Bağ-Kur, Emekli Sandığı have been collapsed. According to this year's budget, social security foundations lack 7.9 quadrillion, I mean emphasize it. As a matter of fact, in the preparation of the budget, I had expressed that this quantity could be much more, now I can see that this worry of mine is coming true. The total quantity of investment shares of the same budget is 5.7 quadrillion. When we compare these two numbers, we can see what kind of a problem our social security foundations are opposed to.

Within this kind of a social security, you have to pay retirement pays, in fact we can't say that these pays are sufficient; on the other hand, you have to pay for drug expenditures, provide health services and you have these lack of money in these giant figures in front of you. As the result of this difficulty, while performing arrangements of law to have a actuarial balance in this system, you have to fight with waste, abuse and also misuse of authority, since we know that these figures are not to be overlooked. For this purpose, we have taken some measures in social security foundations, especially in SSK and Bağ-Kur; we will take these measures to further dimensions in the future.

The most important issue of discussion is gathered in lots of points; but, according to my opinion, 2 points are coming forward nowadays; practices of equivalency in drugs, cheap drug definitions, discussion on prescribing drugs by number; these have been the most discussed issues in Turkey for the past 6-7 months. In fact there is no such thing as drug by number as we all know it; but in certain

circumstances this issue has been put forward in such a way that, they tried to annul the measures of appliance of sufficient drug usage in the eyes of public just at the beginning of the project. Today, the practice of sufficient drug usage has been performed successfully in U.S and many European countries and Turkey has to perform it also.

The practice of equivalency in drugs is also very important; one of the drugs that have the same active substance is sold for 2 million and the other is sold for 12 million; there is a great difference in the costs. We can not overlook this and have to take measures. This, of course, will be an improvement not so many employment foundations, companies, managers would like, but still, we have to form a solution with their contributions.

Dear friends, 94 TL, of a drug of 100 TL cost is being paid by social security foundations today. Therefore, the real owners of these drugs are the purchasing social security foundations; SSK, Bağ-Kur, Emekli Sandığı and civil foundations. We have to discuss this matter also as we have it in front of us. What we also have to discuss is, the promotions which are estimated to cost 300 million \$ in the light of these truths. Promotion can be found in European countries or U.S., it is found in every country of the world. This issue is put forward to public opinion by related foundations from time to time, it can be criticized or questioned again; but if we are to talk about a promotion of 300 million \$ in our country, and if social security foundations and government have to pay for %94 of it, then we have to reconsider it. As public and social security

foundations, we do not want to have promotions. We dislike individual promotions, at least I can say so for myself and on behalf of SSK. So what do we have to do: don't distribute 250 million of these promotion costs, subtract this amount from the cost of drugs that you sell. It is this simple. If this is opposed to, then I think that, we have to question this issue again.

The situation is just like this in Europe and Germany, it is not too different in England as well, but perhaps we have to solve these issues rapidly according to our own conditions. For this, as I have mentioned before, all the related sides, these are the Ministry of Health, the Ministry of Works and Social Security, the Ministry of Finance, the Ministry that is responsible for Treasury since it provides financial support, Undersecretary of Treasury, Turkish Medical Association, Turkish Pharmacist's Association, Drug Employment Union should gather together, discuss and come to a solution not only for this issue, but for all of the problems related to drugs. If not, this unilateral problem that we encounter from time to time is about to be solved for the time being, but since the primary source of all problems kept untouched, we are not really able to solve them. I am telling you this, because we are and your foundations come face to face most of the times, we have difficulty in drug payments that we purchase from you, we exceeded the periods for our obligations in the past, there were times when we could not make a payment in a period of 120 days instead of 45 days. You can not receive money from the Treasury. They don't have it etc. We had a chain of chaos back then. That's why I think it will be better to discuss the drug issue primarily with these foun-

dations that I have mentioned. At this point, Turkish Pharmacist's Association and Turkish Medical Association can lead the way. There are times when even Ministries have difficulty in coming side by side due to some different evaluations, so if civil community associations focus on this kind of an effort, I assume that we can achieve better results. Of course we have to add Drug Employment Union into these associations, since they form the 3 steps of this issue can result in a right solution.

Dear friends, I think that the invited panelists will give examples of their countries' in the matter of Pharmacy Practices and Reimbursement Systems in the countries of European Union, but as we know it, in many countries, including Germany, not every one included in a social security system can buy whatever drugs he/she wants, they have to pay themselves for certain drugs and a certain amount for the others according to their systems. We will be listening to these examples I believe.

I'd like to congratulate Turkish Pharmacist's Association again for opening an important issues on pharmacy to discussion in the process of membership to European Union and would also like to welcome the panelists who came from abroad both myself and on behalf of our government.

I hope this meeting to be a fruitful one.

With my respect.