

# Citalopram shortages show system flaws

Recent problems with the availability of citalopram in the UK have sorely tested the country's reimbursement system. Only gabapentin in the past few months has caused as many headaches for the Department of Health in keeping the reimbursement price above that of the trade price to independent pharmacists and dispensing doctors.

A year ago, the average trade price of 28-tablet packs of citalopram 20mg was £0.45 (US\$0.73), or less than £0.02 per tablet. Earlier this year in January, however, the same product's average monthly price peaked at £6.05, according to WaveData, representing a 1200% increase. Meanwhile, its Drug Tariff reimbursement price actually fell from £1.39 in April 2010 – offering pharmacists a 68% profit margin on average – to just £1.32 in January 2011.

The product's dramatic price changes over the eight months are shown in Figure 1 by comparison with its Drug Tariff reimbursement price. Figure 2, meanwhile, shows the turmoil in the market underlying the average prices shown in Figure 1, as individual suppliers wrestled with diminishing supplies and rising prices.

The figures highlight an intrinsic flaw with the UK reimbursement system. The system has numerous advantages in that it is based on actual market data and allows real competition. Reimbursement prices are based on actual prices uplifted to introduce an agreed overall dispensing margin. The system reflects market realities: when the actual trade price goes up or down, so does the pharmacist's payment and the cost to the government.

However, the volume-weighted sales data used to calculate the reimbursement prices of category M products – the vast majority of generics, including citalopram, covered by the Drug Tariff – is historical quarterly data that is at least three months out of date.

To get around the problem of the sales data not reflecting sudden shortages, the pharmacists' representative body, the Pharmaceutical Services Negotiating Committee (PSNC), discusses generics in short supply with the Department of Health. This can result in the department granting 'no cheaper stock obtainable' (NCSO) status to a product for the month or a concessionary price increase. The former allows pharmacists to be reimbursed in full for an equivalent product.

Citalopram 20mg was granted NCSO status in October, November, December and March; while citalopram 10mg was also covered in December. Citalopram 40mg was given NCSO status in December and January. All three strengths received concessionary price increases in the January to March period if they had not already been granted NCSO status for the month in question. The price movements of the 10mg and 40mg strengths are shown in Figures 3 and 4.

The concessionary reimbursement price of 28-tablet packs of citalopram 20mg was £6.25 in February, which compared with an average trade price for the month of £5.87, although WaveData was still showing a lowest price of only £1.80 from one supplier. The Drug Tariff meanwhile was set at £1.32. At the average trade price, pharmacists and dispensing doctors would have had a profit margin of just 6% on the concessionary price.

Some low prices persisted throughout the period as a few wholesalers were slow to monitor or follow market trends.

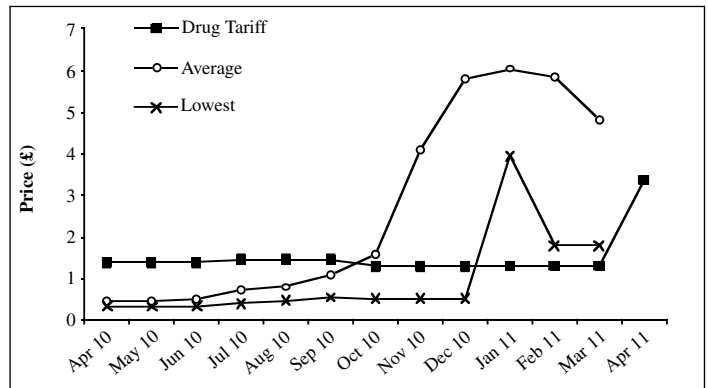


Figure 1: Comparison of lowest and average prices of 28-tablet packs of citalopram 20mg with the product's Drug Tariff reimbursement prices (Source – WaveData)

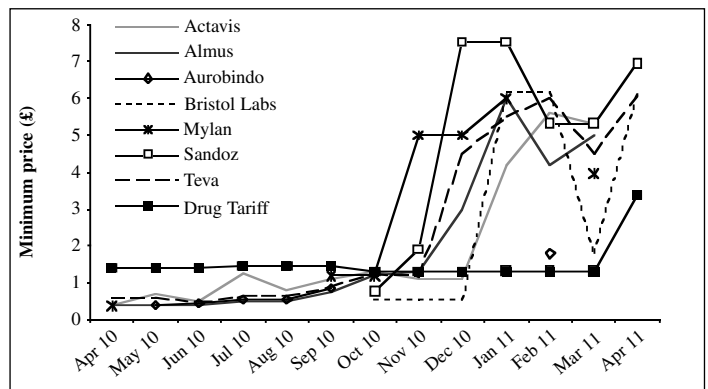


Figure 2: Comparison of different suppliers' trade prices for 28-tablet packs of citalopram 20mg in recent months (Source – WaveData)

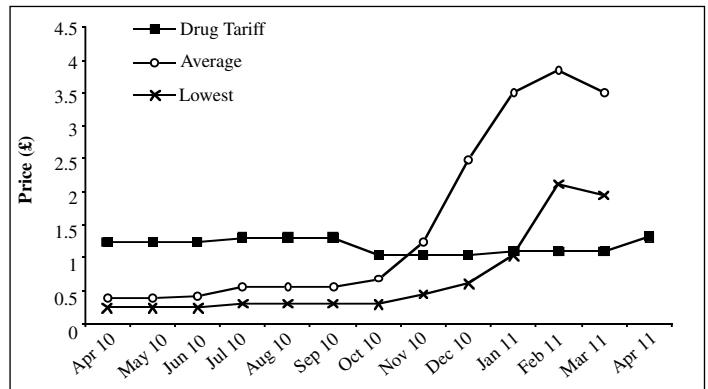


Figure 3: Comparison of lowest and average prices of 28-tablet packs of citalopram 10mg with the product's Drug Tariff reimbursement prices (Source – WaveData)

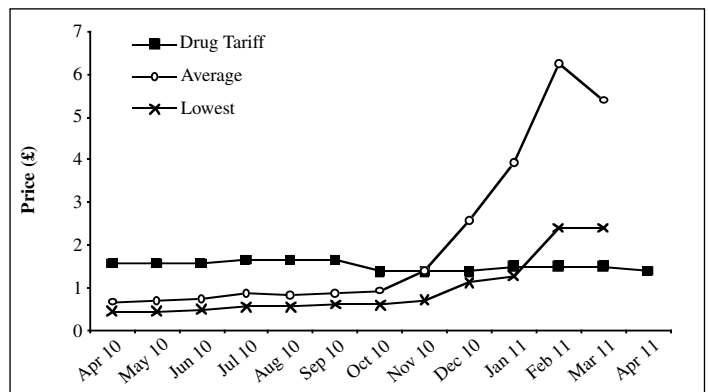


Figure 4: Comparison of lowest and average prices of 28-tablet packs of citalopram 40mg with the product's Drug Tariff reimbursement prices (Source – WaveData)

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