

4. Proposals and their impacts

4.1 Main proposals

The proposal includes a suggestion to amend the Government Decree on the Pharmaceutical Tariff so that the tariff for prescription medicines would be cut evenly across all tariff classes based on the uniform wholesale price of medicines. The reduction would target the share of the pharmacy's margin of the prescription medicine price under the pharmaceutical tariff.

It is proposed that the Pharmacy Tax Act be amended so that, in the future, the basis for the pharmacy tax would be the combined profit margin of the pharmaceutical sales of all taxable pharmacy locations, excluding value-added tax. The profit margin of pharmaceutical sales would be calculated on the basis of the gross margin of pharmaceutical sales. The pharmacy tax scale would be progressive, as has been the case so far. However, the steps in the tax scale would be based on the profit margin groups of pharmaceutical sales and the scale would have six steps. The tax scale would be constructed in such a way as to achieve an annual pharmacy tax revenue of approximately EUR 200 million. It is proposed to amend the items deducted from the taxable amount as it would no longer be necessary to deduct sales of non-pharmaceutical products or part of the retail price of expensive medicines from the profit margin of pharmaceutical sales in order to correct the so-called negative margin. The regulation on negative sales margins would also be repealed from the price provision of the Medicines Act. The exceptional methods for calculating the amount of tax relating to branch pharmacies would also be abolished. As a new deductible item from the pharmacy tax, the sale of non-prescription medicines included in the restricted selection of non-prescription medicines under the Medicines Act would be introduced.

The Medicines Act would determine the restricted selection of non-prescription medicines, which would consist of such therapeutic classes that are considered to involve minor risks and in which drug therapy is assessed to be safe to implement without pharmaceutical counselling. The therapeutic classes would be specified in more detail in the Medicines Decree in accordance with the ATC classification. Wholesale price discounts and retail discounts below the uniform wholesale price would be permitted for the products included in the selection. However, the retail pricing of the products would still have to comply with the maximum price under the pharmaceutical tariff and with other pricing rules of the pharmaceutical tariff. The limited selection of non-prescription medicines would be excluded from the basis of the pharmacy tax. The price and tax rules would apply to the entire selection, irrespective of whether or not an extension of the sales channel to sales outside pharmacies was requested for the products in question.

It is proposed to transfer the regulation on the supply classification of non-prescription medicines from the Medicines Decree to the Medicines Act. In principle, a medicinal product classified as a non-prescription medicine should only be sold in pharmacies. The sales licence holder could, if they so wish, apply for an extension of the sales channel of their finished product to sales outside pharmacies. It would have to be granted if the product were included in the limited selection of non-prescription medicines and met the conditions laid down in the Act.

The Medicines Act would provide for a retail licence for non-prescription medicines, which would authorise, on a stand-alone basis, the sale of non-prescription medicines for which an extension of the sales channel would have been sought. The Act would lay down the conditions for licences, the application for licences, notifications, the validity of the licence, the requirements imposed on the holder of the licence and the duties of the responsible person, as well as the penalties. Advice on medicinal products should not be given to customers outside pharmacies, and the licence holder and their staff would be subject to professional secrecy. More detailed regulation would be included in the Medicines Decree.

In addition, the regulation of the Medicines Act would be amended to enable the retail sale of non-prescription medicines outside the pharmacy as part of the pharmaceutical supply chain. The amendments would concern the scope of the Act, the responsible director of the pharmaceutical factory and the pharmaceutical wholesaler, the acquisition of non-prescription medicines from the pharmaceutical wholesaler and pharmaceutical factory, the removal of the safety features of medicines, the obligation of the retail licence holder and the pharmaceutical wholesaler to keep medicines available, the right to sell

medicines, the remote sale of medicines, medicine samples, the authorities' right to inspection and information, the obligation to pay a quality control fee, appeals and criminal liability for violation of professional secrecy obligations.

In addition, it is proposed to clarify the distribution of medicine samples in the Medicines Act so that licensed pharmacists and pharmacists could only give out samples of non-prescription medicines, and to clarify the provision on marketing of medicines so that prescription medicines could not be marketed to holders of retail licences for non-prescription medicines. It is proposed to add the system for recording the safety features of medicinal products and the operator of the recording system, which were mistakenly deleted from the provision on official inspections, which should also be subject to the right of inspection. The provisions on the wholesale distribution of medicinal products and the sale of nicotine products are proposed to be amended by a reference to the section.

The Medicines Act would include provisions on the right of pharmacies to deviate from prescriptions in situations of nationwide shortage of availability, when a medicine is withdrawn from the market, for special reasons in individual exceptional situations where the medicine would not be in the pharmacy's stock, and in situations where a prescription for a regularly used medicine has recently expired or been fulfilled. The Medicines Act would lay down provisions on the extent to which a licensed pharmacist or pharmacist working in a pharmacy may deviate from a prescription and under what conditions. As a general rule, the total quantity of medicinal products should not be exceeded, except for individually regulated exceptions. The exception should be made in agreement with the purchaser of the medicine, the purchaser should be given the necessary advice on the medicine and the exception should be recorded with the Prescription Centre (Reseptikeskus) and in the information sent to the Social Insurance Institution of Finland Kela. It is proposed that the Health Insurance Act be amended in such a way that the deviation does not affect the right of the user of a medicinal product to receive reimbursement for the medicinal product supplied to them.

It is proposed to amend the Electronic Prescription Act so as to give pharmacies the right to correct obvious errors in an undelivered prescription issued to the user of the medicinal product. The Act would set out the extent to which a prescription could be amended and the conditions under which it could be amended. The correction should be made in agreement with the purchaser of the medicinal product and should be accompanied by the necessary advice on medicinal products. Correction data should be recorded in the Prescription Centre. The prescriber would be given access to pharmacies' deviation and correction records, irrespective of the care relationship, for prescriptions where they are identified as the prescriber.

It is proposed to amend the provision of the Health Insurance Act concerning the state's contribution to the financing of the health insurance system's medical expenses insurance, so that the reimbursement payments related to the conditional reimbursement of medicine reimbursements would be fully allocated to the state from the beginning of 2026.

4.2 Principal impacts

4.2.1 Economic impact

4.2.1.1 Economic impact on government finances and public finances

The table below summarises the impact of the legislative amendments proposed in the proposal on state finances based on the assumptions and conditions described below.

Table 2. Summary of the proposal's impact on government finances.

Measure	Estimated impact on government finances	Start time
Savings impact on government finances		
Change to the pharmaceutical tariff of prescription medicines	Savings on state reimbursement costs for medicines MEUR -31,4 /year	1 January 2026

Allocation of refund payments related to conditional reimbursements to the state	Savings on state pharmaceutical reimbursement costs MEUR -29/year	1 January 2026
Impact on state tax revenue		
Cut to the pharmaceutical tariff for prescription medicines, changes to the Pharmacy Tax Act, and removal of the restricted non-prescription medicine selection from pharmacy taxation.	The state's pharmacy tax revenue would decrease to approximately EUR 200 million per year.	1 January 2026 (pharmacy tax payable for the first time in 2027).
Cut to the pharmaceutical tariff for prescription medicines	The state's tax revenue would be reduced by around EUR 16 million per year (including income tax, municipal tax, corporation tax, church tax and medical care contribution fees in the health insurance). In addition, there will be a slight reduction in value added tax.	1 January 2026

It is estimated that the impact on state finances of the medicinal product savings to be achieved by the proposal would be approximately EUR 60,4 million per year. In the preparation of the proposal, it can be seen that the state's income tax revenue would be reduced by approximately EUR 16 million. The effects of the pharmacy tax have been examined in more detail below.

The aim of the proposed change to the pharmaceutical tariff for prescription medicines, in accordance with the government programme, is to achieve a permanent annual saving of EUR 30 million in public finances. The savings would focus on the medicine reimbursements by the health insurance system.

Based on the simulated data of reimbursed medicine purchases produced by the Social Insurance Institution Kela for 2022–2024, the proposed change to the pharmaceutical tariff for prescription medicines would reduce medicine costs by EUR 34–38 million per year and decrease health insurance reimbursement expenditures by EUR 28–31 million per year. The proposed change to the pharmaceutical tariff for prescription medicines would, according to this estimate, achieve the targeted permanent annual saving of EUR 30 million, assuming that the pharmaceutical market does not grow significantly from the 2024 figures in 2025 or 2026. It was not possible to make more detailed forecasts of the development of the pharmaceuticals market in the assessment. The modelling of the change impact for previous years based on pharmaceutical consumption is shown in Table 3.

Table 3. The impact on pharmaceutical costs and reimbursements of the proposed tariff, which would cut all wholesale price categories evenly, based on Kela's microsimulation model.

Flat rate model for different wholesale price categories			
	2022	2023	2024
Cost	-34,3 million euro	-36,1 million euro	-38,1 million euro
Reimbursement (government share 67%)	-28,1 million euro (-18,8 million euro)	-29,6 million euro (-19,8 million euro)	-31,4 million euro (-21,0 million euro)
Patients' share	-5,7 million euro	-5,9 million euro	-6,2 million euro
Average deductible (change)	180.68 euro (average -1.49 euro, min -14.60 euro, max + 0.03 euro)	186.27 euro (average -1.51 euro, min -14.42 euro, max +0.01 euro)	191.71 euro (average -1.57 euro, min -14.85 euro, max +0.01 euro)

The reduction of EUR 30 million in public pharmaceutical expenditure would be shared between the state and the insured in proportion to the existing contributions under the Health Insurance Act, with the state contributing around EUR 15 million (51.4%) and the insured around EUR 15 million (48.6%). In accordance with the government's 2023 budget session and the 25 April 2024 decision on the 2025–2028 public finance plan, under the amendment to the Health Insurance Act (693/2024), the portion of the approximately EUR 30 million public finance savings from the proposed pharmaceutical tariff change for prescription medicines attributable to insurance contributions has already been fully allocated to the state in advance.

Without the allocation, approximately EUR 15 million of the EUR 30 million reduction in public medicine reimbursement expenditures would be allocated to the insured, which would theoretically lower the medical care contribution by about 0.01 percentage points. However, this reduction in the contribution of the insured is expected to be allocated into savings for the state, so the proposal would maintain the level of premiums unchanged. Taking the allocation into account, the state savings from the pharmaceutical tariff change for prescription medicines would be approximately EUR 30 million.

Allocating the return payments from conditional medicine reimbursements fully to the state is estimated to reduce health insurance financing needs by about EUR 29 million. The contribution of the insured would increase by a corresponding amount. The measure would replace the savings of EUR 30 million on statutory health checks agreed in the Government Programme by EUR 20,2 million and implement the savings of EUR 10 million determined in the framework agreement of spring 2024 on the reimbursement of medicines. Under the aforementioned amendment act (693/2024), a share of EUR 3 million of the EUR 10 million medicine savings obligation attributable to insurance contributions would have been pre-allocated in advance.

This estimate is based on an estimated annual amount of EUR 60 million in refundable fees, of which 51.4% (approximately EUR 31 million) and 48.6% (approximately EUR 29 million) reduces the contributions of insured persons, currently being allocated to the state. The refund payments have reduced government expenditure for the state and reduced the medical care contributions for the insured. In the future, the benefit of the refund payments would be fully passed on to the state, so that the refund payments would no longer relieve the burden on insured persons. The change would not weaken public finances, as both the state contribution and the insurance premiums are part of public finances. The contribution of the insured is

covered by a medical care contribution levied on employees, beneficiaries and self-employed persons. As a result of the proposal, the calculated need for an increase in the medical care contribution of insured persons would be 0.02 percentage points.

It is proposed to grant pharmacies the right to derogate from the prescription and to correct obvious errors in the prescription. The proposal is not expected to have a significant impact on the amount of reimbursements, as the proposed changes would aim to ensure that the implementation of reimbursements would not be affected by a deviation or correction, and deviations are already an existing practice in pharmacies. The pharmacy should make the deviation or correction in accordance with Section 57 of the Medicines Act.

The pharmaceutical tariff cut of prescription medicines would reduce the state tax revenue derived from pharmacy income. The income earned from pharmacy activities is counted as the earned income of the licensed pharmacist, which is taxed by means of income tax. The proposed change in the tax rate for prescription medicines is estimated to reduce the state's earnings tax revenue by EUR -11,6 million. Municipal tax revenue is estimated to decrease by EUR 1,5 million. In addition, the change is estimated to have a minor impact on government corporation tax revenue, church tax and the medical care contribution of health insurance (less than EUR 1 million). Overall, the net impact of the proposed change to the pharmaceutical tariff for prescription medicines on state tax revenues (excluding the pharmacy tax) is estimated to be approximately EUR -16 million.

The cut to the pharmaceutical tariff for prescription medicines would also affect the state's VAT revenue. However, it should be noted that at the same time, a number of ongoing changes are affecting value added tax (VAT) revenue, such as the change in the VAT rate of medicinal products and the decrease in the prices of medicinal products. VAT revenue is likely to decrease slightly as a result of the changes, but due to uncertainties, the size of the decrease was not modelled in euros.

The pharmacy tax is paid to the state in several instalments each year. The tax period for pharmacies is the calendar year. The pharmacy tax for the previous year must always be paid by the end of February of the following year. If a pharmacist retires or gives up their pharmacy licence during the year, they must also pay the pharmacy tax for the same year in advance, as an exception. The amount of pharmacy tax payable at the end of the year is usually approximately EUR 5–6 million. For this reason, the pharmacy tax impact of the proposed changes can be assessed on the basis of two pharmacy tax figures.

In 2025, government pharmacy tax revenue is based on the tax collected in the calendar year 2024 (tax period) and the pharmacy taxes paid in advance during 2025, for example, due to the closure of a pharmacy business. The total revenue for 2025 is estimated to exceed EUR 220 million. At the end of February 2025, the pharmacy tax revenue, which is expected to be allocated entirely to the tax period 2024, was EUR 213 million.

In 2024, the state's pharmacy tax revenue amounted to EUR 209 million (Tax Administration's statistical database). Development of tax revenues. Tax revenue and refunds, net revenue from pharmacy tax, total for fiscal year 2023. Available 1. Tax revenues and refunds as variables Tax type, Tax year, Month, Variable and Data. PxWeb). Based on the turnover in 2023, pharmacies paid around EUR 200 million in pharmacy tax by the end of February 2024.

The changes to the pharmaceutical tariff for prescription medicines and the Pharmacy Tax Act, taking effect from 1 January 2026, would be applied for the first time to the pharmacy tax for the 2026 tax year, which would be payable to the state by the end of February 2027. It is also proposed that the new price regulation for the limited selection of non-prescription medicines and their removal from the pharmacy tax base be applied from 1 January 2026, i.e. they would be shown for the first time in the pharmacy tax paid in 2027.

The proposed changes to the pharmaceutical tariff for prescription medicines and pharmacy taxation are estimated to reduce the state's pharmacy tax revenue, so that the pharmacy tax payable in 2027, based on the 2026 calendar year, would amount to approximately EUR 207 million per year, assuming that other market changes do not affect the amount of the pharmacy tax. The new pricing of the limited selection of non-

prescription medicines and the removal of the selection from the pharmacy tax base is estimated to reduce the pharmacy tax revenue by a further EUR 7 million.

The pharmacy tax revenue collected in 2027 would therefore correspond to the pharmacy tax collected for the 2023 tax period. Compared to the total pharmacy tax revenue in 2025, the reduction would be approximately EUR 20 million. If only the pharmacy tax collected from the tax period 2024 (paid by the end of February 2025) is considered, the reduction would be approximately EUR 13 million. The calculation cannot take into account the state pharmacy tax revenue for 2026 collected in the 2025 tax period, as the tax period is still in progress at the time the proposal is prepared. However, due to uncertainties related to the development of the pharmaceutical market and the calculations, it is not possible to give an accurate estimate of the state pharmacy tax revenue in 2026.

The proposal proposes that retail prices below the uniform national wholesale price for products included in the limited selection of non-prescription medicines should be allowed. The proposed amendment may have a limited impact on state pharmaceutical reimbursement expenditure, as some of the products in the selection are reimbursable medicinal products. A change in price regulation may also have an impact on the state tax revenue. Due to uncertainties related to the launch of the price competition and regional differences, it was not possible to estimate the impact in euro in advance. Due to uncertainties related to price competition and likely regional differences, it is not possible to make an ex-ante estimate in euro. In addition, from 1 January 2027, the selection of non-prescription medicines sold in pharmacies may be transferred to the scope of business carried out under a limited liability company, provided that a special purpose entity is operating in connection with the pharmacy. The changes in state tax revenue in this respect are assumed to be small and have not been modelled in euro terms.

Factors affecting the economic impact on the state

The proposed changes to the pharmaceutical tariff for prescription medicines and pharmacy tax are being made in a context where the economic operating conditions of pharmacies are subject to multiple changes. The pharmaceutical tariff and pharmacy tax were last amended by changes that came into effect at the beginning of 2023, the pharmacy substitution of biological medicines has been gradually introduced during 2024–2026, the VAT rate on medicines increased from 10% to 14% at the beginning of 2025, and will decrease to 13.5% following the implementation of the government's spring 2025 budgetary framework decisions. In addition, wholesale prices of medicines were reduced by 1.5% in the beginning of March 2025. All of these changes have implications for the finances of pharmacies, and it has only been possible to model their effects to a limited extent as part of the impact assessment.

A separate assessment of the growth rate of pharmaceutical sales was carried out as part of the preparatory work. In the current situation, several factors were identified as slowing down the growth rate. Several legislative changes have been introduced to curb the increase of pharmaceutical costs. Of the changes, the introduction of pharmacy substitutions for biological medicines in particular is expected to have a significant impact on pharmaceutical costs and reimbursement expenditure from the beginning of 2025, but the magnitude of the change is not yet apparent from the data.

In addition, the increase in medicinal product sales is affected by the expiry of patents for products used for the treatment of certain large patient groups and, as a result, the entry of more affordable products into the reimbursement system, as well as by active price competition, which is expected to lower the prices of medicines. For example, in the group of anticoagulants used as blood thinners, the effects of price competition will not be felt until 2025 at the earliest. However, we believe that with several changes taking place at the same time, the pharmaceutical market will not grow at the same pace as in previous years in the coming years. At the same time, we anticipate that the impact of these factors will not be so large as to reduce the size of the pharmaceuticals market in the coming years.

During the current government term, following the adoption of the Government Programme, the Health Insurance Act has been amended by act (693/2024). The amendment to the act changed the financial contributions of medical care insurance so that the state's contribution is 51.4% and the insured's 48.6%. The

purpose of the legislative amendment was, in accordance with the government's 2023 budget session decision and the 25 April 2024 government decision on the 2025–2028 public finance plan, to channel the savings affecting social security funds resulting from government measures fully to the state and municipalities to reduce indebtedness (government proposal HE 123/2024 vp). The allocation of savings consisted of several measures, one of which was reducing the state's funding responsibility for medical expenses insurance benefits and increasing the insured's share of medical expenses insurance costs. In the allocation, the medicine reimbursements and pharmacy savings of EUR 30 million, as well as the EUR 10 million medicine savings, already identified in advance as measures under the government programme and budget framework decision, were fully allocated to the state. In practice, this was done by increasing the financial contribution of insured persons for medical care insurance.

In preparing this proposal, the funding shares in effect at the time of the government programme were used for the pharmaceutical tariff cut for prescription medicines, in which the state's share of medicine reimbursement expenditures was 67% and the insured's share 33%. This is because, under the aforementioned amendment act 693/2024, the share of the insurance contributions of the targeted public finance savings created by the proposed tariff change were already allocated in advance. If the calculation had used the contribution rates that changed during the government term, the achieved cut would have been significantly higher than the cut envisaged at the time the government programme was adopted.

4.2.1.2 Economic impact on households

The proposed cut to the pharmaceutical tariff for prescription medicines is expected to benefit medicine users through reduced medicine costs. Users of medicines pay an excess for the reimbursed medicines they purchase. The annual benefits for users of medicines are estimated to be approximately EUR 6 million per year (Table 3). The average patient's excess of medical treatment after the proposed amendment would be about EUR 190. On average, the user-specific excess of the medicinal product would be reduced by about EUR 1.57 (Table 3). In addition, the proposed change to the pharmaceutical tariff is expected to reduce the prices of non-reimbursable prescription medicines, which would directly benefit patients, as they pay the full cost of these medicines themselves.

It is proposed to amend the price regulation of medicines included in the limited selection of non-prescription medicines. The change is expected to benefit at least some users of medicinal products, as it would allow for greater discounts on the retail prices of the products in the selection. It is estimated that users of medicinal products will benefit from the discounts, in particular in areas where there are several pharmacies and retail licence holders of non-prescription medicines. As price competition increases, the prices of a limited selection of non-prescription medicines could be expected to decrease.

However, the benefits for users of medicines would be lower if price competition and any discount agreements did not reduce the prices of medicinal products included in the limited selection of non-prescription medicines. As a result, the benefit is likely to vary according to region. In its memorandum, the non-prescription medicines committee estimated that the impact on consumers' willingness to pay would depend on the intensity of price competition for products authorised for sale in other sales channels. The intensity of price competition would depend on the size of the selection and the incentives for non-pharmacy retail outlets to enter the market. The greater the selection, the greater the incentives for other players to enter the market.

The burden on users of a medicinal product could also increase if a pharmaceutical company were to increase wholesale prices in order to increase its ability to grant discounts on its proprietary medicinal product in a limited selection of non-prescription medicinal products to certain pharmacies or to holders of retail licences for non-prescription medicinal products. An increase in wholesale prices would then change the maximum price of these medicines under the pharmaceutical tariff for non-prescription medicines at all points of sale. The proposal suggests that the restricted non-prescription medicine selection be subject to maximum pricing under the Government Decree on the Pharmaceutical Tariff. However, this would not prevent retail prices from rising above the current tariff if a pharmaceutical company were to act as described above. The current legislation allows the prices of non-prescription medicines to be changed every two

weeks. It is possible that, in the future, the maximum price would only apply in less competitive areas, so that the price of a limited selection of non-prescription medicines would be set accordingly for consumers visiting pharmacies or retail outlets of the non-prescription medicine selection in such areas. Given the uncertainties associated with the pricing model in terms of market changes, it is not possible to estimate the size of the benefits to consumers in advance.

The change to the pharmaceutical tariff for prescription medicines is not expected to have a significant impact on consumer purchasing behaviour, as prescription medicines are largely reimbursed and their use requires a prescription. The impact of the change in the price regulation of medicinal products included in the limited selection of non-prescription medicines on consumers' purchasing behaviour would depend on how what the selection of non-prescription medicines sold outside pharmacies would look like as well as local price competition between pharmaceutical companies and pharmacies and retail licence holders of non-prescription medicines. Due to these uncertainties, it is not possible to make a more precise assessment of the impact on consumers in advance.

The proposal proposes that the reimbursement fees related to the conditional reimbursement of medicines reimbursement be allocated fully to the state in the financing of medical care insurance under the health insurance scheme, so that the reimbursement fees would no longer reduce the payment burden for insured persons. The change would implicitly affect insured persons' contribution to the cost of health insurance and implicitly increase the contribution of employees, beneficiaries and self-employed persons by 0.02 percentage points.

The proposal proposes that pharmacies should be able to deviate from the prescription and correct the prescription in certain circumstances in order to ensure continuity of treatment. The proposals would mean that a legislative framework would be introduced to support existing practice in pharmacies. The proposed amendment to the Health Insurance Act would aim to ensure that any deviation or correction made would not affect the right of the user of the medicinal product to be reimbursed for their purchase of medicinal products, as long as the medicinal product supplied to them would be reimbursable. It is also required that the deviation or correction of costs should also be made in agreement with the user of the medicinal product. However, it is possible that, in individual situations, the cost to the user of the medicinal product would increase.

On the other hand, challenges related to the procurement of medicines may create additional burdens. This can weaken the commitment to care, the implementation of which presents significant challenges according to international studies (Kvarnström, Westerholm, Aikainen, Liira). Factors Contributing to Medication Adherence in Patients with a Chronic Condition: A Scoping Review of Qualitative Research. *Pharmaceutics*. 2021 Jul 20;13(7):1100). The right of pharmacies to deviate from prescriptions in certain specific situations, which has been the practice in recent years, means that the inconvenience to the user of obtaining medicines is reduced and pharmacies can ensure continuity of treatment without the need for an urgent visit to the health service and the possible additional costs of a visit to the pharmacy or health service for the user.

4.2.1.3 Economic effects on pharmacies

Initial situation of the pharmacy economy and operation

In 2023, the Finnish pharmacy network consisted of a total of 638 private pharmacies, with a total of 173 branch pharmacies and 115 pharmacy service points. In addition, there were two university pharmacies, and the University of Helsinki Pharmacy had 16 branch pharmacies. A total of 253 pharmacies offered distance selling of medicines. In Finland, there were on average around 6 780 people per pharmacy location (pharmacies and branch pharmacies) in 2023. However, there were differences between regions and municipalities in the number of pharmacies. (Fimea 1/2025 pp. 12-13).

The pharmaceutical tariff for prescription medicine retail pricing and the pharmacy taxation of expensive medicines were changed by the legal and regulatory amendments that came into effect at the beginning of 2023. Following the changes, in 2023, private pharmacies were generally commercially profitable in Finland.

Between 2022 and 2023, the total turnover of private pharmacies increased by 1.6% (EUR 43 million). The average VAT-free turnover of private pharmacies in 2023 was around EUR 4,5 million (excluding university pharmacies) and the median turnover was around EUR 3,9 million. However, the turnover of pharmacies varies and their financial operating conditions depend, for example, on the place of business. University pharmacies were excluded from the analysis. The average turnover of the smallest pharmacies is EUR 1,1 million and that of the largest pharmacies is over EUR 10,1 million. The 216 pharmacies in the two largest turnover groups accounted for 56% of total pharmacy turnover. The changes that came into force at the beginning of 2023 slowed down the growth rate of turnover and also slowed down the growth rate of pharmaceutical turnover more than total turnover (Fimea 1/2025 pp. 21-22 and Reinikainen and Hyvärinen: Apteekkien talous article, pp. 28-32, Suomen Lääketilasto 2023. In the financial statement analysis published annually by Fimea, there are repeatedly several pharmacies where the calculated operating profit is less than zero euros (Fimea 1/2025, p. 33). This shows that the pharmacy economy is highly polarised.

The turnover of pharmacies consists of the sale of medicinal products, the sale of foodstuffs and general commercial goods, the manufacture of medicinal products and the sale of pharmaceutical services. In the sale of medicines, the sale of prescription medicines and non-prescription medicines can be distinguished. The share of pharmaceutical sales in total pharmacy sales was about 94% in 2023 (Fimea 1/2025 pp. 21-24).

The pharmacy sales margin shows how much margin a pharmacy has left over after deducting the cost of purchased goods corresponding to sales from sales revenue. The sales figures include all the business activities of a pharmacy, not just pharmaceutical sales. The pharmacy sales margin 1 is calculated by deducting from the turnover the costs directly related to the medicinal product. Sales margin 2 also takes into account the pharmacy tax paid. In 2023, the average sales margin 1 of private pharmacies was EUR 1,2 million and the sales margin percentage 1 was 26.7 %. Compared to 2022, the sales margin percentage decreased by 3.6%. In 2023, the average sales margin 2 of private pharmacies was EUR 917,000 and the sales margin percentage 2 was 20.4%. Compared to the previous year, the profit margin percentage 2 decreased by 2.9%. The average sales margins of private pharmacies in euros have increased between 2020 and 2022, but since then the figures have decreased. Average sales margin percentages have fallen in recent years, but in 2023 the decline was faster than in 2020-2022. The decline in sales margins is explained by the increased share of expensive medicines with relatively lower margins and the resulting growth in the pharmacy tax, as well as the 2023 changes to the pharmaceutical tariff (Suomen Lääketilasto 2023, article p. 30; Fimea 1/2025, pp. 27-28).

In 2021-2023, pharmacies' sales of prescription medicines, based on the number of packages, were mostly made up of medicines in the two lowest tariff categories. However, when looking at the formation of the sales margin based on the value of medicines, it can be seen that the highest sales margin is generated by medicines with a wholesale price of EUR 7.5-39.99 and EUR 40-99.99. In addition, the prescription medicine sales include delivery fees, which remain unchanged, and in this case their impact has not been taken into account in the calculations. In 2023, the total sales margin of all Finnish pharmacies from sales of non-prescription medicines was approximately EUR 130 million. The average sales margin of pharmacies on the sale of non-prescription medicines was EUR 202,380/pharmacy and the median sales margin was EUR 155,640/pharmacy.

The combined pharmacy margin has been calculated based on non-prescription medicines sold in pharmacies, as recorded in Fimea's wholesale register, to which the pharmaceutical tariff is applied. From 1 April 2022, pharmacies have been able to give discounts on the sales margin of non-prescription medicines. However, discounts have been granted moderately, so their impact has not been taken into account above (Fimea 7/2024, p. 19).

The operating profit of a pharmacy is the pharmacy's operating profit before interest, profit-adjusting entries and taxes. The operating profit of the pharmacies also includes the pharmacist's salary, business risk and return on equity. The average operating profit before profit-adjusting entries and taxes of private pharmacies (n=534 excluding changes of ownership) assessed in Fimea's financial statement analysis was around EUR 226,500 in 2023, with a median of EUR 207,600. The operating profit or loss in 2023 ranged from around

EUR -380,000 to around EUR 1,6 million. Compared to 2022, the average operating profit per pharmacy of private pharmacies decreased by approximately EUR 38,500 (approximately 14.4%). Operating profit was weakened by, among other factors, the 2023 pharmaceutical tariff cuts and general cost increases. There is no generally accepted definition for determining the level of the salary adjustment of a pharmacy's licensed pharmacist. It may vary between EUR 64,000 and EUR 94,000. If the above-described salary adjustment of the licensed pharmacist is taken into account in the calculation, the average salary-adjusted operating profit after tax would vary between around EUR 99,000 and EUR 81,000 (Fimea 1/2025 pp. 29–32).

The financial statement analysis of pharmacies has estimated that a pharmacy's business is positive if the pharmacy's profit covers its operating costs and the pharmacist's salary. Of the pharmacies (n= 534) evaluated in 2023, 96% were pharmacies with an operating profit greater than 0 before profit-adjusting entries and taxes and pharmacist salary adjustment. Of the pharmacies, 19 (about 3.6% of pharmacies) were loss-making, i.e. their results were negative and not sufficient to cover operating costs. Of the pharmacies, 13% (72) had an operating profit of less than EUR 100,000. Nearly half of private pharmacies (47%) had an operating profit of less than EUR 200,000 in 2023 (n=253, Fimea 1/2025 pp. 32–34) before profit-adjusting entries and taxes.

The business of pharmacies also includes the sale of non-prescription products, namely cosmetics and other non-pharmaceutical products, some of which are used to support the success of pharmaceutical treatments. There is no information available on the sales margin acquired by pharmacies from the sale of non-medicinal products. However, the share of non-medicinal products in the total pharmacy market was approximately 14% in 2021 (also taking into account the sales of limited liability companies). The share of non-medicinal products in the profits was higher than this the operating profit percentage may be considerably high in non-medicinal products. According to a report by the Finnish Competition and Consumer Authority (2020), a limited liability company's profits may account for up to one third of the total profits in the sector. Of the total sales of non-medicinal products by pharmacies and limited liability companies, more than half are sold through limited liability companies (Ministry of Social Affairs and Health 2023: 6 p. 97 and Fimea 2022b cited there).

When assessing the overall profitability of the pharmacy business, it is also necessary to take into account the limited liability companies operating in connection with pharmacies, i.e. the so-called special purpose entities, through which the pharmacy can sell non-prescription products and engage in other business activities. The potential turnover of a pharmacy will decrease if the pharmacy transfers the sale of its non-prescription products to an associated limited liability company. In addition, transactions between the pharmacy and this limited liability company, such as the rental of premises and staff, may affect the profitability of the pharmacy. These factors make it difficult to assess the profitability of a pharmacy and to make comparisons between pharmacies. In 2023, around 38% of all private pharmacies had transferred the sale of non-pharmaceuticals to a limited liability company connected to the pharmacy. For these pharmacies, it can be assumed that the pharmacy's profit would consist almost exclusively of pharmaceutical sales. In 2023, there were around 240 limited liability companies operating in nearly 270 pharmacies (some of the companies are shared between pharmacies) in connection with pharmacies. The average turnover of these limited liability companies in 2023 was EUR 946,000 and the average operating profit before profit-adjusting entries and taxes was EUR,255 000 (Fimea 1/2025 pp. 37, 39-40).

In the impact assessment, it should be noted that pharmacies have recently undergone a number of changes. The pharmaceutical tariff for prescription medicine was last cut with the changes that came into effect at the beginning of 2023, the VAT rate on medicines has increased, wholesale prices of medicines were cut in the beginning of March 2025, and pharmacy substitution of biological medicines has begun. A number of assumptions were used to assess the overall impact of the changes. In the calculation, it was estimated that the pharmaceutical market would not decrease (the value of medicinal product sales would not decrease) even though there are several measures reducing the prices of medicines, as the population is ageing and, despite the expiry of the patents for some groups of medicinal products, the number of users of expensive medicines and medicines covered by patent protection is estimated to increase correspondingly.

Fimea's financial statement analysis of 2023 shows that more pharmacies appear to be in a financially challenging situation in terms of financial profitability. However, the pharmacies in a challenging situation vary from year to year. Changing the pharmacist and the investments made are also reflected in the profitability figures of pharmacies. Since the previous changes came into force at the beginning of 2023, it has only been possible to estimate the proposed changes with wholesale and pharmacy data for one year (2023). As the assessment is limited to one year, there is significant uncertainty in the assessment of the impacts. In the further preparation of the proposal and in the draft proposal to Parliament, the aim is to extend the assessment to the 2024 figures once Fimea has analysed them.

Size of the proposed tariff cut for prescription medicines

The average pharmacy-specific tariff cut carried out with the proposed prescription drug tariff change would be EUR -48,800, based on average sales data for 2021-2023. The median cut would then be almost EUR -39,800, the minimum cut EUR -6,900 and the maximum cut EUR -2,65,million. The average pharmacy-specific cut with the average data from 2023 would be slightly higher at EUR -50,800. The median cut would be EUR -41,600 per pharmacy, the minimum cut EUR -6,900 and the maximum cut EUR -2,67 million. The evaluation includes both private pharmacies and university pharmacies.

If the size of the tariff cut in prescription drug prices were estimated only at private pharmacies, the average cut per pharmacy would be EUR -44,600 and the median cut would be around EUR -39,700, based on average sales data for 2021-2023. The maximum cut would then be around EUR -169,800 and the minimum cut EUR -6,900. Based on the 2023 sales figures alone, the average cut would be EUR -46,600 and the median cut would be EUR -41,500. The maximum cut on the basis of 2023 figures would be EUR -172,200 and the minimum cut would be EUR -6,900. For private pharmacies, the tariff cuts would be only slightly higher in 2023 than in 2021-2023. The impacts of the proposed change in the tariff for prescription medicines are presented in aggregated form in Table 4.

Table 4. The pharmacy-specific effects of the proposed change in the tariff with average sales data for 2023 and 2021–2023. The table only takes into account tax cuts for prescription medicines and not the proposed amendments for pharmacy tax or non-prescription medicines.

	2023	2021–2023
Number of pharmacies	641	628
Average cut EUR/all pharmacies	-50,800	-48,800
Average cut, EUR/pharmacy, university pharmacies removed	-46,600	-44,600
Median cut EUR/all pharmacies	-41,600	-39,800
Median cut, EUR/pharmacy, university pharmacies removed	-41,500	-39,700
Minimum cut in EUR	-6,900	-6,900
Maximum cut in EUR	-2,670,000	-2,650,000
Maximum cut EUR (university pharmacies removed)	-172,200	-169,800

Evaluation of the proposed change in prescription drug tariffs based on pharmacy locations

The effects of the proposed pharmaceutical tariff change for prescription medicines on pharmacies can be assessed

separately for urban, densely populated and rural municipalities, based on figures for 2021-2023 and separately for 2023. The cuts resulting from the proposed tariff change will be largest in pharmacies located in urban municipalities and smallest in pharmacies located in rural municipalities. When looking at the 2023 figures, the impact of the tariff cut is slightly higher than when looking at the average of the 2021-2023 figures. This is due to a change in the Government Decree on the Pharmaceutical Tariff that came into force in 2023.

In urban municipalities, the average cut for pharmacies (n=381), based on 2023 figures, would be EUR -61,300 and the median of the cuts would be EUR -49,700. Based on the average figures for 2021-2023, the average cut would be around EUR -58,800 and the median EUR -47,300. If only private pharmacies are included in the average cuts for urban municipalities, the average cut would be EUR -54,200 based on 2023 figures and the median cut would be EUR -49,300. The maximum cut would then be EUR -172,200 and the minimum cut would be EUR 6,900. Based on 2021-2023 figures, the average cut would be -EUR 51,700 and the median of the cuts would be EUR 47,000. The estimated cuts per pharmacy in urban municipalities are thus smaller if only private pharmacies are taken into account. The largest difference can be seen in the size of the maximum cut on the basis of sales figures for 2023.

Based on the 2023 figures, the average cut for pharmacies (n=110) in densely populated municipalities would be EUR -47,800 and the median cut would be EUR -46,300. Based on the average figures for 2021-2023, the average cut would be EUR -45,900 and the median EUR -44,700.

Average cuts in pharmacies in rural municipalities (n=150), based on 2023 figures, would be around EUR -26,300 and the median of the cuts would be EUR -24,500. Based on the average figures for 2021-2023, the average cut would be around EUR -25,700 and the median cut EUR 23,000.

Impact on pharmacies of the expansion of the sales channel for a limited selection of non-prescription medicines

According to the proposal, the sale of certain non-prescription medicines included in the limited selection of non-prescription medicines would also be allowed outside pharmacies. Based on the work of the working group on non-prescription medicines, a so-called limited selection of non-prescription medicines was created in the further preparation of the proposal as described above. The economic impact of the changes on pharmacy activity has been estimated on the basis of the 2023 figures as follows.

The wholesale value of the limited selection of non-prescription medicines proposed in the proposal would be approximately EUR 53,7 million, the value of retail sales excluding VAT would be approximately EUR 82,3 million and the value including VAT would be approximately EUR 90,6 million. The pharmacy tax impact of the selection would be EUR -5,8 million under the current turnover-based pharmacy tax model (7% pharmacy tax estimate). The selection would account for 22% of the turnover value of non-prescription medicines in pharmacies (16% when examined per unit).

Assuming that 20% of the sales of the selection would be transferred outside pharmacies, the impact on the value of pharmacies' wholesale would be approximately EUR -10,7 million and on the value of retail sales excluding VAT would be approximately EUR -16,5 million. In practice, this would mean a loss of retail sales of around EUR -26,000 for the value exclusive of VAT/private pharmacy (n=638). The preparation of the proposal also assessed the effects of transferring 50% of the sales of products included in the limited selection of non-prescription medicines outside pharmacies. However, it is unlikely that this option will be implemented, as a significant proportion of the sales of some of the products in the proposed selection are delivered from the pharmacy to the user of the medicine reimbursed, in which case sales are expected to remain at the pharmacy.

However, the extension of the sales of the limited selection of non-prescription medicines outside pharmacies is also estimated to improve the financial position of pharmacies. This is because the proposed regulation would allow pharmacies to deduct the value of sales of medicinal products belonging to a limited selection of non-prescription medicines from the basis for the pharmacy tax, regardless of whether the

products are sold inside or outside the pharmacy. This would bring benefits to almost all pharmacies, excluding pharmacies whose profit margin for pharmaceutical sales is at the bottom of the pharmacy tax bracket and who do not pay pharmacy tax. It is also possible that only some of the products in the selection would be sold outside pharmacies by application of the sales permit holder. In addition, it is likely that most sales of these products would continue to be made through pharmacies after the change, particularly for non-prescription medicines supplied as reimbursed by prescription. This estimate is based on the purchasing behaviour of users in other Nordic countries, where the majority of non-prescription medicines are sold in pharmacies, although non-prescription medicines can also be purchased elsewhere. However, the proposed change could also have a change in the behaviour of the user of the medicinal product, which it has not been possible to assess in advance.

For example, the pharmacy's customer flows may change, which could have an impact on the pharmacy's finances.

Cumulative effects of the proposals on pharmacies

The proposed change to the pharmaceutical tariff for prescription medicines and the expansion of the limited non-prescription medicine selection to sales outside pharmacies are estimated to affect pharmacies' finances by an average of EUR -60,700 per pharmacy. The median impact is estimated at -EUR 48,600 per pharmacy.

The overall change affecting the finances of pharmacies also includes a proposal to amend the pharmacy tax, with the result that the net impact of the changes proposed is estimated to be on average EUR -34,800 per pharmacy and the median impact EUR -19,800 per pharmacy.

In addition, the expansion of the sales channel for non-prescription medicinal products could have a dynamic effect as customer flows change, which could also have an impact on the structure and profitability of the non-pharmaceutical sales of a pharmacy. However, the effects can be estimated to be relatively small, as pharmacies would continue to maintain a significantly wider selection of self-care drugs, compared to holders of retail licences for self-care medicinal products, who could only sell self-medicines from a limited selection of self-care drugs that would have been granted an expansion of the sales channel. The potential impact on pharmacy finances related to the changes in customer flows has not been assessed in euros. The calculated profit of pharmacies, after all the changes proposed in the government proposal, is shown in Table 5. The reference year used in the calculation is 2023 and all pharmacies (n=640) have been included in the comparison. The comparison also takes into account pharmacies operating as limited liability companies, but does not include the salary paid to the pharmacist.

Table 5. The pharmacy's calculated profit after all proposed operations. The reference year used is 2023. Includes all pharmacies (n=640). Limited liability company activities taken into account.

	After the operations, the pharmacy	After the operations, pharmacy & company	Pharmacy profit 2023	Pharmacy & company profit 2023
Min	-959,798	-959,798	-681,981	-681,981
Median	185,222	242,464	209,361	260,990
Mean value	205,061	307,997	240,226	343,323
Max	1,581,083	2,169,979	2,903,092	2,903,092
Amount	131,238,871	197,118,164	153,504,403	219,383,696

Pharmacies' calculated profits after the proposed changes are estimated to decrease slightly less in Table 5, which shows the effects of all the proposed changes on pharmacies' calculated profits, compared to Table 6, which includes the proposed changes to the prescription drug tax and pharmacy tax without the effects on

non-prescription medicines. Table 6, therefore, does not include the removal of a limited selection of non-prescription medicines from the pharmacy tax base. Including limited liability companies linked to pharmacies in the assessment would seem to increase the profitability of larger pharmacies in particular.

Table 6. Pharmacies' calculated profit after the proposed measures to the pharmaceutical tariff for prescription medicines and the pharmacy tax, excluding the proposed changes to non-prescription medicines. The reference year used is 2023. Includes all pharmacies (n=640). Limited liability company activities taken into account.

	After the operations, the pharmacy	After the operations, pharmacy & company	Pharmacy profit 2023	Pharmacy & company profit 2023
Min	-1,155,809	-1,155,809	-681,981	-681,981
Median	180,447	237,332	209,361	260,990
Mean value	196,378	299,314	240,226	343,323
Max	1,571,442	2,134,852	2,903,092	2,903,092
Amount	125,681,978	191,561,271	153,504,403	219,383,696

The assessment suggests that there would be a wide variation in the calculated impact of the proposed changes between pharmacies, but the unprofitability of the business based on pharmaceutical sales would not appear to be particularly focused on small pharmacies.

Prior to the proposed changes, the number of pharmacies at a calculated loss on the Finnish market totalled 25 (Fimea 1/2025 pp. 32-34). As a result of the proposed changes, it is estimated in a simulation based on data from 2023 that a total of eight new pharmacies would be at a calculated loss. Overall, it is estimated that the changes would result in 111 pharmacies on the pharmacy market with an operating profit of less than EUR 100,000. Taking into account the results of the limited liability companies operating in connection with pharmacies, it is estimated that there would be 76 entities on the pharmacy market with a calculated operating profit of less than EUR 100,000. Table 7 contains an estimate of the effects of the Government proposal on the distribution of calculated profitability of pharmacies.

Table 7. Breakdown of the calculated profit of pharmacies after the operations, estimated on the basis of 2023

	After the change		Reference year 2023		After the operations, share	Comparison 2023, share
	Pharmacy	Pharmacy & company	Pharmacy company 2023	Pharmacy & 2023	Pharmacy share	Pharmacy 2023 share
< 0	33	24	25	21	5 %	4 %
0-100,000	78	52	64	48	12 %	10 %
100,000-200,000	237	185	210	161	37 %	33 %
200,000-300,000	153	138	172	141	24 %	27 %
300,000-400,000	81	86	77	92	13 %	12 %
400,000-500,000	31	49	48	52	5 %	8 %
	17	36	22	34	2 %	3 %

500,000–600,000	10	70	21	90	2 %	3 %
≥ 600,000	640	640	639	639	100 %	100 %
Total						

With the proposed amendments, the profitability distribution of pharmacies will move to smaller operating profit categories. Due to the limitations of the available comparable data, the comparison has been carried out by evaluating against 2023. If a comparison were made with the previous calculated operating profit level for pharmacies, the proposed changes would have a noticeably greater impact. The smallest pharmacies are unlikely to have a limited liability company to compensate for the reduction in the profit of medicinal product sales. On the other hand, for some pharmacies, the impact of a limited liability company may be significant.

The impact assessment looked in particular at the location of pharmacies with a calculated value of less than EUR 0 and less than EUR 100,000, by well-being services county and by group of municipalities. New pharmacies with a calculated loss appear to be located mainly in urban municipalities. Some pharmacies with a calculated turnover of less than EUR 100,000 could also be located in densely populated or rural municipalities.

With the proposed changes, there would be eight new pharmacies with a calculated profit below 0 EUR (if limited liability companies linked to pharmacies are taken into account, there would be three new pharmacies with a profit below 0). If we take into account the 25 pharmacies that were already at a calculated loss before the proposed changes, the total number of pharmacies with a calculated profit below 0 EUR would be 33. Of these, nine pharmacies would have a branch pharmacy and two pharmacies would be required to operate a branch pharmacy. New pharmacies with a calculated profit under EUR 0 would be located in different wellbeing services counties, seven in Uusimaa.

After the proposed amendments, there would be a total of 110 pharmacies in Finland with a calculated operating profit less than EUR 100,000. However, they would be distributed among the different wellbeing services counties, so that in Uusimaa there would be 30 of these pharmacies. Of these pharmacies, 33 pharmacies would have branch pharmacies, with a total of 19 pharmacies being required to operate a branch pharmacy. It is possible that branch pharmacies that are a condition of a pharmacy licence would be proposed to be closed by the pharmacy licence holder as a result of the proposed changes. Some branch pharmacies have been part of a loss-making pharmacy business even before the proposed changes.

After the proposed changes, it is estimated that there will be a significant difference in the calculated profit of pharmacies between different locations. A summary of the changes is shown in Table 8.

Table 8. Summary of the estimated impact of the proposed changes on pharmacies.

Impact / pharmacy, EUR	Margin impact: tariff and non-prescription medicines	Tax impact of the progressive model	Net impact
Mean value	-60,715	25,925	-34,790
Median	-48,608	23,948	-19,790
Number of pharmacies	Margin impact: tariff and non-prescription medicines	Tax impact of the progressive model	Net impact
Improves by more than EUR 100K	0	36	14
Improves by EUR 30-100K	0	235	31
Improves by EUR 0-30K	0	231	66

Decreases by EUR 0-30K	166	70	281
Decreases by EUR 30-100K	414	61	189
Decreases by EUR 100-200K	59	7	51
Decreases by EUR 200-400K	0	0	7
Decreases by > EUR 400K	1	0	1
	640	640	640

As a result of the proposed changes, it is estimated that there will be eight pharmacies for which the change would result in a disadvantage/loss of more than EUR 200,000. Similarly, fourteen pharmacies are expected to benefit from the proposed changes by more than EUR 100,000. The proposed changes are expected to be beneficial to the business of some operators for at least two reasons: If a pharmacy's sales structure is concentrated on expensive medicines, it would benefit from taxation based on the profit margin and could improve the profitability of its pharmaceutical sales. In addition, pharmacies would benefit from the fact that non-prescription medicinal products included in the limited selection of non-prescription medicines would be removed from the pharmacy tax base. According to the estimate, the majority of the sales of these medicines would remain in pharmacies after the change, which would improve the profitability of pharmacies' sales of non-prescription medicines overall. A summary of the impact of the proposed changes on pharmacies is provided in Table 9.

Table 9. Summary of the pharmacy impact of the proposed changes

Amendment	Impact on pharmacies
Pharmacies' margin	Net average - EUR 34,790 Median net - EUR 19,790
Calculated profit of pharmacies (Impact of limited liability company taken into account)	Average EUR 205,061 (EUR 307,997) Median EUR 185,222 (EUR 242,464) Min EUR -959,798 (EUR -959,798) Max EUR 1,581,083 (EUR 2,169,979)
Pharmacies with a loss (> 200,000)	8
Pharmacies with a gain (> 100,000)	14
Operating profit before profit-adjusting entries and taxes < EUR 0 (Impact of limited liability company taken into account) (25 (21) pharmacies already in the beginning <EUR 0)	25 + 8 pharmacies = 33 pharmacies (21 + 3 pharmacies = 24 pharmacies)
Operating profit before profit before profit-adjusting entries and taxes < EUR 100,000 (including the impact of a limited liability company) (Also includes < EUR 0 pharmacies)	110 pharmacies (75 pharmacies)

It is proposed to give pharmacies the right to deviate from and correct prescriptions in certain circumstances. The amended act is expected to streamline work in pharmacies by reducing the need to contact the health service by phone. The transfer of information on deviations from prescriptions and their correction from the pharmacy to the healthcare system would require the development of information systems. This can be implemented in the context of the development phases of the national Kanta prescription list and would not impose significant costs on pharmacies as a single functionality. The obligation to record the deviation from

the prescription in the pharmacy is not expected to have an impact on pharmacy information systems, as the obligation would not change the current situation based on Fimea's guidance letter.

Adaptation measures for pharmacies

It would be likely that some pharmacies would have to adapt their business as a result of the proposed changes. The adaptation measures would depend on the circumstances of the pharmacy. Examples of adaptation measures could include changes to the selection of products or opening hours, an increase in the selection of non-prescription products, changes to the fee-based services offered by the pharmacy, a change in the location of the pharmacy within the region, delays in various investments or purchases of available IT technology, changes in staff benefits, reorganisation of work assignments and staff reductions. In addition, it is likely that a pharmacy might be interested, for income tax reasons, in applying for a retail licence for non-prescription medicines in order to sell a limited selection of non-prescription medicines through a separate company linked to the pharmacy. At its most extreme, an adaptation measure could mean the closure of a pharmacy location (service point, online service or branch pharmacy) or the pharmacist giving up their pharmacy licence. It is not possible to estimate the size of the adaptation measures or the pharmacy-specific effects in advance.

Adjustment measures made by pharmacies could also have an impact on the service level of pharmacies. There would be a risk of a reduction in the service level to the extent that it would affect the safety of medicines or pharmaceuticals. However, this should be considered on average unlikely, taking into account the relatively small number of new loss-making pharmacies, other pharmacies in the same area and the adjustment measures with a lower impact.

For some pharmacies, the proposed changes could lead to a situation where it would not make sense to continue the business without business changes. The areas where the pharmacy is located, as defined in the pharmacy licence, are vast, allowing the pharmacist to relocate the pharmacy within the area. Despite this, it could be possible that some pharmacists would want to exit the market and go out of business as a result of the changes. Impact assessments at the level of wellbeing services counties and municipalities have estimated that small pharmacies could exit the market. However, these pharmacies would not be the only pharmacies in the area where the population of the region shops and works, meaning that accessibility of pharmacy services throughout the country is not expected to be compromised by the proposed changes.

If a pharmacist surrenders their pharmacy licence, the pharmacy licence would be available for reapplication if Fimea assesses that there is still a need for pharmacy services in the area. If it turned out that there were no applicants for the pharmacy licence, Fimea would have to assess whether there are business conditions for an independent pharmacy in the area in question. If those conditions were no longer considered to exist, the availability of medicinal products in the area could be secured by the establishment of a branch pharmacy, the operation of which would be made mandatory for the operation of another main pharmacy. It can be estimated that pharmacy services for the population in the area will also be safeguarded by the services of service points or, in part, by means of online and remote services.

4.2.1.4 Economic impact on public social services and health care

The change in the pharmaceutical tariff for prescription medicines and the price changes for products included in the limited selection of non-prescription medicines would only have an impact on the prices of medicines sold in outpatient care. They are not identified as having a direct economic impact on public social and health services. However, if the proposed cut to the pharmaceutical tariff for prescription medicines were to reduce the coverage, quality, or capacity for operational development of pharmacy services compared with the current situation, this could result in indirect costs for primary healthcare. It is possible that there would be an increase in emergency visits to health care or, for example, that it would be more difficult to provide a dispensing service for social care clients in pharmacies. It is not possible to estimate the amount of indirect healthcare costs in advance.

The expansion of the sales channel for products in the limited selection of non-prescription medicines is not expected to increase health care costs due to the low-risk nature of these products. However, it is possible that an expansion of the sales channel in individual cases would lead to an increase in the number of emergency clinic visits. On the other hand, it would be possible that, as the accessibility of medicines improves, the current proposed expansion of the sales channel for non-prescription medicines could also potentially reduce healthcare costs. The effects would depend on whether the resident would be able to correctly identify and treat their symptoms with the right product and in the right way, without the need for pharmaceutical advice.

According to a study carried out by Fimea in 2022, it has been estimated that disruptions in the availability of medicines entail additional work and costs for, among other things, healthcare services. According to the study, 22% of the disruptions in the availability of medicines are such that a substitute medicinal product would be available for the medicinal product affected by the disruption, but the substitution would require a new prescription issued by the prescriber. (Fimea 8/2022.) It is proposed to give pharmacies the right to deviate from prescriptions in certain circumstances and to correct obvious errors in prescriptions. The proposals are expected to reduce the number of contacts with the health service, for example in situations where a prescription would have to be changed due to a nationwide lack of availability or an incorrect prescription. However, the impact is not expected to significantly change the current level of changes to prescriptions. The reason for this is that deviations from prescriptions have been established as a general practice in pharmacies even before the entry into force of the regulation.

However, the proposed amendment would reduce the need for pharmacies to contact the prescriber, in particular in the case of prescriptions with an obvious error. As a result of the amendment, the means of data management could also improve from the current situation, allowing exemptions made due to disruptions in availability or due to withdrawn products to be made more smoothly, and information on the changes would also be better transmitted to other operators involved in the drug therapy.

4.2.1.5 Economic impact on grocery stores and other businesses

The proposal also proposes to enable the sale of a limited selection of non-prescription medicines in grocery stores, as well as in other companies that do not operate as medicine wholesalers, pharmaceutical companies, or medicine distributors. Operators who could apply for a licence to operate as a point of sale of non-prescription medicines would benefit financially from the proposal by generating sales revenues from a limited selection of non-prescription medicines. However, the extent of the economic benefit would be affected by the willingness of pharmaceutical companies to extend the sales channel of their products beyond pharmacies and the extent of the selection of non-prescription products that could be sold outside pharmacies.

The proposed change on the expansion of the sales channel for non-prescription medicines could increase the consumption of these medicines compared to the current situation, which would benefit pharmaceutical companies financially. The processing of an application or amendment application for an expansion of the sales channel of a non-prescription medicinal product would increase the administrative burden for pharmaceutical companies and, similarly, an application for a retail permit for a non-prescription medicinal product would increase the administrative burden for a business seeking to become a retail permit holder. The level and costs of the administrative burden have not yet been assessed, as this would require more detailed information on the form of the application and any required annexes.

In its report, the non-prescription medicines working group has estimated that, for the limited selection of non-prescription medicines, the expansion of the sales channel would potentially increase the conditions for price competition between retail outlets and open up the market and could improve its functioning by channelling demand for products to a wider selection of players than pharmacies. From the point of view of the functioning of the market, increasing customer choice can be seen as a positive impact. The intensity of competition would depend on what a selection based on pharmaceutical companies' applications would consist of and on the willingness of the sales channels outside pharmacies to offer the products for sale, as well as on the ability of consumers to compare prices.

Private healthcare buys medicines it uses, such as vaccines, from pharmacies in the outpatient sector. The proposed change to the pharmaceutical tariff of prescription medicines would also lower the prices of these medicines. Private healthcare will benefit from the change unless it passes on the benefit to the final customer by changing the pricing of its own service.

4.2.2 How have the financial impacts been assessed?

The financial impacts of the proposed amendments have been assessed in the calculation group in the preparatory group for the reform of the pharmacy sector and in cooperation between the Ministry of Social Affairs and Health, Fimea and the Social Insurance Institution of Finland (Kela).

The economic impact on medicine reimbursement expenses, the costs of reimbursed medicines and the payment share of patients are based on a micro simulation model of Kela's medicine reimbursement system. A 20% sample of reimbursed drug purchases has been selected for the simulation. In the comparison of tariff models, the simulation was carried out using data from 2022, 2023, and 2024. Between the years, the data was edited to make it similar between years in terms of the tariff, annual premium and ceiling for comparison purposes. However, the change in the value of money has not been taken into account in the model.

The main focus of Fimea's calculation was the economic impact of the changes on pharmacies. The calculation and modelling of the tariff models for prescription medicines carried out by Fimea, as well as the margin estimates for non-prescription medicines, are mainly based on pharmacy-specific wholesale data of medicines. In the analysis of pharmacy-specific wholesale data, the results for branch pharmacies have been aggregated to the pharmacy-company level using Fimea's pharmacy register from the national coding service. Fimea did not have at its disposal information on the retail sale of medicines. The data used for the calculation and modelling covered all Finnish pharmacy sales and wholesale per pharmacy at packaging level on an annual basis. Data on the wholesale distribution of medicinal products do not include non-prescription products sold by pharmacies. The pharmacy-specific wholesale data used in the alternative pricing models developed by Fimea were obtained in response to a request for information from Fimea's wholesale data register, where the extraction was limited to wholesale to pharmacies and automated dispensing units for the period 2021-2024.

Modelling the effects of changes in the pharmaceutical tariff based on wholesale price limits requires the use of a wholesale price per packet, which means treating the different strengths and pack sizes of the product separately. In practice, the packaging has been identified in the modelling by applying the unique VNR identifier for medicinal products. The wholesale price per package was calculated as an average for the whole calendar year by dividing the annual value of wholesale per package by the corresponding number of packages. Based on the wholesale price per package, the VAT-exempt retail price was determined by applying either the pharmaceutical tariff currently in force for prescription medicines or an alternative tariff model (a model that cuts evenly across all wholesale price classes, a model that cuts more from cheaper medicines, or a model that cuts more from expensive medicines).

Fimea assessed the impact of different tariff models on pharmacy finances by calculating, based on pharmacy-specific wholesale data, the pharmacy-specific gross margin on the sales of prescription medicines in accordance with the current situation and the corresponding estimated tariff models. The difference between the two was used to calculate the reduction in margin per pharmacy as a result of the pricing model under study. In all scenarios studied, the limits, coefficients, and fixed terms of the tariff classes based on prescription medicine wholesale prices have been changed compared with the current pharmaceutical tariff for prescription medicines so that the margin remaining for the pharmacy—the difference between the retail price and the wholesale price (purchase price)—is reduced.

No changes were planned to the pharmaceutical tariff for non-prescription medicines. Thus, the margin for non-prescription medicines was determined directly on the basis of the wholesale register as the difference between retail and , excluding veterinary medicinal products supplied without a prescription. For veterinary medicines, there were no retail values in the wholesale register, so the retail value for these was assumed to be 1.5 times the wholesale value. The retail value in the wholesale register is based on the maximum price

under the pharmaceutical tariff for non-prescription medicines, meaning that any discounts offered by pharmacies were not taken into account in the calculation. According to the results of Fimea's financial data survey, the significance of these reductions has been relatively limited so far. Based on pharmacy-specific wholesale data, the economic impacts associated with the expansion of the sales channel for non-prescription medicines were also assessed.

Since the wholesale data already available are historical, the results are based on the assumption that there will be no significant changes in the pattern of pharmaceutical sales in pharmacies in the short term. In other words, calculations based on wholesale data illustrate what the pharmacy's margin would have been with the sales structure of 2021–2024, assuming the new pharmaceutical tariff model and the transfer of a portion of a specific non-prescription medicine selection to sales outside pharmacies. However, in the case of an individual pharmacy, the structure of wholesale may vary significantly from one year to another, in which case the result of the simulation may be unrepresentative as it is based on the sales of a specific year.

The calculated margin according to the pharmaceutical tariff was used to determine the tax base of the new pharmacy tax, which is based on the sales margin of medicine sales. In addition to the margin under the pharmaceutical tariff for prescription medicines, pharmacies also earn a margin from prescription medicine delivery fees and from non-prescription medicines. The margin on sales of non-pharmaceutical products was not included in the taxable amount for the margin on pharmaceutical sales, but this margin was taken into account in subsequent profitability analyses. Estimating the sales margin of pharmaceutical sales through pharmacy-specific wholesale allows the new prescription pricing model to be taken into account. Similarly, the limited selection of non-prescription medicines could be taken into account in relation to the pharmacy tax. The margin on nicotine replacement therapy products was not included in the margin on pharmacy sales because nicotine products would be excluded from the pharmacy tax, as in the current Pharmacy Tax Act.

Fimea has requested from the Finnish Social Insurance Institution (Kela) pharmacy-specific information on the supply of medicines to supplement the data base for wholesale information. Based on the number of deliveries, it was possible to estimate the amount of delivery fees per pharmacy. There would be no changes to the delivery fees here, so the proposal does not have an actual impact to be assessed. However, delivery fees are taken into account when determining the pharmacy tax.

The sales margin of medicinal product sales was determined as the sum of prescription and non-prescription sales margins and delivery fees, and it was approximately EUR 790 million in total for all pharmacies based on the sales structure for 2023. This constitutes the tax base for the new pharmacy tax, which is less than one third of the current tax base for the pharmacy tax based on turnover. Following the determination of the tax base, alternative tax scales were created to achieve a total tax revenue of EUR 200 million. The tax models examined were a flat rate tax and a progressive tax scale. In both models, tax collection started on the amount of the margin above EUR 250,000. By applying the tax base to the pharmacy-specific estimates determined from wholesale and delivery data, a pharmacy-specific estimate of the new pharmacy tax rate was obtained. This was further utilised in the profitability analysis.

In practice, the pharmacy tax will be assessed per taxable person, but the estimates have been calculated on a per-pharmacy basis due to the data base used. In the pharmacy-specific calculation, the data from the main and branch pharmacies are aggregated into a single total tax base to which the tax scales are applied. The calculation by taxable person and by pharmacy differs in cases of change of ownership. Thus, the total sales margin of medicinal products constituting the taxable amount is distributed to pharmacies in a slightly different way than it is distributed to different taxable persons. There are slightly more taxable pharmacies than pharmacies due to the number of pharmacists closing down in the middle of the year and new pharmacists starting out. The larger number of pharmacists' pharmacies means that the tax base is distributed to more taxable persons and the number of taxable persons who are below the tax-free threshold is likely to be more than the number of pharmacies below the tax-free threshold. In this case, the amount of tax revenue may be slightly lower than the calculated estimate for each pharmacy.

In addition, the tax base calculated from wholesale data does not take into account the right of pharmacies to deduct the possible proportion of institutional sales from the tax base. Assuming that medicines are sold to institutions exactly as purchased from wholesalers, no tax base accrues to the extent that the right to deduct tax can be utilised. However, in the calculations, the tax base accumulation has been calculated for all wholesale pharmacy sales. This is relevant if the share of institutional sales is significant. This is typically not the case.

The profitability reviews of pharmacies relied on the financial data collected by Fimea of the pharmacy company as well as of the entity of a pharmacy company and the limited liability company operating in connection with the pharmacy. The assessment was based on the 2023 profitability indicator profit/loss before profit-adjusting entries and taxes adjusted with estimated margin and tax effects. The profitability indicator for 2023 reflects the situation after the previous changes to the tariff and pharmacy tax that came into force at the beginning of 2023. However, the pharmacy-specific figure for one-year profitability may vary due to random short-term factors. It would therefore be useful to look at profitability over several years. However, data for 2024 were not yet available.

The profitability indicator for 2023 was adjusted to reflect the situation after the changes. The change to the pharmaceutical tariff for prescription medicines was accounted for by reducing the decrease in the prescription margin, as calculated in the margin simulations, from the profitability indicator. For non-prescription medicines, the basic assumption was that 20% of sales of the limited selection would move away from pharmacies, and pharmacies would also lose sales margins in this respect. The sales margin of non-prescription medicines from the entire limited selection was still assumed to be exempt from pharmacy tax. In other words, it is not included in the basis for the pharmacy tax, even to the extent that it is assumed that sales will continue at pharmacies.

The impact of the former turnover-based pharmacy tax on the indicator was removed and replaced by a new pharmacy-specific estimate of the tax based on pharmaceutical sales profit. In all cases, the prescription margin is reduced because the coefficients forming the tariff have been reduced throughout. By contrast, the net effect of the current and the new margin-based pharmacy tax may be either positive or negative per pharmacy. As the targeted tax revenue was EUR 200 million and slightly lower than the actual 2023 accrual, the net impact of the tax change on pharmacies is mostly positive.

According to information obtained by the committee, cost inflation has continued in 2024 and several changes have taken place or are taking place in the pharmaceuticals market, the impact of which is not yet reflected in profitability figures for 2023. A separate assessment of the growth rate of pharmaceutical sales was carried out as part of the preparatory work. This identified several factors in the current situation that are slowing down the growth rate. Efforts have been made to curb the increase in pharmaceutical costs through a number of legislative changes that have been described in more detail in the description of the current situation (see paragraph 2.2 above for more details of the assessment). The result of the assessment is that as a result of several changes occurring at the same time, the pharmaceutical market will not grow in the coming years at the same pace as in previous years. At the same time, the impact of these factors is not estimated to be such as to reduce the size of the pharmaceuticals market in the coming years.

The challenge of assessing the economic impacts increases by the need to simultaneously evaluate the effects of the proposed pharmaceutical tariff change, the expansion of non-prescription medicine sales channels and the pharmacy tax change. The assessment is subject to a large number of uncertainties, some of which are already listed above. It is possible that the sale of medicinal products would not develop as expected in the coming years and the structure of the sales would be fundamentally different in the future from the years in which the material used as the basis for the assessment was generated.

It is possible that the intended changes will have dynamic or behavioural effects. In such cases, the pharmaceutical industry, pharmacists or other purchasers of non-prescription products, who set wholesale prices and supply, may start to act in a different and unpredictable way as a result of the changes. If the sales margin of medicinal products estimated as the basis for the pharmacy tax were significantly different from

the realised amount, the tax revenue to the state would also be different from the estimated EUR 200 million. Reasons for these differences could be, for example, inaccuracies in the data used for the calculation or differences between the statutory sales margin and the one used in the calculation.

Furthermore, the profitability estimates do not take into account the adaptation measures taken by pharmacies, such as cost reductions, changes in opening hours, changes in staff numbers or stock. As the impact estimates are based on one-year profitability and wholesale figures, it is possible that the figures considered include year-to-year variation between pharmacies. In this case, the pharmacy-specific result is not a representative description of the profitability of the pharmacy in question.

4.2.3 Effects on people and society

The proposed changes are not expected to worsen the availability of medicines. However, it is possible that some pharmacists would take adaptation measures which may also affect the availability of medicines for the population in the area. According to the assessment, it is most likely that the adjustment measures would be required in urban municipalities with several pharmacies. For this reason, it is estimated that the country's comprehensive pharmacy services will remain at an adequate level after the proposed changes.

The sale of prescription medicines forms the core of a pharmacy's business. Cutting prescription drug margins will also encourage pharmacies to develop other areas of the pharmacy business, such as cooperation with wellbeing services counties and health services provided in pharmacies. The change could also lead to increased sales of non-prescription products in pharmacies. Such a development would not be appropriate for the user of medicines, for the health care system and for the rational use of medicines. With the proposed prescription drug cut and pharmacy tax changes affecting university pharmacies, the proposed cut would also indirectly affect the amount of sales revenue that university pharmacies would pass on to universities. The proposed amendment would thus also have an impact on the funding received from pharmacies owned by the University of Helsinki and the University of Eastern Finland.

Changes in the sales margin and retail price of prescription medicines could also indirectly affect the wider functioning of the pharmaceutical market and, for example, the wholesale pricing of medicines by pharmaceutical companies (Etila 31 December 2024). The impact of such changes has not been assessed in advance.

According to surveys carried out by the Association of Finnish Pharmacies, the security of supply of pharmacies is at a good level. The security of supply of private pharmacies in 2021 was 97–99% (Association of Finnish Pharmacies 2020, Association of Finnish Pharmacies 2021). This is partly due to the fact that pharmacies have a comprehensive stock of medicines and interchangeable medicinal products. However, challenges have also been identified in the implementation of pharmacy services and there are country-wide variations in the accessibility of medicines, for example due to the opening hours of pharmacies. Opening hours are shorter on weekends than on weekdays, in particular. The opening hours of branch pharmacies have been found to be shorter than those of independent pharmacies (Ministry of Social Affairs and Health 2023:6, pp. 27–29).

Consumers are estimated to benefit from the expansion of the sales channel for the limited selection of non-prescription medicines due to improvements in the accessibility of these medicines. Grocery store chains have extensive nationwide networks and their locations have long opening hours. The effect would, however, depend on whether sales permit holders for non-prescription medicinal products would apply for an expansion of the sales channel for their product and whether retailers would apply for retail permits for non-prescription medicinal products. The impact would also vary between regions and groups of people. The increase in accessibility would be greatest where the nearest pharmacy would otherwise be far away and for groups of people who have few pharmacies in the areas they spend time in.

In its memorandum, the working group on non-prescription medicines has estimated that the impact of the expansion of the sales channel for the limited selection of non-prescription medicines on the accessibility of non-prescription medicines is likely to differ in urban and rural areas. For example, in areas where the

pharmacy network is denser, the impact could be smaller than in areas with fewer prerequisites for pharmacies, but where other sales channels are available and can therefore contribute to the accessibility of non-prescription products.

The expansion of the sales channel of the limited selection of non-prescription medicines could also have a negative impact on the availability of medicinal products included in the selection of medicines, since the proposed amendment would result in the retail distribution of medicines involving not only pharmacies, but also an entirely new group of operators, which could include up to a few thousand retail permit holders. This would mean a possible increase in the demand for non-prescription medicines sold outside pharmacies, when permit holders would order non-prescription medicines from medicine wholesalers or pharmaceutical factories. An increase in demand at the retail distribution level could mean, at least at the initial stage of the entry into force or application of the act, a reduction in the security of supply of pharmacies in respect of medicinal products included in the selection before a change in demand for retail level would become established as a new practice. The effect would depend on what products would be covered by pharmacies' external sales and how many traders would apply for a retail permit for non-prescription medicines.

The working group on non-prescription medicines has estimated that the change in the sales channel of the limited selection of non-prescription medicines could also have an impact on drug therapy and medication safety. In situations where easier access to products authorised for sale in sales channels outside pharmacies would facilitate the timely and appropriate use of medical treatment, an extension of the sales channel could improve the health of the population and reduce the need for healthcare services. On the other hand, wider accessibility could increase unnecessary acquisitions of a medicinal product, thereby increasing the misuse of medicinal products, harmful synergies or delays in starting the necessary other treatment. In practice, it is not possible to distinguish from the observed sales volumes whether and to what extent the medicine would end up in actual use. Therefore, the effects of the reform should be monitored not only in terms of sales volumes but also in terms of the health effects of the population.

4.2.3.1 Effects on the authorities

The calculation models for prescription medicine retail prices under the proposed pharmaceutical tariff should be updated in the systems maintained by operators and authorities. In addition, a limited number of requests for advice could be received by public authorities when introducing a new rate for prescription-only medicines. In addition, the authorities should monitor the implementation of the proposed changes, which is likely to involve some resources, but would fall within the current workload of the authorities. It is not possible to monitor the price developments that may result from the expansion of sales of non-prescription medicines and this change in routinely compiled pharmaceutical statistics. The monitoring of this change would require the planning and implementation of a separate study.

As a result of the proposed amendments, it is possible that some holders of pharmacy licences would apply for permission from Fimea to relinquish the operation of a mandatory branch pharmacy or would decide to relinquish its pharmacy licence altogether. These changes to the service network require the use of official resources in order to make the decision, for example, to close a branch pharmacy, to convert a main pharmacy into a branch pharmacy or to discontinue pharmacy services altogether without undue delay and financial burden on the pharmacy licence holder. The holder of a pharmacy licence is obliged to continue the business until the new licensee takes over the business or Fimea has decided to terminate the licence and related services.

In its study, Fimea has estimated that if the legislation enabling the expansion of the sales channel for a limited selection of non-prescription medicines were to lay down eligibility criteria that are as transparent as possible for operators, the resources needed to process sales permit applications and amendment applications resulting from the expansion of the channel would increase by approximately 1-2 person-years in the initial phase. It is estimated that the prior checking of retail permit holders for non-prescription medicines, once operational, will involve a significant amount of regulatory work, new regulatory requirements and the development and training of internal operating and working procedures. In addition, resources should be

reserved for counselling and guidance. According to Fimea's estimates, the number of supervisory resources needed is expected to increase by up to five times from the current six experts.

The delivery of non-prescription medicinal products deviating from the prescription or the correction of obvious errors in prescriptions in the pharmacy should not have a significant impact on the implementation of reimbursements.

4.2.3.2 Effects on employment

According to the Labour force barometer maintained by the Development and Administrative Services Centre (KEHA Centre), there will be a shortage of pharmacists working in pharmacies in the Kainuu region in early 2025. By contrast, there is an oversupply of pharmacists in Uusimaa and Åland. There was an oversupply of licensed pharmacists in early 2025 in Northern Savonia and Northern Ostrobothnia. A labour market mismatch can be found in the regions of South-East Finland and Southern Savonia. According to the Labour force barometer, at the beginning of 2025, there were 154 pharmacists and 50 licensed pharmacists unemployed. In addition to pharmaceutical staff, pharmacies also employ pharmaceutical technicians and other technical staff for whom there is no up-to-date information on the employment and unemployment situation at the beginning of 2025.

The proposed changes are likely to have a negative impact on the employment of pharmacy staff, as pharmacies could adjust their business through staff lay-offs or redundancies. The impact of such measures on the level of service and advice provided by pharmacies would depend on the staffing structure of the pharmacy and the size of the staff reductions required. It is also possible that the urgency affecting staff working conditions could increase, which could make it more difficult to provide medicinal product advice. A reduction in staff numbers could also affect the attractiveness of pharmacy work.

4.2.3.3 Impact on municipalities and wellbeing services counties

The proposed changes could have an impact on municipalities and wellbeing services counties. As a result of the proposed amendments, it is possible that some holders of pharmacy licences would apply for permission from Fimea to relinquish the operation of a mandatory branch pharmacy or would decide to relinquish its pharmacy licence altogether. Under section 41(4) of the Medicines Act, the changes to the network of services would require the Finnish Medicines Agency to consult the municipality concerned before taking decisions relating to the service network.

During the preparation, the wellbeing services counties have been informed about the potential impact on pharmacy services in their regions. In addition, the expectations of wellbeing services counties and plans for cooperation with pharmacies have been explored. The proposed changes could have an impact on the ability and capacity of pharmacies to develop cooperation with wellbeing services counties, for example, on services that contribute to the safety, effectiveness and appropriateness of medical treatments for older people and people with multiple illnesses. On the other hand, it has been recognised during the preparatory work that, at this stage, the wellbeing services counties have not yet developed a holistic view of the need to develop pharmacies and the pharmaceutical services provided in them. However, cooperation with pharmacies has started in all wellbeing services counties.

4.2.3.4 Environmental impacts

The proposed expansion of the sales channel of products included in the limited selection of non-prescription medicines could potentially have an impact on the environment if the proposed change would increase the use of medicines or the volume of medicinal product waste. Drug metabolites from the use of pharmaceuticals, which cannot be treated by wastewater treatment technologies, are the main cause of environmental impacts of pharmaceuticals in Finland (Lääkkeet ja Ympäristö. Ed. L Hanski etc. Helda Open books. DOI: 10.31885/9789528401261).

In its memorandum, the working group on non-prescription medicines has considered that the amount of medicinal waste could change depending on whether broader accessibility of certain non-prescription medicines would increase or decrease the volume of medicines stored at home by medicine users. Based on

medicines returned by users to pharmacies, it has been estimated that the total annual cost of medicinal waste in Finland is approximately EUR 81 million. About 30–40% of this waste originates from non-prescription medicines (report of the working group on non-prescription medicines and the references therein: Louhisalmi et al., 2024; Salimäki & Kujala, 2016). Expanding the sales channel for products included in the restricted selection of non-prescription medicines would also likely generate annual medicinal waste left in the stock of holders of retail sales permits for non-prescription medicines. Expanding the retail locations for non-prescription medicines would likely mean more unused non-prescription medicines left in the stock of holders of retail sales permits at least right after the law takes effect before the retail locations have gotten experience from the demand of non-prescription medicines.