



KEY FIGURES 2018

Pharmacies and pharmaceuticals in Norway

PHARMACY OWNERSHIP

Norway has a liberalized pharmacy system of ownership and establishment. The Norwegian pharmacy sector is recognized by:

- Free establishment of pharmacies – no establishment criteria
- Free ownership of pharmacies – anyone can own pharmacies, except pharmaceutical manufacturers and doctors
- No limit of the number of pharmacies that can be owned by one pharmacy owner – horizontally integrated pharmacy chains are allowed
- Vertical integration between wholesalers and pharmacies/ pharmacy chains is allowed

PHARMACIES

The Norwegian Pharmacy Act defines a pharmacy as a physically accessible place for drug sale to end-users where drug-related guidance is provided. Pharmacies ensure safe delivery of drugs to end users and contribute to the correct drug use in the population. Internet pharmacies can operate in Norway, if they are part of a physical pharmacy.

At the end of 2018 there were **934** pharmacies in Norway, among these **902** are community pharmacies and **32** are hospital pharmacies.

Community pharmacy is a pharmacy where dispensing of medicines is performed under the supervision of a pharmacist.

Hospital pharmacy is a pharmacy co-located with a public or private hospital and where drug supply to the hospital is one of the main task.

<i>Year (1st of January)</i>	<i>Number of pharmacies</i>	<i>inhabitants per pharmacy</i>
2019	934	5670
2018	899	5850
2017	868	6057
2016	834	6200
2015	800	6386
2014	767	6577
2013	738	6756
2012	707	6959
2011	682	7123

(Figure 1: Number of pharmacies and inhabitants per pharmacy 2011-2019)



EMPLOYEES

Professionals in pharmacies mainly consist of pharmacists and pharmacy technicians. Both groups are authorized healthcare professionals. To be able to dispense drug remedies independently one must be a pharmacist.

<i>Category</i>	<i>Community pharmacy</i>	<i>Hospital pharmacy</i>	<i>Total (Man-year)</i>
Pharmacist, master's degree	1591	400	1991
Pharmacist, Bachelor's degree	1417	106	1522
Pharmacy Technician	2232	504	2737
Other education	452	184	636
Total	5692	1193	6884

(Figure 2: Total man-year, type of pharmacy and education level)

CONSUMPTION (2018)

All prescription medicines: 2 732 million DDD (+2 % from 2017)

Non-prescription medicines (sold by pharmacies): 252 million DDD (-11 % from 2017)

<i>Active substance</i>	<i>DDD (million)</i>	<i>DDD (per inhabitant)</i>
1. Atorvastatin (Lipitor)	173	32,5
2. Acetylsalicylic acid (Albyl-E)	119	22,3
3. Amlodipin (Norvasc)	65	12,2
4. Paracetamol (Paracet)	64	12,0
5. Kandesartan (Atacand)	63	11,8
5. Cetirizin (Zyrtec)	63	11,8

(Figure 3: Medicines with highest consumption, population: 5 328 212)

In 2018 the **total spending on pharmaceuticals** was 27.7 billion NOK (Incl. 25 % VAT). The **average spending on pharmaceuticals** was 5 200 NOK per inhabitant (incl. 25 % VAT). Over 3 900 NOK were paid by the Norwegian state (Approx. 75 %).

**TOTAL TURNOVER (all figures incl. 25 % VAT)**

Pharmacies' total turnover: NOK 36.6 billion (+4.3 % from 2017)

Community pharmacies: NOK 28.5 billion (+4.0 % from 2017)**Hospital pharmacies:** NOK 8.0 billion (+5.2% from 2017)**Total turnover, type of pharmacy and medicine type.**

	<i>Community pharmacy</i>	<i>Hospital pharmacy</i>	<i>Total</i>
	<i>(mill. NOK)</i>	<i>(mill. NOK)</i>	<i>(mill. NOK)</i>
Prescriptions medicines	18 335 (3.9 %)	6 999 (3.5 %)	25 336 (3.8 %)
Non-prescription medicines	2 654 (2.4 %)	138 (2.3 %)	2 792 (2.4 %)
Other pharmacy goods	7 553 (4.8 %)	927 (20 %)	8 480 (6.3 %)
Total	28 542 (4.0 %)	8 064 (5.2 %)	36 607 (4.3%)

(Figure 4: increase from last year in parenthesis)

Pharmaceutical financing

In Norway, prescription medicines are financed by the state through the reimbursable prescription regime (National Insurance Scheme) and the regional health authorities (H-prescriptions and medicines used in hospitals), by other health institutions and by the patients through self-payment.

In recent years, the Regional Health Authorities¹ (RHAs) have taken an increasing part of the pharmaceutical costs. Some of the most important medicines covered by this scheme are TNF inhibitors.

¹ Regional health authorities are the four regional institutions owning the public hospitals in Norway.

Prescriptions financed by the National Insurance Scheme

Paid by the state: The National Insurance Scheme (NIS) cover expenses for medicines, medical supplies etc. prescribed by a physician for outside hospital-use. The coverage is limited to the treatment of serious illnesses or of risk factors that are likely to cause or intensify serious illness and where there is a need or risk of recurring treatment over a prolonged period of time. In 2018 the total amount was NOK 10.4 billion.

Paid by the patient: According to § 8 the patients pay a share for blue prescriptions. For 2017 the limit was 2 258 NOK for each patient. The total co-payment for prescription drugs in 2018 amounted to just over NOK 1.3 billion.

H-prescriptions: For some medicines, the RHAs are given a special financial responsibility, even though treatment is outside hospitals. This includes disease-modifying, biological drugs for of rheumatic disorders - the so-called TNF inhibitors, some medicines for the treatment of multiple sclerosis (MS) and cancer drugs etc.

Prescriptions paid for by the patient: Pharmaceuticals not covered by NIS, health authorities or municipalities are called white prescriptions and are generally paid by the patient. This often applies to short-term treatment, such as painkillers, sleepers and antibiotics.

Number of prescription dispatches

	<i>Total prescriptions</i>	<i>Change From 2017-18</i>	<i>Share of total</i>
NIS- financed prescriptions (paid by the state)	35 163 500	3.6	61.1 %
Prescriptions paid by the patient	20 478 562	-0.4	35.6 %
H-prescriptions (Regional Health Authorities)	289 656	27.6	0.5 %
Prescriptions from veterinary	1 028 072	4.0	1.8 %
Other prescriptions	628 860	2.4	1.1 %
Total prescription dispatches	57 588 650	2.4	100

(Figure 5: Type of prescriptions, change and share of total. * Incl. blue prescriptions on contraception and DAR)



PRICE-SETTING

The authorities decide the maximum price for prescription medicines in Norway.

1. The maximum purchase price for pharmacies is set (by the Norwegian Medicines Agency) as the average price of the three lowest market prices in nine European countries.
2. The pharmacies' maximum mark-up consists of a percentage addition to the pharmacies' purchase price combined with a fixed additional amount per package, as shown in table:

	% addition	NOK per package	NOK per package (A/B*)	Refrigeration addition
2018	2.25 %	29 NOK	15 NOK	0,5 %

(* A/B are narcotics and addictive medicines)

Price-setting for generics

Medicines that are subject to generic substitution should follow the system of “stepped prices”. The authorities have decided that pharmacies must offer patients at least one generic alternative at a price that is considerably lower than the maximum price. These prices are called “trinnpris” (stepped prices). The prices² are cut up to 96 %.

Hospital medicines and confidential prices

Hospital medicines are largely purchased on a tender basis, and affect the medicines available for prescribing. An increasing number of expensive medicines are subject to tender, and included in the formulary lists. Prescribing outside of formulary lists will be increasingly difficult. This also applies for H-prescriptions (see above). The trend of transferring high-cost medicines to the H-prescription category is also a trend for less expensive drugs (e.g. for hepatitis B).

The discounts which are achieved through tenders are confidential. Hence, the actual market prices (after discounts) are not publicly available information, but known to doctors, dispensing pharmacists and other groups of health personnel.

² Pharmacy purchase price



PHARMACY SERVICES

The Pharmacy chains in Norway do service campaigns like diabetes screening, control of blood pressure, control of cholesterol and so on.

New Medicine Service

In December 2017, the Norwegian Parliament approved the introduction of a pilot project with New Medicine Service (Medisinstart) in pharmacies. At the same time, they granted NOK 4 million over the national budget. From May 2nd patients could receive the service with no co-payment in Norwegian pharmacies. «Medisinstart» is a new pharmacy service intended for patients with cardiovascular diseases starting up with a new medicine. The service consists of two follow-up consultations with a pharmacist. The first at 1-2 weeks and the second at 3-5 weeks after start of the new medicine.

Checking inhaler technique

This service was officially launched in 2016 by the Minister of Health. In 2018 56,000 inhaler technique instructional services have been completed. The pharmacies report that 7 out of 10 patients who received the service were not correctly administering their inhaled medicines and hence their technique was corrected.

Influenza vaccination

In 2018, influenza vaccination was available in 259 Norwegian pharmacies. Approximately 14,000 vaccines were given in Norwegian pharmacies.