KPA – Cho Chan-Hwui, President – South Korea



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Cho Chan-Hwui, president of the Korean Pharmaceutical Association (KPA), discusses the major hurdles that pharmacists in Korea must overcome today, and the increased focus on prescription by INN.

How successfully has the policy stipulating the separation of prescription and dispensing (SPD) worked over the last 15 years?

Complete success in SPD means that all doctors are prescribing by INN or generic instead of a brand. We have achieved a 50 percent success rate. Compared to Asian countries Korea is one of the most successful, but compared to most developed nations, there is still room for improvement. Other Asian countries are not as successful with SPD because many doctors still dispense. But however, KPA believes that 100 percent success means that doctors should prescribe INN instead of brand, mostly as a means of cost-saving. Doctors are not drug specialists; this is the role of the pharmacist. Even in Europe, many countries still prescribe brands or some switch into another generic. This is a complicated situation. By 2017, perhaps we will have complete prescription by INN instead of brand. In any case, we are continuously aiming for complete and successful SPD, with doctors prescribing generic or INN, or at least pharmacists switching to generics.

It must be difficult to convince doctors to do that; with high-price generics and low-priced innovative drugs, the incentive to prescribe by INN is not very strong.

In the past many doctors prescribed based on the big promotions like rebate and special doctor supports of pharmaceutical companies. Now that promotion is illegal. Government has lowered the price of generics as a means of cutting costs. Due to the frequent switch of generics, the leftover stock cannot be used. This creates significant financial damage to the pharmacists and the government.

What are KPA's main priorities today?

We want to achieve the separation of prescribing and dispensing, based on a policy implemented in 2000. We still have issues regarding donors and receivers and sometimes there are illegal promotions that still exist. There are also some problems in terms of doctors prescribing a change in treatment, with pharmaceutical companies switching from one product to another. There might be 500 tablets prescribed, but only 300 are dispensed with 200 left over. So the doctor switches to a different product, which cannot be dispensed. Pharmacies have many open stocks that cannot be returned to the pharmaceutical companies, and this is a big issue. They are losing money. Now there needs to be a greater push to prescribe generics or international nonproprietary name (INN) instead of brand. At the beginning of 2014, the government wanted to set up a corporate chain of pharmacies, but this would be a big problem for the current system. Korean pharmacies are individual, and while big corporate chains are interested in coming to Korea, the small individual pharmacies would go bankrupt. KPA has strongly advocated against this idea to the government in defense of local pharmacies, and we succeeded in preventing regulation that would allow for the corporate chain pharmacy.

How does KPA work in terms of setting its own prices for medications?

KPA is not involved in the influence of pricing policy. KPA pharmacists are only in charge of dispensing and charge for a dispensing fee. Every year, pharmacists negotiate with the government for the setting of this dispensing fee. The increase of the fee has been quite successful, as this is the main income of Korean pharmacies, especially considering that over-the-counter (OTC) products do not have the fee. In case of OTC and other product like health foods, pharmacies have around 30% margin, but their income is not big and less than 20% of total income. For every ethical products that the pharmacy dispense, they cannot get any margin from the drugs. Dispensing fees are the only main income.

What are some of the other challenges that KPA encounters on a day-to-day basis?

During the past few years, KPA as well as many other associations have been in a constant conflict with the government, usually for their own benefit through annual demonstrations and other

means. This might be an old-fashioned way of dealing with these issues. From now on KPA will engage in discussion with the support of the public for the right use of drugs to avoid abuse or overuse. Occasionally, KPA engages in projects to support patients on how to use medications. Sometimes these patients have too many pharmaceuticals stocked at home. KPA visits these homes, does a count of the stock, and pharmacies can make special collections for these piles of drugs, since the removal and disposal of too many pharmaceuticals can actually harm the environment. The public understands that pharmacists support the government not only for themselves but together with the public. Sometimes pharmacists face some problems in supporting the public because they are always in very close contact with these people. KPA and pharmacies in general are now doing more activity or work with the public together. We need to talk to more people about how to avoid abuse or overuse. When patients come to the pharmacist, we have to be able to provide very good information on how to use it, or how to manage themselves in the case of chronic diseases.

What are the main goals of the KPA for the medium to long term?

Getting doctors to prescribe by generic name is not an easy task and takes a long time, but it is certainly a top priority. Korean doctors need to be able to prescribe the bioequivalent generics so that pharmacists can make the relevant switch. But it is a very complicated process. Furthermore, the patient visits the doctor every time to get prescription, as it is in the US. They fill dispensing. Sometimes they can go for three to six months same without any special side effect or chronic disease. The recalling of the fill dispensing system for chronic diseases is another priority of ours.

Additionally, Korean pharmacist schools used to run a four year course, but we have extended this to six years. Pharmacists should be upgrading their role and their training. Also, during the middle of the 1990s, our government created a special system for oriental medicine pharmacists. This is a bit more complicated, but it has also been unified with regular pharmacists. All pharmacists handle all oriental medicines, although pharmacy schools continue to have oriental pharmacists. OTC drugs are not allowed – combining general pharmacy and oriental for minor disease patients means they can first access pharmacists before the doctor, which promulgates OTC business. The pharmacist can develop that area. The continuous medical education for Korean pharmacists is currently only eight hours per month but in Europe it is 25 hours. Korea aims to have similar hours and the upgrading of its pharmacies in terms of education.

How much have these changes being influenced as a result of the need to reflect western nations?

Korea has committed itself with other countries in terms of mirroring their policies. In 2017, the International Federation of Pharmacists meeting will be held in Seoul and the Health Ministers' summit will be held here simultaneously. KPA is visiting many other developed countries, exchanging information on systems, supported by our government.

What was your previous experience prior to becoming president of KPA?

Earlier in my career, I spent ten years working at Handok Pharmaceuticals. I then opened my own pharmacy, which I still own today. I worked as president of a neighborhood pharmacist association in Korea, and then I became president of the Seoul Pharmacist Association. After that I became president of KPA, which represents over 70,000 pharmacists throughout Korea.

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