

# Wholesale Bulletin

M O N T H L Y S E R V I C E F O R W H O L E S A L E R S



## Ireland to introduce reference pricing next year

Ireland will introduce reference pricing for medicines next year, government officials have confirmed.

Around 1.6 million people are expected to be affected by the new system, under which only the "reference drug" selected by the Health Service Executive (HSE) from a group of treatments will be reimbursed. Patients who want a more expensive product and are covered by the Drugs Payment Scheme – which enables individuals or families who do not hold medical cards to limit their spending on prescribed drugs to no more than 100 euros a month - will have to pay the difference in price.

The use of reference pricing has been recommended by the Irish Medical Organisation (IMO) as an alternative to the introduction of the nation's first-ever prescription charges, which Health Minister Mary Harney says she is considering, as the government seeks to make savings of over 1 billion euros next year on the coun-

try's 16 billion-euro annual health budget.

Her proposal, for a 50-cent charge on each prescription item dispensed to the nation's 1.4 million medical card-holders under the Community Drugs Schemes, has been widely condemned by health care professionals, consumer groups and opposition politicians, but the Taoiseach (Prime Minister), Brian Cowen, said last week that it would generate savings of some 30 million euros a year. While no decision has yet been taken as to whether charges will be introduced, Mr Cowen pointed out that prescriptions have increased by 22 million since 2003 and that "a sustainable way forward" for dealing with the rising drugs bill, which is forecast to reach 3 billion euros in 2010, has to be found.

It is forecast that around 60 million medical items will be prescribed for Ireland's medical card holders next year.

However, the IMO and other groups are calling for savings to be made through increased generic prescribing, pointing out that in 2007 only 19% of prescription items were dispensed generically in Ireland compared to as much as 64% in the rest of the UK, and also that prices of generics are too high. According to the European Commission inquiry into the pharmaceutical sector, prices of generics in Ireland remain on average at 80% of the originator price, one year after patent expiry.

"Unless there is a real financial saving to be made in terms of generics, neither the prescriber nor the recipient of the drug will be sufficiently motivated to make the move to generic medicines," says Dr Ronan Boland, chairman of the IMO's general practitioners committee.

Pharmatimes 23/11/09

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### Special points of Interest

This bulletin is free to interested wholesaler employees

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## Profits before patients: The export of prescription medicines

A watchdog is ready to warn manufacturers and wholesalers that they face possible legal action

Profiteering pharmacists, hospitals and wholesalers are putting British patients' lives at risk by selling prescription drugs, intended for the UK, to customers in Europe.

Nearly 50 drugs needed by patients, with conditions ranging from breast cancer and Parkinson's disease to depression and epilepsy, are in short supply because traders are selling the drugs for higher prices overseas in a trade worth at least £360m a year.

The medicines and healthcare regulator, the MHRA, is set to write to all drug manufacturers and wholesale licence holders warning them they could face legal action if caught exporting drugs needed by British patients. The move follows recent guidance issued by the Department of Health, regulators and professional bodies to "remind" all potential traders of their legal obligations to prioritise UK patients before profit.

*Independent* 29/11/09

## Rowlands revamp puts focus on healthcare

Rowlands pharmacy has revealed it will abandon cosmetics and toiletries sales to focus solely on health and wellbeing in a sweeping redesign of its pharmacies.

The multiple plans to refit 200 of its pharmacies within "months", stripping shelves and reducing space to make stores clearer and less cluttered.

Rowlands, which owns more than 500 pharmacies, will eventually convert all stores to the scheme, which colour-codes shelves by the type of therapy on offer. Areas include dispensary, weight management, healthy living and symptom relief.

Small counters will be placed around stores to encourage staff to have impromptu health consultations with customers. Uniforms and badges will also be updated as part of the redesign.

Rowlands managing director Kenny Black said the move was prompted after supermarkets had squeezed the market for toiletries and OTC medicines, undercutting pharmacies by offering low prices.

He said: "Clearly, it's a bit of a problem. Toiletries are dying, and medicines are being hammered by supermarkets... we want pharmacies to be the destination of choice for healthcare."

The refit differentiates Rowlands from rivals by focusing sales on health and wellbeing rather than "handbags and cuddly toys", Mr Black said.

The company had trialled 10 pharmacies with the latest design. Overall, these had outperformed pharmacies fitted in the traditional format, with customers significantly more likely to approach staff for advice, Mr Black added.

Speaking on future plans, Mr Black said while expansion of the chain was unlikely in the current financial climate, the multiple was considering relocation of 75 pharmacies to move closer to health centres.

Chemist and Druggist 10/12/09



## PPRS report show UK medicines cheapest in Europe

UK medicines are now the cheapest in Europe, according to the latest Department of Health (DH) figures.

In a PPRS report to parliament released this week, the DH compared the price of the leading 150 branded medicines in 11 European countries, the USA and Australia. The UK ranked the 12<sup>th</sup> in the table, with only Australia paying less for medicines.

However, figures from

industry body the Association of the British Pharmaceutical Industry (ABPI) for the second quarter of 2009 suggest medicines prices in Australia now exceed those in the UK.

Prices have dropped relative to Europe because of PPRS cuts in January and the value of the Pound compared with the Euro, the ABPI said.

Chemist and Druggist 15/12/09

## Counterfeit drugs concern consumers

Research carried out by ICM, on behalf of patient safety communications company, Aegate, shows that 79 per cent of consumers place fear of counterfeit medicine ahead of any other fake product.

According to the study, 5 per cent of European consumers suspect they have received a counterfeit prescription drug and 1 per cent of these believe the product was counterfeit.

The researchers found that 61 per cent of those surveyed in Europe were aware that prescription medicines could be faked. According to Aegate, EU customs data showed

that 34 million counterfeit pills valued at €89m were seized between October and December 2008. A large number (85 per cent) of consumers felt that their confidence in prescription medicines would be increased if pharmacists were able to verify authenticity through a safety feature within the packaging. Respondents also called for stronger penalties for those who counterfeit medicine, with over two thirds saying the punishment should be a custodial sentence of between five and 15 years.

"Patients need to be encouraged to

seek medicines from their high street pharmacist who is trained and qualified to assess their medical needs as well as the medicine. Patient safety should be the industry's priority from the regulator, to the manufacturer and to the pharmacist and it is clear we need to ensure the pharmacist has the right tools in place to carry out such an important task," said Gary Noon, CEO, Aegate.

PMLive 19/11/09

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### **OTC analgesic sales should be limited to two packs**

All OTC painkillers, including ibuprofen, should be limited to no more than two packs per transaction, the MHRA has said.

Offers promoting the sale of more than one pack of analgesics should also be avoided, according to the agency's latest best practice guidance. The guidance recommends a limit of two packs in total, including packs of different medicines.

The new guidance, which is aimed at non-pharmacy retailers, would ensure customer needs were met while minimising stockpiling and reducing overdose risk, said MHRA director of vigilance and risk management of medicines Dr June Raine.

The guidance adds to best practice procedures in place already for paracetamol sales. At present, the RPSGB recommends sale of more than 32 paracetamol tablets should be "assessed on a case-by-case basis" by a pharmacist.

Legally, retailers are allowed to sell up to 100 tablets or capsules of paracetamol or aspirin in one transaction.

Chemist and Druggist 10/12/09

### **W A V E D A T A — T O P T E N P R O D U C T S**

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 November 09

Omeprazole Caps 20mg 28

Lansoprazole Caps 15mg 28

Clopidogrel Tabs 75mg 28

Lansoprazole Caps 30mg 28

Clopidogrel Tabs 75mg 30

Gabapentin Caps 100mg 100

Gabapentin Caps 300mg 100

Simvastatin Tabs 40mg 28

Gabapentin Caps 400mg 100

Metformin Tabs 500mg 28



### **NHS pharmacy survey: Multiples fuel boom in pharmacy numbers**

Growth by multiple chains fuelled a rise in the total number of community pharmacies in England for the fourth successive year, NHS figures showed.

Contract numbers hit 10,475 in 2008-09, with multiples boosting market share to 61 per cent.

Multiples, defined as chains of six or more pharmacies, recorded a like for like increase of 190 contracts, data revealed. Independents' numbers fell by six contracts in the same period.

Milton Keynes PCT was the most multiple dominated region, with 88 per cent of pharmacies owned by chains. Islington bucked a national trend for falling independent mar-

ket share with 84 per cent of pharmacies in chains of less than six.

Overall, the number of pharmacies increased by 184. Numbers have increased year on year since 2005-06 – the same time that current contract exemptions launched.

Chemist and Druggist 07/12/09

**Merry Christmas and  
Happy New Year**

This bulletin now goes out to 800 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 January 2010, as I will be issuing the next one on the 20th January 2010

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

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