

# Prices tumble for new batch of launches

Generics launches have come rapidly in the UK in recent months with no respite in suppliers' enthusiasm to drop prices and buy market share. Prices have tumbled for the bigger launches, with discounts to the brand of over 90% taking days rather than weeks or months.

Arguably the most significant recent introduction has been quetiapine, the active ingredient in AstraZeneca's Seroquel. Thanks to a legal ruling in Teva's favour (*Generics bulletin*, 6 April 2012, page 1), the antipsychotic was soon joined by a generic of Seroquel XR. Interestingly, AstraZeneca reacted to its loss of exclusivity by increasing its trade price for 60-tablet packs of immediate-release quetiapine 25mg from £33.83 (US\$40.95) in February to £40.50 last month. Trade prices for all other strengths and forms were unchanged.

Not that the increase had much bearing on the tumbling quetiapine price, as Figure 1 shows. During the launch month of March, the immediate-release product's average trade price to independent pharmacists and dispensing doctors was just £4.09 as suppliers scrambled to obtain market share. In the first 11 days of this month, the lowest available price halved from £3.24 in March to just £1.60. This represented a 96% discount to the brand price in just a matter of days from launch. Even the average April price of £4.31 – recorded before 11 April – offered an 89% discount to the equivalent Seroquel price.

Quetiapine and three other recently-launched generics – donepezil, naratriptan and zolmitriptan – have all been placed in category C of the Drug Tariff of trade reimbursement prices. This means that pharmacists are reimbursed at the trade price of the equivalent brand as generics are expected to be “not readily available”. It also means that a 96% discount represents a 96% margin on sales for the dispenser.

Better still for dispensers has been the generic availability of donepezil in both standard and orodispersible tablets since 14 February. Price offers for 28-tablet packs of donepezil 10mg had fallen as low as £1.99 during March, representing a whacking 98% discount to Pfizer's Aricept brand. Even the average generic price of £6.38 was a 92% discount to the trade price of £83.89 for the brand.

The same Drug Tariff price applies to the orodispersible form of donepezil 10mg, but the price decay has not been so dramatic, as Figure 2 shows. March's average price had declined a month after launch to £10.04, which represented an 88% discount to the Aricept Eves brand. Eagle-eyed pharmacists, however, would have seen an offer of £4.19, which would have netted them a 95% profit margin for dispensing the Alzheimer's disease drug.

More recently, both naratriptan and zolmitriptan were launched, the latter on 6 March in standard and sugar-free orodispersible tablet forms. The best offer up to 11 April for six-tablet packs of naratriptan 2.5mg was £3.19, giving an 87% discount to GlaxoSmithKline's Naramig. Deals for both zolmitriptan forms offered similar discounts to AstraZeneca's Zomig and Zomig Rapimelt (see Figure 3).

Compared with these recent launches, the introduction of rivastigmine on 25 October was the result of Mylan's patent challenge (*Generics bulletin*, 1 November 2011, page 17). As Figure 4 shows, average discounts so far this month are about 30%, and even the best deal offers barely more than 50%.

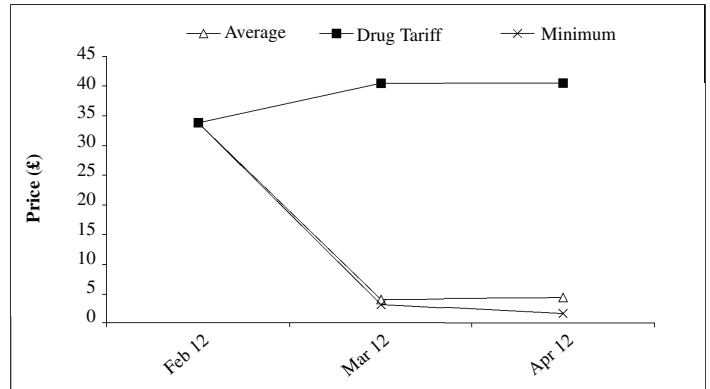


Figure 1: Prices since launch for 60-tablet packs of quetiapine 25mg, showing discounts of up to 90% within days (Source – WaveData)

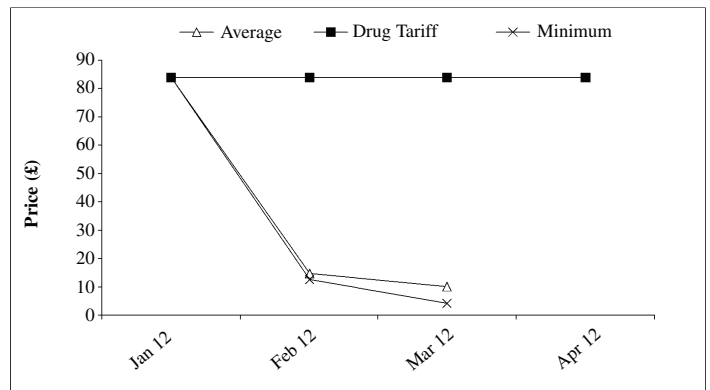


Figure 2: Prices since launch for 28-packs of orodispersible sugar-free donepezil 10mg tablets, showing current discounts of over 95% (Source – WaveData)

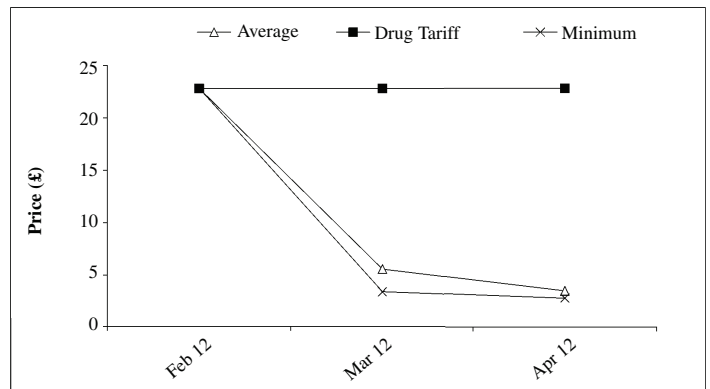


Figure 3: Prices since launch for six-packs of orodispersible sugar-free zolmitriptan 5mg tablets, showing prices offering an 85% discount (Source – WaveData)

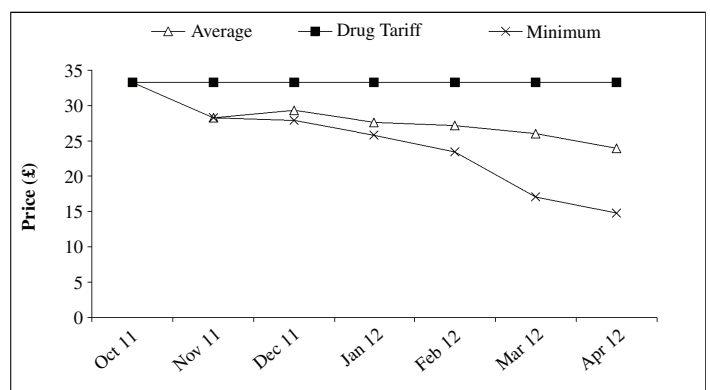


Figure 4: Prices since launch for 28-capsule packs of rivastigmine 6mg, showing only a gentle decline (Source – WaveData)

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