

Commercial Bulletin

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

Special points of interest

This bulletin is free to interested employees

Please send names of new subscribers to Jackie@wavedata.co.uk

If you have articles, comments or story ideas, please send them to the email above

www.wavedata.co.uk

Inside this issue

AAH demands action to end 'crippling uncertainty' of cat M

France plans cost-cutting moves

GPs' pharmacy 100-hour contracts 'could destabilise community pharmacy sector'

Astellas announces distribution deal

Teva UK surges into British OTC drug market to compete with Perrigo

Pharmadex—delivering solutions

Scottish Drug Tariff Category R

EMIG delighted by DH decision to ditch generic substitution plans

UK experiences some rapid price rises

WaveData — Top ten products

Scotland's first robotic hospital pharmacy opens

Lundbeck picks Alliance Healthcare as sole UK distributor

AAH DEMANDS ACTION TO END 'CRIPPLING UNCERTAINTY' OF CAT M

AAH managing director Mark James has called on the Department of Health (DH) to end "the crippling uncertainty around cat M clawbacks".

His comments are the latest in an angry reaction from community pharmacy to the £140 million cuts to the tariff announced by the DH earlier this month, which Mr James said would have "significant implications" particularly for independents.

Mr James urged the government to "replace ad-hoc demands for huge sums with a more predictable mechanism".

The current system made the business-critical task of managing cash flow "next to impossible", he explained. And it was "frustrating", Mr James added, that the

DH was not using cat M clawback "windfalls" to reinvest in community pharmacy services such as minor ailments schemes.

He said: "Not only would this provide better clinical outcomes for patients, there is clear and compelling evidence it would generate even more savings for the NHS."

Mr James's comments come after other sector representatives [warned](#) the latest cuts could be the "tipping point" for some smaller pharmacies. Loydspharmacy and the Co-operative Pharmacy also [hit out](#) at the £140m clawback, indicating that they were poised to make spending cuts to cope.

Chemist & Druggist 30/09/10



France plans cost-cutting moves

Encouraging higher rates of generic prescribing, cutting drug prices and reducing the reimbursement rate of medicines with weaker therapeutic value are three of the ways in which France's government plans to trim €2.4 billion (US\$3.3 billion) from the country's healthcare budget in 2011. The government also intends to lower the threshold above which medicine producers must pay rebates to health insurers on the sales of individual products.

Under the planned measures, France's maîtrise médicalisée scheme of monitoring doctors' prescribing habits will set higher target rates for prescribing within the country's repertoire of generic equivalents. Price cuts for both generic and brand medicines will also be implemented by France's economic committee for healthcare products, CEPS, with a goal of saving €500 million.

France's reimbursement rate of 35% - applied to products perceived to have a moderate therapeutic value - will be reduced to 30%. However, the higher reimbursement rates of 65% and 100% and the lower rate of 15% will remain.

Additionally, the mandatory clawbacks paid by companies on drugs with a turnover growth rate above 1% will now be applied to those with a growth rate of 0.5% or more. Announcing the measures, France's government said the savings of €2.4 billion were needed to achieve President Sarkozy's stated goal of restricting healthcare budget growth to 2.9% in 2011 (Generics bulletin, 16 July 2010, page 5). The government plans to reduce the growth rate to 2.8% in 2012. G Generics Bulletin 13/10/10

GPS' PHARMACY 100-HOUR CONTRACTS 'COULD DESTABILISE COMMUNITY

Doctors exploiting exemptions for 100-hour and remote pharmacy contracts to open their own dispensaries could destabilise the community pharmacy network, experts have warned.

Contractors also expressed concerns that the moves could lead to prescriptions being directed towards the GP-owned pharmacies. And they said patients would not get the level of service they should from remote pharmacies, as they offer no enhanced services.

PSNC confirmed it was investigating the matter, using freedom of information legislation to determine whether there had been a rise in contract applications from GPs. There are concerns a surge in applications could be seen before legislation makes pharmaceutical needs assessments (PNAs) the basis for pharmacy market entry.

Tony Mottram, Numark's managing director, said: "The current roles of GPs and pharmacists are clear: GPs should diagnose and prescribe and pharmacists should dispense – otherwise there is potential for conflict of interest." And he warned an upsurge in GP applications could upset the stability of pharmacy.

One contractor told C+D: "We are seeing many more GPs jealously eyeing the potential to open their own pharmacies." He warned this could give doctors an incentive to "churn out more and more prescriptions". "What we need is for the pharmaceutical needs assessments to bed in pretty quickly," he added.

PSNC echoed the concerns about an increase in the number of applications from GPs entering the market. Head of regulation Steve Lutener said: "We have been pressing for a moratorium on the 100-hour application exemption; however the Department of Health has said you can't have a moratorium without consultation, and if you do that you will stimulate applications."

Chemist & Druggist 23/09/10



ASTELLAS ANNOUNCES DISTRIBUTION DEAL

Astellas Pharma has announced a distribution deal to supply its medicines only through AAH, Alliance Healthcare and Phoenix Healthcare Distribution.

Astellas Pharma said the three full-line wholesalers had been appointed following a competitive tender process.

The new arrangements will apply from November 1 2010

and affect the following brands: Cardene, Lipobase, Vesicare, Conotrane, Locoid, Zineryt, De-Nol, Mildison, Ketovite, Flomaxtra, Protopic, Pancrex and Herpid.

Prograf, Advagraf, Modigraf and Mycamine will continue to be supplied direct under an agency distribution model with Alliance Healthcare.

A spokesperson added:

"Astellas believes this change will result in a more efficient and transparent supply chain with a closer relationship with fewer wholesalers that should improve the service to customers and ultimately patients."

Chemist & Druggist 01/10/10

Teva UK surges into British OTC drug market to compete with Perrigo

Teva UK has been busy expanding its activities in the over-the-counter drug market, recently releasing 20 new product lines. These include pain killers, allergy pills, digestion aids and flu symptom treatments.

The company stated that entering the non-prescription drug market is a logical step in its business development, and that it has plans to introduce a new batch of OTC drugs at the beginning of next year. Ryan Roscoe, OTC product line manager for Teva UK, stated that the company's products will offer alternatives to non-generic and other brand-name drugs and provide value both to consumers and to pharmaceutical retailers.

The OTC market is estimated to be worth \$3 billion in the UK, with a lower profit margin than in the U.S., where annual sales are estimated at \$20 billion.

Teva Pharmaceutical Industries is active in this field in Israel. It is the leading market player in non-prescription drugs in Croatia and Russia, the second largest in Hungary, and one of the leading companies in the industry in Argentina and Chile.

The market for OTC medication in the UK, including brand-name drugs and private label drugs from retail drug chains and wholesale distributors, is estimated at \$3.5 billion annually, with private labels accounting for 40% of sales.

Teva UK is expected to compete head on with Perrigo, which produces private-label OTC drugs after having purchased two companies in this market. In January 2008 it acquired Galpharm, which had been one of the UK's largest private-label OTC suppliers with \$55 million in annual sales, for \$86 million. Five months later Perrigo bought out Brunei, a smaller OTC company, for \$6.4 million.

Teva UK's expansion of OTC activity comes in the wake of Sanofi-Aventis' acquisition of Chatterm, a major U.S. non-prescription drug manufacturer, in December 2009 for \$1.9 billion. Sanofi-Aventis had said that it sees this market as one of its future growth engines and as a means of maintaining its market share in prescription medications, such as its blockbuster allergy medication Allegra, after they begin competing with generics, by building on consumer brand loyalty.

Haaretz 15/09/10



pharmadex

delivering solutions to healthcare

We offer a 24/7 365 days high dependency drug distribution service direct to all UK hospitals. If you need this service for your product, please contact us.

Transport • Storage • Distribution
MHRA licensed

0845 678 0081

Please contact Tony Page
tonypage@pharmadex.uk.com

EMIG delighted by DH decision to ditch generic substitution plans

The Ethical Medicines Industry Group (EMIG) is delighted by the Department of Health's (DH) decision not to pursue proposals to introduce automatic generic substitution in primary care. EMIG members have fought against the introduction of automatic generic substitution believing it would have a detrimental impact on patients, prescribers, pharmacists and the pharmaceutical industry in the UK.

Leslie Galloway, Chairman of EMIG, said:

“The introduction of generic substitution has faced opposition from patients, professionals and industry. We are delighted the Department has listened to our concerns and abandoned its proposals to implement this costly and unwanted system. EMIG members opposed the introduction of generic substitution as they believed it could have hindered patient safety.

Moreover, EMIG believed that generic substitution would not result in significant savings to the NHS as approximately 83% of drugs are already written generically. Indeed, it may actually have increased the NHS medicines bill by eliminating any incentive for the continued development of medicines that offer greater patient choice as well as value for money to the NHS.

EMIG welcomes today's decision and will continue to work with Ministers and officials to support the use of generic medicines in a way that is acceptable to patients, whilst also ensuring the UK remains one of the countries with the lowest drug prices in Europe.”

Emig and Lexington Communications
14/10/10

Scottish Drug Tariff Category R

A new Category R that has been introduced into the Scottish Drug Tariff from October – without consultation or prior warning.

We have added this to our live service at <http://www.wavedata.net/>

Users need to login, click 3 - Analysis, click the 'Open' option, and the Cat R will be in the drop down list beside the 'Group' label. This will allow users to monitor prices offered and paid for these products.

To get a spreadsheet of Scottish Cat R drug tariff prices going back to 2009 or further, please contact us directly.

N Ireland is following suit.

WaveData

UK experiences some rapid price rises

Many double-digit price changes occurred in September as the UK industry geared up after its summer break. Some notable price rises were recorded for citalopram and sertraline, for example, while offers were also withdrawn for ramipril. In the latter case, however, average prices declined as the lowest prices increased (see Figure 1), suggesting a single supplier had shifted some short-dated stock.

To see more go to <http://www.wavedata.co.uk/news2.asp> and view our **article from this month's Generics Bulletin.**

WaveData

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 September 2010

Losartan Tabs 50mg 28

Citalopram Tabs 20mg 28

Lansoprazole Caps 15mg 28

Losartan Tabs 25mg 28

Gabapentin Caps 300mg 100

Bendroflumethiazide Tabs 2.5mg 28

Bisoprolol Fumarate Tabs 10mg 28

Citalopram Tabs 10mg 28

Lansoprazole Caps 30mg 28

Losartan Tabs 100mg 28

SCOTLAND'S FIRST ROBOTIC HOSPITAL PHARMACY OPENS

Scotland's first fully robotic hospital pharmacy has been opened at Forth Valley Royal Hospital, which will enable the sharing of electronic care plans between acute care and the patient's community pharmacist.

The robotic system automatically loads, picks, dispenses and labels medicines while the electronic e-Ward system holds patient demographics, clinical diagnosis and treatment plans.

An electronic system where community pharmacies are sent a pharmaceutical care note when a patient is discharged from hospital is running in 70 pharmacies across the Forth Valley area.

Pharmacists using the system say it has allowed them to plan for patients with unusual doses, making ordering and accessing stock easier.

Campbell Shimmins of Woodside Pharmacy, Doune, said: "The electronic system avoids transcription errors so nothing can be overlooked and allows us to pre-empt any issues. So far the system has been seamless and the new robot in the dispensary can only make it better."

Chemist & Druggist 29/09/10



LUNDBECK PICKS ALLIANCE HEALTHCARE AS SOLE UK DISTRIBUTOR

Global pharmaceutical giant Lundbeck has appointed Alliance Healthcare as the sole distributor of its products in the UK.

In a statement, Lundbeck, which specialises in pharmaceuticals for the treatment of disorders including depression, schizophrenia, Alzheimer's disease, Parkinson's disease, Huntington's disease, epilepsy and insomnia, said it chose Alliance Healthcare to improve supply chain efficiency.

Lundbeck said that Alliance Healthcare was a distributor with a tried and tested infrastructure and extensive knowledge of pharmaceutical wholesale. Under the deal, pharmacies will get twice daily deliveries of Lundbeck products.

Lundbeck managing director Stephen Turley said: "Over the past year there have been challenges in ensuring effective supply to UK patients. We have spoken with a number of stakeholders, including government, pharmacists and prescribers in order to understand how we might address this. We are confident these new distribution arrangements will go a long way towards

achieving this."

Alliance Healthcare commercial healthcare director Mark Stephenson said: "We are delighted to be working with Lundbeck as their distribution partner for this range of specialist medicines. Customers should be assured that we are committed to maintaining the highest levels of service on Lundbeck products and we will be communicating full details of this latest supply chain change in preparation for go-live on 1 November 2010."

In Northern Ireland, Alliance Healthcare has sub-contracted the delivery of Lundbeck products to Sangers (NI). Alliance Healthcare and Sangers will also be communicating directly with customers in this region to confirm specific ordering processes via Sangers.

Chemist & Druggist 29/09/10

This bulletin now goes out to 1200 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 10th November 2010, as I will be issuing the next one on the 17th November 2010

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

Jackie Moss

WaveData Ltd

E-mail: jackie@wavedata.co.uk

07968 815192