

Special points of interest

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Inside this issue

AAH seeks "clarification" of govt generic substitution plans

Prescription volume doubles in twenty years

Pharmacists and GPs fight generics plan

Banned Chinese medicine in the UK

Category M Barometer

Shire to launch supply deal

WaveData are searching for a case study

Pharmacy profits rise as Glimepiride falls.

Pharmadex— Transport and Distribution

WaveData — Top ten products



# Commercial Bulletin



## AAH seeks "clarification" of govt generic substitution plans

**Leading** pharmaceutical distributor AAH has called on the Department of Health to clarify certain aspects of the government's proposals to allow automatic generic substitution.

**The** firm highlights two areas of the proposals which it feels needs further attention, the first of which is the plan to give a month's notice to add or remove a product from the list of those which may be substituted.

**AAH** says the Department needs to begin a dialogue with wholesalers and the Pharmaceutical Services Negotiating Committee (PSNC) to determine if that notice period is sufficient to manage stocks at both wholesaler and pharmacy levels.

**Second,** says the company, if the Department intends to press ahead with its plans, it needs to start talking to patient medication record (PMR) providers about how much notice they will require in order to update systems, what new functionality will be required and when, how this will align with other competing demands from other pharmacy e-programmes and, critically, who will pay for this development work.

"**The** medicines supply chain in the UK is highly efficient and a critical part of the infrastructure of the NHS," said Mark James, group managing director at AAH Pharmaceuticals. "It is therefore vital that, prior to any changes to that supply chain, such as generic substitution, the practical implications are fully addressed," he added.

**A** number of industry and trade groups, including the Royal Pharmaceutical Society of Great Britain (RPSGB) and the Ethical Medicines Industry Group (EMIG), have already publicised the grave misgivings they have expressed to the Department during its consultation over official plans to allow automatic generic substitution which, according to official estimates, would increase national generic prescribing rates from 83% to 88%.

**The** National Pharmacy Association (NPA) shares the view of these bodies that automatic generic substitution should not be implemented, and warns that the consequences of doing so are likely to run counter to the Department's Quality, Innovation, Productivity and Prevention (QIPP) agenda. "**We** believe that changes to a generic from the brand must be instigated by the prescriber, and the patient must be involved in the decision," says Margaret Peycke, external relations manager at the NPA.

**Initiatives** to reduce waste are far more likely to achieve the financial savings which the Department is seeking than generic substitution, the "inherent problems" of which are listed by the NPA in its response to the government consultation, she adds.

**The** NPA believes the Department and the NHS should support repeat dispensing and medicines use reviews (MURs), develop the First Prescription Service which was proposed in the Pharmacy White Paper and complete research into understanding why patients don't take their medication as intended by the prescriber.

**83%** of prescriptions are prescribed generically with only another 5% having the potential to be prescribed generically, says the NPA, and it calls on the Department and the NHS to target prescribers with low levels of generic prescribing, "rather than asking the pharmacist to intervene, which could potentially damage patient or prescriber relationships."

Pharmatimes 15/04/10

## PRESCRIPTION VOLUME DOUBLES IN TWENTY YEARS

**The** number of medicines prescribed per person each year in the UK has skyrocketed in the past twenty years, driven in part by the pharmaceutical industry, a new paper by sociologist Joan Busfield.

**The** number of prescriptions had increased from 8 per person in 1989 to 16.8 in 2008 and is now increas-

ing at 4 to 5 per cent each year, said Busfield [in a paper in Social Science & Medicine](#).

**While** there had been a "complex interaction of forces" causing the expansion, Professor Busfield's paper concluded the pharmaceutical industry had been key in the growth.

"**The** industry, through its pursuit of profits and skilful use of marketing, its control of science, and disease mongering, has been a major driving force in the current expansion," Professor Busfield said.

Chemist and Druggist 29/03/10

## Pharmacists and GPs fight generics plan

GP and pharmacist leaders have formed a rare professional coalition and both attacked the Department of Health's proposals on generic drug substitution.

The DH consultation closed last month, and in its response the [BMA](#) released a comprehensive deconstruction of the plans, expressing 'serious concerns'.

And in a surprise move, the Royal Pharmaceutical Society of Great Britain (RPSBG) also condemned the plans, saying they were a 'short term fix, not a long term solution'.

The BMA said savings would be better achieved though continuing to push generic prescribing through incentive

schemes, and that it had ethical and legal concerns.

'Patients could experience side-effects or withdrawal symptoms because their drugs are substituted for others not sufficiently bioequivalent. If a patient has an adverse reaction to a drug which has been generically substituted, could he or she sue the prescriber for changing the brand? This must be clarified', the response stated.

GP leaders also warned 'unscrupulous' pharmacists could seek to profit financially from any new arrangements.

'We have concerns that it would be possible for unscrupulous pharmacists to benefit from the large mark-up be-

tween cost and resale price of certain generics, which is often greater than for branded drugs. Pharmaceutical companies could provide incentives for pharmacists to substitute their generic products.'

The RPSBG refused to back any of the Government's proposed options for generic drug substitution, saying it feared the 'operationally extremely complex' proposals could damage professional relationships between GPs and pharmacists.

'There are concerns about liability and the potential for misconduct and fraud because of communication failure between health-care professionals.'

Pulse Magazine 12/04/10

## Banned Chinese medicine in the UK

More than 900 packs of a potentially dangerous traditional Chinese medicine (TCM) are currently on the UK market despite warnings issued by the Medicines and Healthcare products Regulatory Agency (MHRA).

The unlicensed herbal product - Jingzhi Kesou Tan Chuan Wan - was distributed to 20 TCM and herbal medicine outlets throughout the UK. A recall was initiated by the distributor, Ekong Inter-

national, in February 2010, however, more than three quarters of the stock brought in from China has still not been returned.

It has been revealed that new labelling in English had been applied to packs to conceal the original label, which contained the Chinese symbols for Aristolochia, a banned toxic and carcinogenic plant derivative.

Exposure to aristolochic ac-

ids can result in kidney failure and the development of cancer, particularly of the urinary tract.

The MHRA has written to TCM trade and practitioner associations to ensure that none of their members are supplying the product.

PMLive 29/03/10

## CATEGORY M BAROMETER

For the first time in 15 months, the category M tariff has seen a positive increase in overall reimbursement.

This addition is between £17 million and £20m, once market growth has been factored in, and will boost the average pharmacy's generic purchase profits by £1,425 over the next three months.

There has been a large amount of activity in the category this quarter, with only three products out of 433 staying at the same reimbursement level as in quarter one. Ninety six were reduced and 334 increased.

Most of the savings in the £1.45

billion basket have been made to those products added to the tariff this year. The largest decrease this quarter sees 76 per cent being removed from the tariff price of topiramate 200mg tablets; the largest increase is on fluoxetine 20mg capsules, at 67 per cent.

A further two products, furazolidone 25mg x 250 and oxytetracycline, have been removed from the category. Nine have been added, the most notable of which is clopidogrel, an addition which it is estimated will save the NHS £62m a year.

The Category M Barometer has increased from 107.7 in quarter one to 109.6 for quarter two.

On the most commonly dispensed lines by volume, reimbursement prices have increased on the majority of lines this quarter. In fact, an annualised amount of £33m has been added to these lines, or £8.25m per quarter.

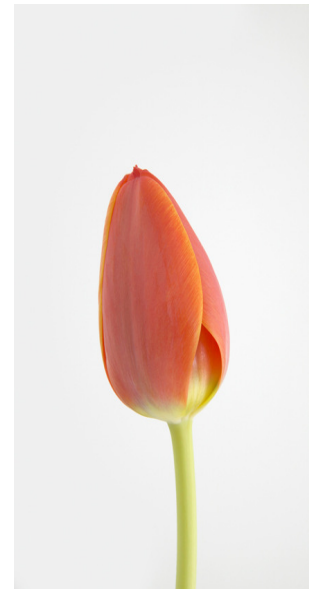
For the average pharmacy, this equates to £264 a month added to the bottom line (if whole market volumes are used and just the top 20 lines are dispensed).

Chemist and Druggist

24/-3/10

WaveData are searching for a case study to show how sales of your own products.

If you are interested, please contact us at [info@wavedata.co.uk](mailto:info@wavedata.co.uk) Quoting Ref. CS/ IS1-CB



## Pharmacy profits rise as Glimepiride falls.

Glimepiride tablets experienced some of the highest average price falls in March compared with a month earlier.

The read more go to

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

WaveData

We're on the web  
www.wavedata.co.uk

**SHIRE TO LAUNCH  
SUPPLY DEAL**

Shire Pharmaceuticals has unveiled its plans for a reduced wholesaler supply deal to be launched May 1.

AAH, Alliance Healthcare and Phoenix are set to become exclusive Shire suppliers.

Affected products include Calcichew tablets, Fosrenol and Reminyl.

The distribution deal will not affect Shire Human Genetic Therapies products Replagal, Elaprase and Firazyr or Equasym.

These products should continue to be bought via their existing route.

See: [www.psn.org.uk](http://www.psn.org.uk) or [www.shire.com](http://www.shire.com) for full list of affected products.

Chemist and Druggist 15/04/10

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## 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](http://www.wavedata.net)

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

Losartan Tabs 25mg 28  
Simvastatin Tabs 40mg 28  
Lansoprazole Caps 15mg 28  
Lansoprazole Caps 30mg 28  
Clopidogrel Tabs 75mg 28  
Losartan Tabs 50mg 28  
Omeprazole Caps 20mg 28  
Amlodipine Besilate Tabs 5mg 28  
Lercanidipine Tabs 10mg 28  
Losartan Tabs 100mg 28

This bulletin now goes out to 950 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 12th May 2010, as I will be issuing the next one on the 19th May 2010

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