Wholesale Bulletin

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Monthly service for wholesalers

Drug prices across the EU vary by up to 25%; study

Prices of a basket of 150 medicines can vary by up to 25% across European Union (EU) member states or, in the case of generics, the difference can be as much as 16-fold, says a new report.

These wide variations in drug prices and costs can be due to many factors, including the size of the market, regulatory policy, the use of price controls and reference pricing, encouragement of the use of generics, cultural practices and taxation levels, says the report, which was commissioned by the European Parliament's Committee on the Environment, Public Health and Food Safety (ENVI) and carried out by researchers at the Medical Technology Research Group of the London School of Economics and Political Science.

The wealth of the nation also seems to be a factor, according to the authors. "In general, price of in-patent pharmaceuticals seems to be proportionately higher in member states with higher level of per capita income. In addition, higher-income member states spear to spend more on pharmaceuticals," they write.

The highest per capita spending across Europe - out of a list 20 member states and at 2008 levels - is found in Greece, with an average annual spend of nearly 700 euros. The next highest spenders are Ireland, France, Germany and Austria, while the lowest is Poland, at around 125 euros per person per year. The UK stands in sixteenth place, at around 250 euros, and is the only nation to have been spending less per capita in 2008 than in 2000.

24 out of the 27 EU member states use external price referencing as a tool for determining prices, says the report, and it acknowledges that this approach can lead to lower prices, particularly when a member state makes decisions based on the lowest comparison prices rather than the average. However, the authors also warn that there are concerns that this approach "ignores other aspects, such as health priorities for each country, and moreover that it can create uncertainty for innovative sectors of the industry."

Reference pricing can also create problems of access, they add; a low price for a new product in one national market can lead manufacturers to refrain from launching the product in other markets, given that the low price might jeopardise their pricing prospects elsewhere due to the wide application of external reference pricing.

The report suggests that one way of tackling these pricing and access issues is through greater sharing of information and policy experience between member states on the mechanisms which they use to procure medicines, leading to the identification of good practices.

"Approaches to health technology assessment [HTA] could be a key topic of further discussion, given that a growing number of member states use this approach, but their results in terms of reimbursement decisions often vary," the authors go on to suggest, adding: "clinical cost-effectiveness is one of the factors considered in HTA analysis. Here, EU institutions could foster stakeholder discussions to help define the value of innovation for patients, health systems and the EU pharmaceutical industry and its role in the European economy."

Moreover, they add that parallel trade "is an important issue to be addressed, and probably an area that merits further study, given that it raises difficult questions about the interactions between the EU single market and national health policies."

Links

www.europarl.europa.eu

Pharmatimes 24/05/11

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Special points of interest

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www.wavedata.co.uk

DH responds to NCSO (No cheaper stock obtainable) criticism

The Department of Health (DH) has confirmed that it is "in discussions with PSNC" about improving the pricing mechanism covering short-term price fluctuations, following criticism of the NCSO endorsement system.

Last week PSNC and Asda's commercial manager Faisal Tuddy both voiced concerns about delayed NCSO announcements and the "burdensome" administration involved in the system.

A DH spokesperson said the department "recognised" pharmacists' concerns regarding the arrangements and was working with PSNC to improve the pricing mechanism.

They added: "However, a balance has to be struck between administration for pharmacy staff and the NHS not paying more than needed for medicines."

Following complaints that delays in announcing NCSO concessions each month left contractors having to sort back through prescriptions to ensure they were endorsed correctly, the department reminded contractors that they could endorse in advance of products being granted concessions.

Where a contractor had experienced an increased price obtaining a medicine, the endorsement should include the full details of the product dispensed and the NSCO endorsement, as well as being signed and dated on behalf of the contractor.

If the NCSO concession was then not granted, the contractor would then be paid in line with the Drug Tariff Part VIII price, the department said.

Chemist & Druggist 24/05/11

Pharmacists hit out at reduced wholesaling options

Pharmacists are dissatisfied with reduced wholesaling options and prefer the service they receive from full-line wholesale models, the European Association of Pharmaceutical Wholesalers (GIRP) has claimed at its international conference in Tallinn, Estonia.

Only 40 per cent of pharmacists were satisfied with direct delivery services from manufacturers, compared with 85 per cent satisfaction with full-line distribution, preliminary results of a GRIP commissioned study found.

The study, conducted across the UK and five other European countries by the Institute for Pharmacoeconomic Research, found that 90 per cent of pharmacists were unhappy with reduced wholesaling arrangements despite their prevalence in the UK.

Pharmacists in the UK particularly complained about additional workload, lack of invoicing transparency and uncertainty of availability in their wholesaling arrangements, GIRP said.

Full-line wholesalers performed particularly well on delivery times, with 96 per cent of pharmacists satisfied with their times while just half of pharmacists were satisfied with the delivery times from manufacturers following direct sales.

GIRP director-general Monika Derecque-Pois said the results highlighted the need for full-line wholesaling.

"Full-line wholesaling is more efficient, more cost-effective, faster and more convenient," she told the GIRP conference. "It's well appreciated by pharmacists, who can better serve their patients with all the medicines they need."

Ms Derecque-Pois also expressed her support for imposing public service obligations on the supply chain, which would require suppliers to provide medicines within a certain time frame.

"We are asking for a public service obligation as they have fixed by law in six European countries," she stressed. "We are convinced this is the right way forward."

Public service obligations currently exist in Italy, France, Spain, Greece, Germany and Belgium.

GIRP is expected to report on the full results of its study into full-line wholesaling in November.

Chemist & Druggist 07/06/11

Fluoxetine and paroxetine prices plummet

Fluoxetine and paroxetine prices experienced double-digit declines last month as more than one trade supplier improved its offer to independent pharmacists and dispensing doctors. This was evident because the lowest prices declined less quickly than the average prices. Packs of 30 paroxetine 20mg tablets, for example, were 15% cheaper on average at £1.26 (US$2.07), but the lowest price in April only declined by 5% to £0.89 in May (see Figure 1).

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

EU govts "should publish what they pay for drugs"

The European Commission should set up a publicly-accessible database which reveals the prices paid by member states for medicines, says the European Public Health Alliance (EPHA).

Pricing transparency is fundamental to ensuring that patients and stakeholders can make proper evaluations about equity and value for money in health systems, the EPHA tells the Commission, in its response to the public consultation on proposals to modernise the rules covering the transparency of EU member states' decisions on drug pricing and reimbursement; these are contained within Council Directive 89/105/EEC - the "Transparency Directive."

The Directive could establish a database, similar to that now operated by the World Health Organisation (WHO) in the Western Pacific Region, to provide comparative information on procurement prices for all medicines purchased by member states, the Alliance suggests. The website - which would also help to speed pricing decisions in countries which operate external reference pricing schemes - should be publicly accessible, include all medicines purchased each member state and be administered by the Commission, it recommends.

Drug prices are not currently transparent, says the advocacy group, pointing to the H1N1 pandemic in 2009, during which it says some EU member states had had secrecy clauses written into their contracts for procurement of vaccines, meaning that other member states, lacking full information, were unable to negotiate effectively for a fair price. "Such a situation is damaging to public health and should not be allowed to occur," it says.

The EPHA submission also points out that EU member states are already obliged to provide the Commission with a list detailing the medicines covered by their health insurance systems, together with the prices fixed by the national authorities, and suggests that these lists should be supplied twice a year, rather than annually as at present, in order to "aid health authorities to effectively negotiate with suppliers and ultimately to make medicines more affordable."

It is also essential that the time periods for pricing and reimbursement decisions laid down in the Directive are adhered to, the Alliance tells the Commission.

"It is unacceptable from a public health standpoint that patients should not have access to medicines they need because of government inaction," it says, and also calls for "serious consideration" to be given to "the appropriateness of time limits for decisions with respect to generic medicines, where a decision has already been made for an originator medicine."

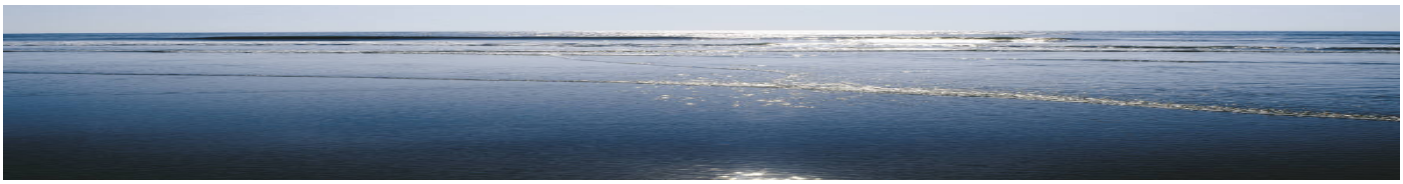
Once generics become available it is essential that they reach patients with the minimum of delay; the cost savings brought by generics to both health systems and patients are now widely recognised, and are increasing in some states as a result of proactive generic substitution policies, says the group.

"We believe that such demand-side measures should be transparent and that a level playing field in generic procurement in maintained. This is in the interest of a sustainable generics industry in Europe, which is necessary if we are to succeed in controlling pharmaceutical costs in the future," it adds.

Links

www.epha.org
www.piemeds.com
www.europa.eu

Pharmatimes 06/07/11



Boots drive-thru pharmacy opens in Northampton

Boots has opened its second drive-thru pharmacy in the UK, offering customers access to health services from their cars.

The store, located at St James' Retail Park in Northampton, was designed to offer "convenient access to Boots' health services from the comfort of a customer's own car seat", the multiple said.

The branch is open until midnight and aims for a two-minute waiting time for prescriptions.

It operates using the same format as many drive-thru restaurants: the customer drives up to a window and places their order, then moves forward to receive their prescription from the collection point.

The opening of the store follows a pilot in Colchester which has been running since August 2008.

Boots said it aimed to "replicate the success of the Colchester pharmacy" in the new store.

Chemist & Druggist 17/06/11

Sector must embrace EU anti-counterfeiting measures, says European pharmacy group

Pharmacy must embrace European plans to track medicines through the supply chain more closely to demonstrate the profession's value, the Pharmaceutical Group of the European Union (PGEU) has said.

It would be a "massive, historic flaw" if pharmacy was not at the centre of the plans, PGEU secretary general John Chave told the European Association of Pharmaceutical Wholesalers (GIRP) conference on June 5.

The anti-counterfeiting plans, which are likely to see pharmacists checking medicine serial numbers for authenticity, could highlight the importance of pharmacy in the supply chain, Mr Chave said..

"There can be no doubt that pharmacy is being asked to demonstrate its added value more and more," he said. "Our position in the supply chain is not as secure as it once was and we can't be complacent about that, so this is our opportunity to show the value of community pharmacy."

The NPA has called the EU plans "one of the most significant European directives for community pharmacy in recent years".

"It is important that pharmacy representatives come together with manufacturers, wholesalers, national government and the European Commission to implement the directive in an appropriate way," said NPA public affairs manager Gareth Jones. "We need minimum bureaucracy whilst ensuring the highest standards of patient safety."

Chemist & Druggist 10/06/11

Cohens' Gorgemead buys Assura pharmacy division for £39.3 million

Primary healthcare property group Assura has sold its 36-branch pharmacy division for £39.3 million to Gorgemead, a member of Cohens Group.

As well as the 36 pharmacy stores, Assura's pharmacy division includes a pipeline of five pharmacy store projects expected to complete in the next 15 months.

The sale will comprise £24.5 million in cash on completion, a vendor loan note repayable over three years of £7 million and a deferred cash consideration of £7.8 million to be paid as pipeline pharmacy developments are completed.

In the year to March 31, 2011 the Assura pharmacy division generated £34.1 million of revenues with a trading profit of £2 million.

The Cohens group has more 100 pharmacies in the North West, Yorkshire and North Wales, with pharmacies mainly located in the community and increasingly within new community healthcare centre developments.

The disposal of the pharmacy division was in line with the Assura's "transition to a fully focused primary healthcare property investment and development business".

The cash proceeds of the disposal will be used to invest in substantially-let primary care property developments and investments and repay some of Assura's existing debt facilities.

Assura chief executive officer Nigel Rawlings said the board was pleased with the deal. "This disposal completes the return of Assura to its origins as a primary healthcare property company," he said.

Chemist & Druggist 22/06/11

Generics launches for June 2011

Levofloxacin Tablets	250mg	5
Levofloxacin Tablets	250mg	10
Levofloxacin Tablets	500mg	5
Levofloxacin Tablets	500mg	10
Repaglinide Tablets	0.5mg	30
Repaglinide Tablets	0.5mg	90
Repaglinide Tablets	1mg	30
Repaglinide Tablets	1mg	90
Repaglinide Tablets	2mg	90

UK R&D boost for personalised medicine

The UK's Technology Strategy Board and Medical Research Council (MRC) are to jointly invest over £3.7 million in seven major project which, they say, will help put the UK at the forefront of developments into personalised medicine.

This investment is the first to be made through the Stratified Medicine Innovation Platform (SMIP), an initiative first announced last October which aims to place the UK at the centre of a new era of molecular-based healthcare by catalysing the commercial application of new technologies for diagnosing and treating disease. SMIP is managed by the Technology Strategy Board - which is sponsored by the Department for Business, Innovation and Skills (BIS) - and will oversee an investment of over £50 million of government funding over five years in innovative R&D.

The seven projects will be led by AstraZeneca UK Ltd, GlaxoSmithKline (three projects), Ig Innovations Ltd, Janssen UK and Randox Laboratories Ltd. Including contributions from the project partners, the total value of the R&D will be over £7 million.

Four of the projects are in the area of inflammatory biomarkers for more effective drugs. The projects will develop the use of biomarkers to predict how groups of patients will respond to inflammation and immunology therapies. In this way, therapies could be given only to relevant patient sub-groups for better results in alleviating symptoms and side effects.

The other three projects relate to developing business models and value systems. The projects will try to determine the best ways to co-develop drugs and companion diagnostics, and the ways in which subsequent reimbursement can be distributed across the value chain. This should increase the number of stratified treatments that are developed, the speed of their development and their adoption by healthcare providers.

The charity Arthritis Research UK will be a full partner in the SMIP, helping to advance the programme particularly in the area of inflammatory disease. Other partners are the Department of Health in England, the Scottish Government Health Directorates, the MRC, The National Institute for Health and Clinical Excellence (NICE) and Cancer Research UK.

Speaking at the investments were announced, Ian Gray, chief executive of the Technology Strategy Board, said the UK has many of the strengths needed to accelerate the innovation of personalised medicines and to become a world leader in developing medicines aimed at smaller sub-groups of patients.

"These investments are the first in a programme that is bridging scientific research, businesses and policymakers together to develop the personalised, targeted drugs and treatments of the future," he said.

- Applications closed on April 28 for a third stratified medicine competition, relating to tumour profiling and data capture to improve cancer care, and the results are likely to be known in early June.

Links

www.innovateuk.org
www.mrc.ac.uk

Pharmatimes 31/05/22

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 May 2011

Simvastatin Tabs 20mg 28

Gabapentin Caps 300mg 100

Sertraline Tabs 50mg 28

Lansoprazole Caps 15mg 28

Lansoprazole Caps 30mg 28

Omeprazole Caps 20mg 28

Sertraline Tabs 100mg 28

Simvastatin Tabs 40mg 28

Tamsulosin MR Caps 400mcg 30

Anastrozole Tabs 1mg 28

This bulletin now goes out to 1500 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 13th July 2011, as I will be issuing the next one on the 20th July 2011.

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

www.wavedata.co.uk

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