



COMMERCIAL BULLETIN

Monthly service

December 2013

New PPRS medicines pricing deal

A five year pricing deal has been agreed by the government and the pharmaceutical industry on NHS branded medicines.

The will provide reassurance to the Industry and the NHS.

It will push use of innovation and cost-effective treatments

The deal follows negotiations between the DH and the Association of the British Pharmaceutical Industry (ABPI). It will apply across the whole of the UK.

To read more:

<https://www.gov.uk/government/publications/pharmaceutical-price-regulation-scheme-2014>

Improving medicines supply

Wholesaler and pharmacist representatives are working together to improve drug supplies across the UK.

A meeting has been held between BAPW and PV to discuss areas of interest, with an overall objective to support pharmacy and patients

There needs to be a system created to make it easier for pharmacists to report medicine shortages to wholesalers and manufacturers.

Working together to ensure patients will get their medicines they need.

To read more:

<http://www.bapw.net/policy-and-media/press-releases-news>

Australian medicines price, 14 times higher than UK

Reports have shown that medicine prices in Australia are 14 times higher than the same medicines in the UK.

This month seven Australian wholesale drug prices had fallen in price by a fraction.

It has been said that there is simply no reason why Australians shouldn't get a better deal on medicines.

To read more:

<http://news.ninemsn.com.au/health/2013/12/01/19/40/aust-drug-prices-14-times-higher-than-uk>

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This bulletin is free to Interested people in Pharma & Healthcare

Please send names of new subscribers to
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If you have articles, comments or story ideas, please send them to the email above

www.wavedata.co.uk



Generic Profitability Drops Dramatically

Many dispensing doctor surgeries have been contacting Dispex with regards to severe drops in dispensary profitability. Using historical data held by Dispex and Wavedata an analysis of Drug Tariff prices, market prices and discounts for a basket of over 600 commonly used generics has concluded the following statistics:

	November 2011	November 2013
Average Drug Tariff Price for a generic	£14.36	£12.86

This means that the Drug Tariff reimbursement price has dropped on average by £1.50 per item dispensed generically which means that a dispensary dispensing 3000 generic items per 28 days will have a drop in overall turnover of £58,500 per year. The higher your generic dispensing the larger this figure will be!

Taking the analysis on to profitability Dispex has compared Drug Tariff Price and Market Price for March 2012 to November 2013 to see the effect generic price drops have had.

The conclusion on a basket of over 600 generics shows the following:

	March 2012	November 2013
Average % Gross Profit for a generic	44%	36%
Average Profit Per Script for a Generic	£5.31	£3.31

From these figures you can see that generic dispensing has taken a big hit in profitability for dispensing doctor dispensaries where clawback remains [for most] at 11.18%. Therefore the **drop** in profitability for those surgeries dispensing 3000 generic items per 28 days could be 8% of generic turnover or as much as £78,000 per year!

If you want to find out more about dispensing doctors please email gbull@dispex.net or phone 01604 859000 and ask to speak to Greg for more details.

www.dispex.net

NEW Dispensing Doctor Seminar for Pharma

Date: TBC Cost: £285.00

- Can You Afford to Ignore the Influence of 5000 GPs?
- Do you understand what a dispensing doctor is?
- Do you understand the generic market and how important it is to dispensing doctors?
- Do you know how your products are viewed by dispensing practices?

If you want to find out more
email gbull@dispex.net or
cjoyson@wavedata.co.uk



DISPEX



Under the skin of parallel imports

Since 2008 there has been a gradual decrease in the value of a Euro from its peak at £0.92 to about £0.84 (UK Pounds) today. This sometimes imperceptible change means that the UK is more attractive to parallel importers.

Therefore we thought it would be useful for companies to know how other customers monitor parallel imports.

The sales volumes of parallel imports can be purchased from a number of data companies and the figures are generally collected from a panel and multiplied up to represent the whole of the UK.

However many companies are doubtful as to the veracity of the total as some important importers are missed by the panel collection.

The alternative to this is to monitor the activity of wholesalers selling imports to chemists and dispensing doctors.

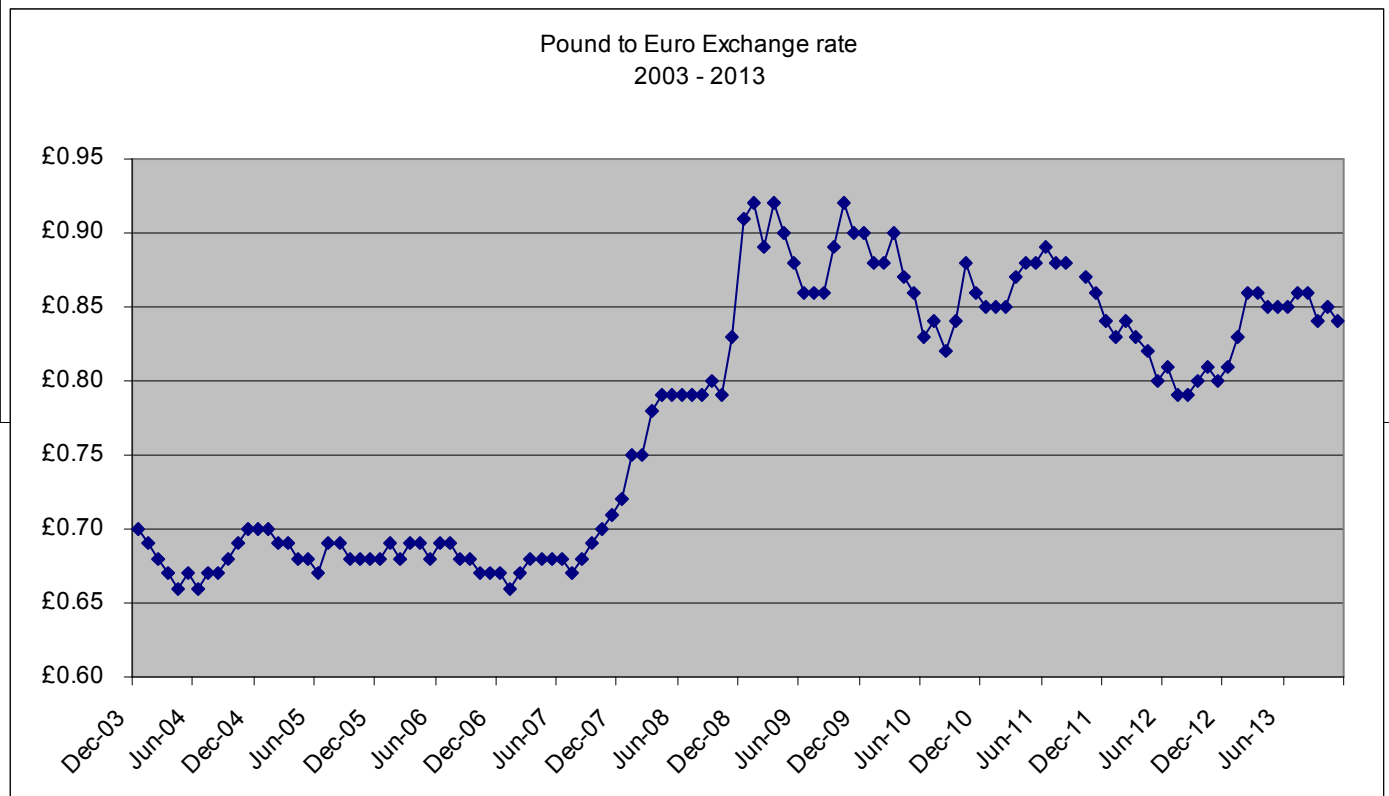
This is done on a website called Wavedata Live at <http://wavedata.net> which includes about 100,000 prices collected each month and refreshed every 15 minutes. The data stays on the website for 35 days and is then removed to keep this service current.

Some idea of which companies have the most stock can be gained by analysing which companies are best represented by price lists and offers containing a specific product. More activity generally reflects increased effort to clear stock from valuable warehouse storage space. Monitoring price also helps companies determine which wholesalers may need replenishment with UK product, either because their selling price is high or their assumed stock holding is low.

Some companies are less interested in the narrow window Wavedata Live provides and find a longer time span more useful in spotting trends. This is available in Pharma TouchStone online at <http://wavedata.biz> which allows users to monitor trends in availability, average or minimum price. It helps users to monitor trends by wholesaler, manufacturer or competitor and reveals things which the short term approach misses.

On occasion companies need to understand an even longer term picture than this. Possibly because a product is about to be purchased and a due diligence procedure undergone. Or it may be that a relationship can be found between volumes, price and the exchange rate. The usefulness of such thinking has been shown in monitoring the prices of generics after a brand's patent expiry and generic launch. This longer term view is available at <http://bppi.co.uk>.

Some companies use brand equalisation to build contracts which counter imports, others accept the imports but get budget rebates from their European colleagues, and others ignore the problem, believing that imports and exports balance each other out.





Forthcoming Events

Organizer	Date	Venue	Link
Oxford BioCluster Growth Company	14th January 2014	Innovation Centre, 99 Milton Park	http://ow.ly/rPTeR
Westminster Health Forum	Thursday 16th January 2014	central London	http://ow.ly/rPU9E
MHRA Workshop	Thursday 16th January 2014 2-4pm	London	http://ow.ly/rQ0g0
MHRA Workshop	Friday 17th January 2014 10.30 - 12.30pm	London	http://ow.ly/rQ0g0
EGA	22 & 23-24 January 2014	London	www.egagenerics
EMIG, Europharm and Amlis	Thursday and Friday 6th & 7th March 2014	London	
GPhA	19-21 February 2014	Orlando, US	www.ghpaonline.org/events
Pharmatimes	26 February, 2014, 2.30pm-6.30pm	Royal Institution, Central London	http://ow.ly/rQ03M
Nice	13 - 14 May 2014	The ICC, Birmingham	http://ow.ly/rPT8M
Social Care 2014	19th March 2014	London	http://www.socialcarereform.co.uk/programme
PharmaGora	29-30 March 2014	Paris, France	http://www.pharmagora.com/
Supply Chain Conference.	Wednesday 2nd and Thursday 3rd April 2014	near Tower Bridge in central London	http://www.esc-lon.co.uk/en/attendees.aspx

PRICE WATCH UK

Double-digit discounts trump most increases

Double-digit price discounts were offered to independent pharmacists and dispensing doctors in the UK during November for entacapone 200mg, esomeprazole 40mg, quetiapine 25mg, rabeprazole 10mg, riluzole 50mg and tolterodine 2mg (see Figure 1). The lowest prices for these products all fell by at least 10%, but their corresponding average prices were more stable, indicating that such price offers were only available from a single source.

To see more go to <http://www.wavedata.co.uk/newinfo.asp> and view our article from this month's Generics Bulletin.

WaveData

Subscribe to the industry's comprehensive source of news and analysis.

www.generics-bulletin.com



WaveData — Top ten searched products and 3 month's average prices

According to WaveData, these were the most commonly investigated products in searches of the online pricing data Wavedata Live at <http://www.wavedata.net>

Both uk and pi prices were viewed for each product, giving some indication of where the focus was to November 2013

Product	2013 09	2013 10	2013 11
Bendroflumethiazide Tabs 2.5mg 28	£0.12	£0.13	£0.40
Gabapentin Caps 300mg 100	£5.13	£8.24	£11.37
Co-Amoxiclav Tabs 500mg/125mg 21	£2.19	£2.83	£5.60
Propranolol Tabs 40mg 28	£1.34	£2.98	£4.11
Sertraline Tabs 50mg 28	£3.22	£2.67	£2.35
Alendronate Tabs 70mg 4	£0.28	£0.32	£0.38
Sertraline Tabs 100mg 28	£4.22	£3.33	£3.12
Indapamide Tabs 2.5mg 28	£3.62	£7.07	£4.47
Memantine Tabs 10mg 28	£22.98	£21.73	£19.25
Atorvastatin Tabs 10mg 28	£0.44	£0.43	£0.44

Merry Christmas and a very happy & healthy 2014



This bulletin now goes out to 3500 plus people, and it is growing each month.

If you would like to add or suggest any articles/comments, please let me know by the 15th January 2014, as I will be issuing the next one on the 22nd January 2014

If you have any colleagues who would like to receive this, please let them know about it.

You can view all copies of the Bulletin at

<http://www.wavedata.co.uk/newinfo.asp>

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