

Wholesale Bulletin

Monthly service for wholesalers

STOCK MEASURES IMMINENT AS SECRET SUPPLY TALKS AT DH REVEALED

The government is set to publish a raft of measures to combat stock shortages after secret talks with manufacturers who have been linked to supply problems.

Companies whose medicines feature on an official PSNC shortages list have been called to discussions at the Department of Health (DH), C+D can exclusively reveal.

Pharma firms have been quizzed by a cross-party medicines supply chain group set up to implement the findings of a ministerial stock summit in March.

The talks between pharmacy, DH, wholesaler and manufacturer representatives were subject to a confidentiality agreement. However, meeting insiders have leaked key details to C+D this week.

Talks have centred on establishing a tougher code of conduct to stop stakeholders manipulating medicine supply, sources revealed.

A clampdown on pharmacists who breach their ethical duty to patients by parallel trading is being investigated, one said.

A meeting attendee told C+D: "We're having a conversation in terms of understanding the issues and sharing best practice to address them."

Another insider added: "The idea is to move to the agreed outcomes of the stock summit earlier this year... I think it's fair to say that there will be an update on the outcomes in the next few weeks."

Manufacturers whose medicines feature on the PSNC shortage list are involved in the talks, the source revealed. There are currently 16 firms on the list.

Each manufacturer will hold a separate meeting with the group rather than a discussion between all parties, the source revealed. This is partly due to commercial sensitivities, one manufacturer told C+D.

A meeting source said he did not believe the fragmented nature of discussions would hinder progress as each manufacturer operated a different medicine supply model.

The ABPI said it was working with all parties to ensure UK patients continue to receive their medicines.

The DH said all the parties in the supply chain had continued to work together and the talks had "made good progress" in agreeing measures set out at the stock summit in March.

What's on the horizon under DH plans

1. Tougher code of conduct on medicine supply: pharmacists face rap from representative bodies for abusing supply. Manufacturers, wholesalers stripped of licences and prosecuted for breaching code.
2. MHRA-led programme of inspection.
3. A centrally held list of medicines in short supply.
4. Buffer stocks to be held by select wholesalers as protection against shortages.
5. Regular meetings with supply chain to assess shortage problems.

Chemist and Druggist 09/06/10

Special points of interest

This bulletin is free to interested wholesaler employees

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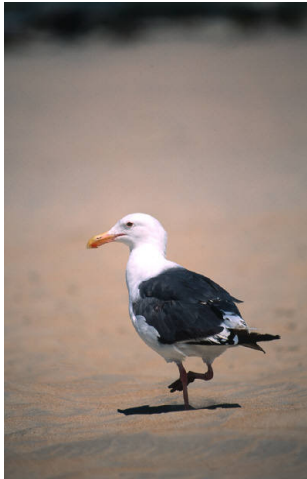
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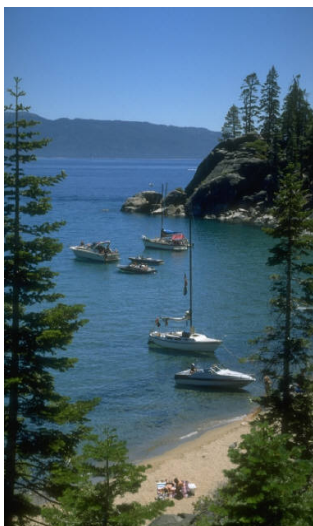
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Glimepiride's slide continues after rally

In last month's price watch we commented on glimepiride's sharp price recovery. It now seems that May's double-digit gains, which saw the average trade price of 30-tablet packs of glimepiride 3mg increase by more than half, were nothing more than a brief adjustment.

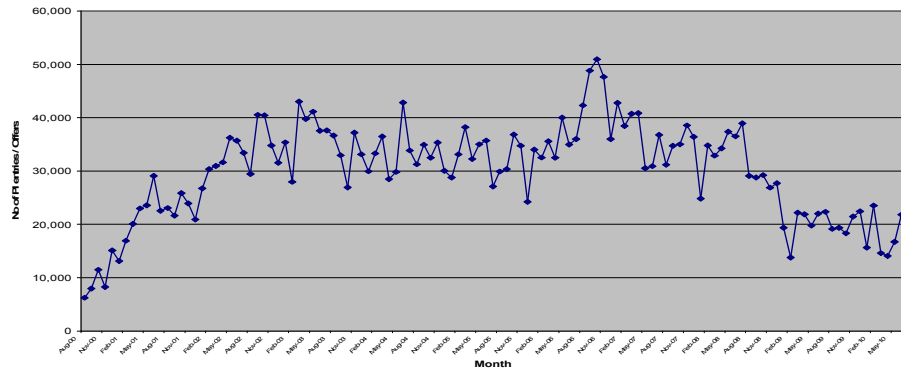
To see more go to <http://www.wavedata.co.uk/news2.asp> and view our article from this month's Generics Bulletin.



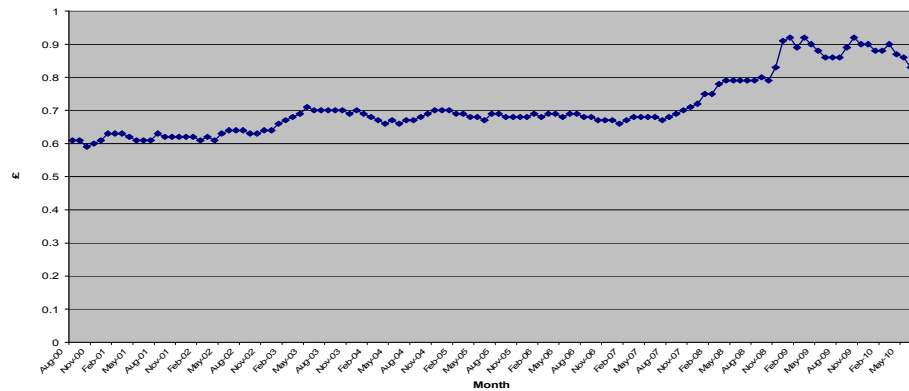
Parallel Imports

'These are the numbers of offers for PI product collected by Wavedata each month, there has been a slight spike in June, which is probably due to the devaluations in Greece and Spain, and to fluctuations in the Pound / Euro exchange rate.

PI entries in Wavedata's data by month



Euro Pound Exchange Rate



Germany hits pharma, insurers etc with 3.5B euro cuts

German Chancellor Angela Merkel announced yesterday that the government is seeking 3.5 billion euros in savings from the profits of pharmaceutical companies, health insurers, hospitals and dentists.

The cuts form part of the government's plan to close an 11-billion euro gap in the national health budget for next year. Ministers also announced yesterday that charges for state-provided health care will be increased, with premiums rising from 14.9% of employees' gross pay to 15.5%, the burden being split equally between employers and workers. This is expected to bring in an extra 6 billion euros.

The federal cabinet recently approved the second part of the Health Minister Philipp Roesler's draft cost-containment law, which is expected to be approved by the upper house of parliament in the third quarter of the year.

The first part of the bill, which was approved by parliament last month, includes two short-term cost-curbing measures taking effect from August 1, namely, a three-year drug price freeze and an increase in discounts on drugs not covered by the reference pricing system from 6% to 16%. These two measures are each expected to yield savings of around 1,15 billion euros a year.

In a recent note on the German government's plans for structural changes to the pharmaceuticals sector, analysts at IHS Global Insight point out that German public spending on drugs rose 5.3% last year to total 32 billion euros, and that this was mainly driven by the 8.9% growth by value reported for products which are not included in the reference price system. Branded drugs accounted for some 26% of

total public spending, and only around 2% of them are subject to price regulation.

In contrast, sales of products which are covered by the discounted contract system fell 2% last year, the analysts note.

- Meantime, the Financial Times reports this morning that Italy is to cut the prices of a number of oncology drugs from 2011, after a preliminary analysis of two-year data by the national drugs agency showed them to be less effective than their manufacturers had claimed. The drugs had been purchased by the state at prices 20%-30% below list, based on a "pay for performance" agreement which permitted price adjustments according to the benefit demonstrated, and their prices could now be reduced by a further 30%-40%, it says.

Ireland's generics, reference pricing plans draw concerns

Ireland's introduction of generic substitution and reference pricing in 2011 will save the nation nearly 78 million euros a year and reduce spending by patients, says the government.

An implementation report on the planned new regime published last week by a joint Department of Health and Children/Health Service Executive (HSE) working group describes Ireland's current system of drug purchasing as "unsustainable."

"In 2008, the HSE paid for approximately 65 million prescription items at a cost of over 1.9 billion euros. As a result of demographic changes and prescribing trends, the number of prescription items is estimated to increase to 105 million by 2021 at cost of 2.4 billion euros," it says.

The report's authors also note that, in Ireland, generics currently account for only 18% of drugs dispensed under the medical card scheme and 11% of those supplied to private patients, compared to 83% in the UK.

While reference pricing will not apply to products used in the treatment of cancer and epilepsy, the report says the HSE has identified 100 potentially interchangeable medicines for the initial introduction of reference pricing, comprising almost 250 groups when different product strengths are taken into account.

A tendering process will be introduced and the lowest price selected based on the manufacturer's ability to supply the volume needed, said the Minister for Health and Children, Mary Harney, who added: "that will be the reference price we will pay and we won't pay any more."

The introduction of generic substitution will allow patients to choose to receive the medicine at the reference price, or pay the difference if they want a more expensive equivalent.

Ms Harney noted that the new arrangements are part of "a set of key actions" being taken by the government to achieve greater value for money in pharmaceutical expenditure. "Off-patent price cuts have been introduced, wholesale and retail mark-ups have been reduced and further price cuts were achieved in February this year. These actions alone can be expected to save nearly a quarter of a billion euros for the taxpayer this year, from what would otherwise have been the cost," she said.

"The new system of generic substitution and reference pricing will promote price competition and deliver greater value for money. Over the next five years, a number of high-volume medicines are expected to come off patent. These reforms will ensure that lower prices are paid for these medicines resulting in significant savings for taxpayers and patients," the Minister added.

Groups representing pharmacists and consumers welcomed the report's detailing of plans for generic substitution, but the Irish Pharmacy Union (IPU) warned that reference pricing could lead to shortages.

Concerns were also expressed by industry group the Irish Pharmaceutical Healthcare Association (IPHA), which pointed out that Ireland currently has a fair and equitable single-tier system whereby all patients, regardless of income, have access to a secure supply of the medicines which their doctors believe are most suitable for them. However, the report's recommendation that the HSE should set the reference price at that offered by the lowest potential supplier "could give rise to patients being dependent on one supplier, perhaps with very limited infrastructure or commitment to the Irish market," warned Brian Murphy, director of commercial affairs at the IPHA.

Security of supply of the full range of therapies to patients is "absolutely vital, and such a policy of going for the lowest price supplier rather than an average of a number of prices could seriously endanger this vital continuity of supply to patients," he went on adding that the proposed resetting of reference prices up to four times a year "could see patients being regularly switched from one medicine, which they are doing well on, to another product."

The proposal would appear to involve "a great deal of additional cost for the taxpayer without any guarantee of savings," said Mr Murphy, who urged the government, instead of going down this route, to build on the current system for off-patent medicines and garner additional savings by addressing the "currently bizarre situation whereby generic medicines are up to 50% more expensive than their off-patent equivalents."

Pharmatimes 21/06/10



Servier Laboratories is to restrict distribution of its products to just three wholesalers, Alliance Healthcare, Phoenix Healthcare and AAH Pharmaceuticals.

The new supply chain arrangements will be in place from 1 August.

[Servier Laboratories](#) branded products are Arginine, Coversyl, Coversyl Arginine Plus, Diamicon, Diamicon MR, Natrilix, Natrilix SR, Procoralan, Protelos and Valdoxan.

Questions about the new distribution scheme for Servier products should be addressed to the company's commercial team on 01753 666203.

Chemist and Druggist
05/07/10

Wavedata have met a highly entertaining speaker you may wish to use for your next conference his name is

Mike Southon
mike.private@beermat.biz

07802 483834) and he specialises in sales, which is also the theme of his presentations. Additionally he is the man who wrote 'Sales on a Beermat'

Ever thought of having a 'beer tasting' event to compliment a conference or meeting?

Mike Huggett is not only highly knowledgeable about the beer brewing industry, but will bring along a few of the 2500 ales brewed in the UK.

Mike can be contacted via
mike.huggett@curaresources.com
07950 393095
<http://www.curaresources.com/>



SCHERING-PLOUGH ANNOUNCES SUPPLY DEAL

Schering-Plough has announced a reduced wholesaler supply deal for its prescription medicines from July 1.

AAH, Alliance Healthcare and Phoenix will become exclusive distributors to pharmacies.

There would be no change in ordering for most pharmacy customers, Schering-Plough said.

The pharma firm said the deal aimed to create a "more efficient and streamlined" product supply.

All three selected wholesalers voiced their delight at being included in the supply deal.

Mark James, AAH md, said: "Our customers will welcome the inclusion of AAH as it means they can continue to order Schering-Plough products from us in the normal way.

Mark Stephenson, Alliance Healthcare commercial healthcare director said: "We are delighted to have been selected as a distribution partner for Schering Plough's prescription medicines."

Paul Smith, chief executive at Phoenix, said: "We are obviously delighted to have been selected by Schering-Plough as a distribution partner."

For further info: <http://www.msd.com/nm/uk/>
Chemist and Druggist 24/06/10

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and we will contact you to set it up.

WaveData — Top ten products

According to WaveData, these were the most commonly investigated products in searches of the online pricing data at www.wavedata.net

Both uk and pi prices were viewed for each product, giving some indication of where the focus was in June 2010

Fluoxetine Caps 20mg 30

Prednisolone E/C Tabs 5mg 30

Tetracycline Tabs 250mg 28

Amlodipine Maleate Tabs 10mg 28

Bendroflumethiazide Tabs 2.5mg 28

Losartan Tabs 50mg 28

Omeprazole Caps 20mg 28

Simvastatin Tabs 40mg 28

Allopurinol Tabs 100mg 28

Allopurinol Tabs 300mg 28

This bulletin now goes out to 1000 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 11th August 2010, as I will be issuing the next one on the 18th August 2010

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

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Jackie Moss
WaveData Ltd
E-mail:
jackie@wavedata.co.uk
07968 815192