

# Commercial Bulletin

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## Generic export in India

The growth of generic export in India had grow by 24% over the past four years and are expected to carry on doing so.

Exports in 2012 -2013 totalled to \$14.7 billion, 55% of which was sold in highly-regulated western markets.

A target has been set for Pharmaceuticals exports to hit \$25 billion by 2016

India was recognised by the Supply Annual Report of UNICEF – the United Nations' children's fund – as the world's largest supplier of generics, and in developing countries it is "single-handedly" improving access to life-saving medicines,

To read more

<http://www.clinicalresearchsociety.org/forum/ethics-in-clinical-research/indian-pharma-industry-to-maintain-momentum-in-generics-exports/msg55872/?PHPSESSID=4iniog0731eikppf93bcqgce91#msg55872>

## 66% increase on Irish prescription charges

Part of the 2014 Irish budget is to increased prescription charges from 1.50 euro to 2.50 euros per item; this will commence on 1<sup>st</sup> December and are expected to raise €43m for the Department of Health next year

Forecasts say that 65 million items will be dispensed under the scheme this year.

Monthly charge cap will also increase from 19.50 euros to 25 euros per person or family.

The increase is being highly criticised saying that people that have a variety of drugs may not be able to afford all of their medication and may result in them choosing which ones they take.

To read more:

<http://www.irishexaminer.com/ireland/cweygbeyqlcw/rss2/>

## Special points of interest

This bulletin is free to Interested people in Pharma & Healthcare

Please send names of new subscribers to  
[Jackie@wavedata.co.uk](mailto:Jackie@wavedata.co.uk)

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

[www.wavedata.co.uk](http://www.wavedata.co.uk)

## Pharmacists to get access to medical records

Plans are being put in place to allow pharmacists to gain access to patients' confidential medical records.

This will allow pharmacists to have knowledge about their patient's conditions, therefore making sure that the patient receives the correct medication.

The Royal Pharmaceutical Society is pleased with this announcement as it should also help to reduce medicine errors.

To read more

<http://www.ehi.co.uk/news/ehi/3625>

## Generic Profitability Drops Dramatically

Many dispensing doctor surgeries have been contacting Dispex with regards to severe drops in dispensary profitability. Using historical data held by Dispex and Wavedata an analysis of Drug Tariff prices, market prices and discounts for a basket of over 600 commonly used generics has concluded the following statistics:

	November 2011	November 2013
Average Drug Tariff Price for a generic	£14.36	£12.86

This means that the Drug Tariff reimbursement price has dropped on average by £1.50 per item dispensed generically which means that a dispensary dispensing 3000 generic items per 28 days will have a drop in overall turnover of £58,500 per year. The higher your generic dispensing the larger this figure will be!

Taking the analysis on to profitability Dispex has compared Drug Tariff Price and Market Price for March 2012 to November 2013 to see the effect generic price drops have had.

The conclusion on a basket of over 600 generics shows the following:

	March 2012	November 2013
Average % Gross Profit for a generic	44%	36%
Average Profit Per Script for a Generic	£5.31	£3.31

From these figures you can see that generic dispensing has taken a big hit in profitability for dispensing doctor dispensaries where clawback remains [for most] at 11.18%. Therefore the **drop** in profitability for those surgeries dispensing 3000 generic items per 28 days could be 8% of generic turnover or as much as £78,000 per year!

If you want to find out more about dispensing doctors please email [gbull@dispex.net](mailto:gbull@dispex.net) or phone 01604 859000 and ask to speak to Greg for more details.

[www.dispex.net](http://www.dispex.net)

## NEW Dispensing Doctor Seminar for Pharma

Date: TBC Cost: £285.00

- Can You Afford to Ignore the Influence of 5000 GPs?
- Do you understand what a dispensing doctor is?
- Do you understand the generic market and how important it is to dispensing doctors?
- Do you know how your products are viewed by dispensing practices?

If you want to find out more  
email [gbull@dispex.net](mailto:gbull@dispex.net) or  
[cjoynson@wavedata.co.uk](mailto:cjoynson@wavedata.co.uk)



**DISPEX**

### Prices of the Republic of Ireland

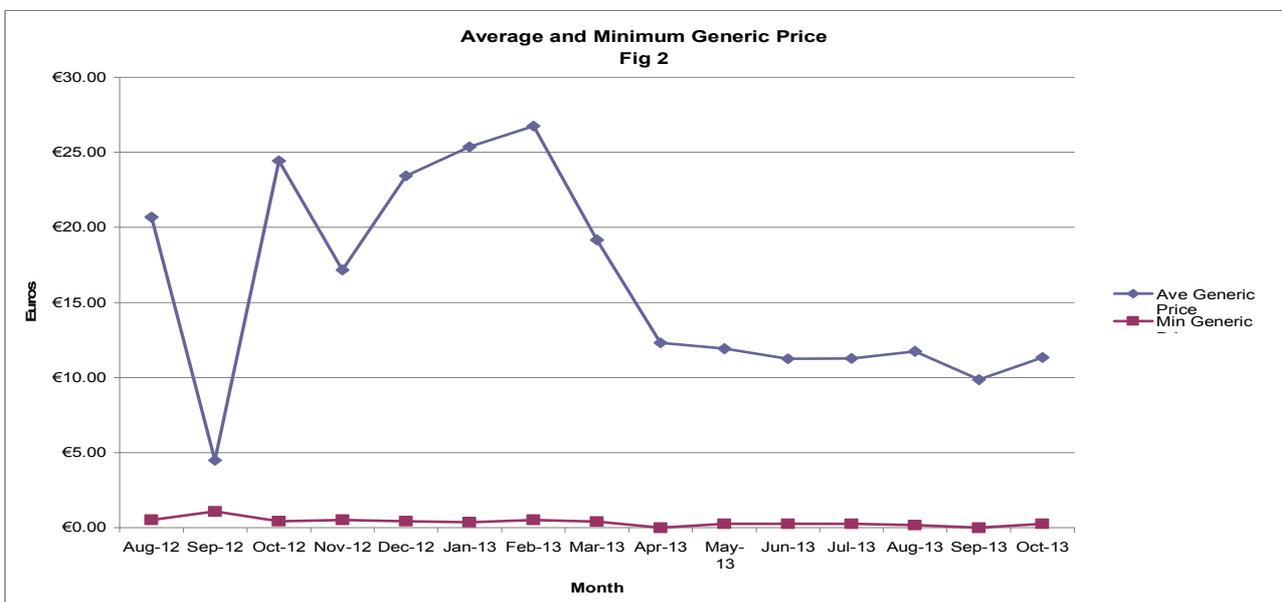
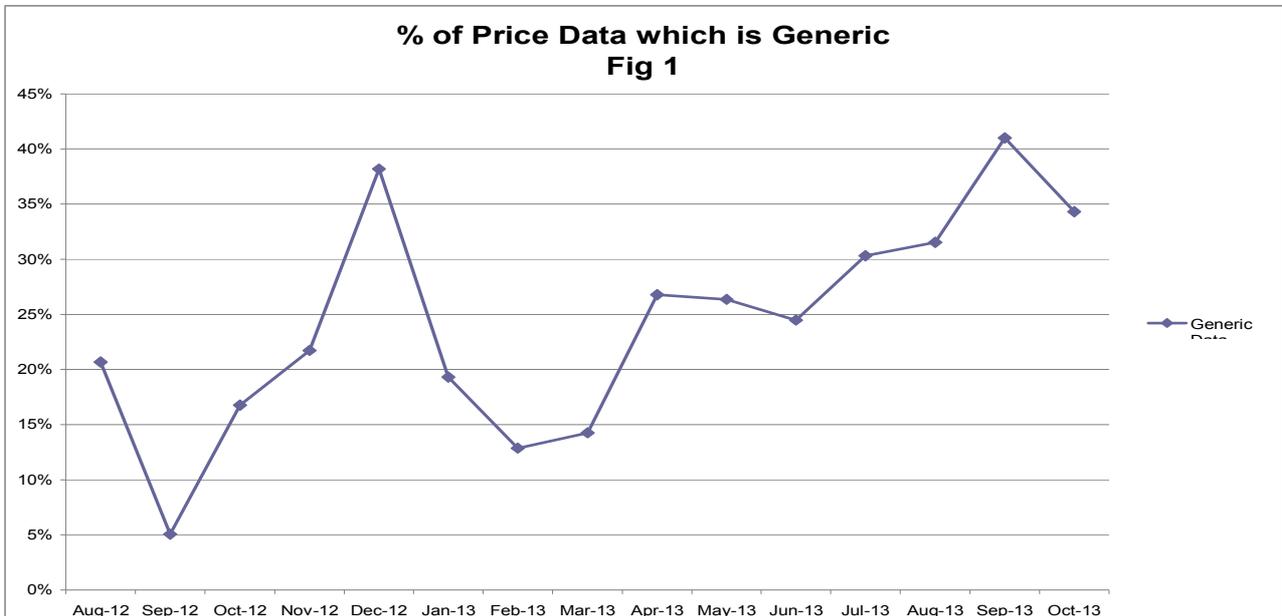
Wavedata have been collecting the prices chemists pay for pharmaceuticals in the Republic of Ireland now for about a year.

During this time the number of prices seen for generic products has increased dramatically.

Fig 1 shows the rate of growth of generic products as a proportion of the total data. The total in October was 34% which is close to the 36% of medicines which are prescribed generically in Ireland.

Fig 2 shows that a trigger point was reached in April this year when the amount of generic penetration into the supply chain began to stabilise prices. This is likely to lead to longer term price stabilisation as Irish suppliers begin to monitor each other's commercial activity.

The longer term is likely to see Irish generic companies build business information teams whose role will be to increase profits by modulating their commercial offerings.



**PPRS (Prescription Pricing Regulatory Scheme)**

The latest round of UK branded product reimbursement price changes have now been announced. This is intended to keep medicines bill flat over the next couple of years.

The Statutory Scheme price cut is expected to be 15% (there may be more price cuts under the statutory scheme over the next five years).

The alternative voluntary scheme will involve the return of quarterly rebates (based on net sales) to the government (3.74% in 2014).

The drugs bill growth cap will be 0% in 2014 and 2015; 1.8% in 2016 and 2017, and 1.9% in 2019.

Companies with net sales of less than £5 million will be exempt, however if a company's sales are £5,000,001 the rebate they will need to pay will be £189,000. The membership organisation Emig <http://www.emig.org.uk> would have liked this to have been £25 million and say this will damage SMEs (small to medium sized enterprises)

Parallel imports are excluded from net sales and exports and brand equalisation may be excluded as well.

Reference pricing across Europe may increase company losses significantly.

VBP has gone from the government's plans, but VBA (value based assessment) has taken its place. There is some concern that VBA may apply not just to orphan molecules but to new indications for old products as well.

<https://www.gov.uk/government/news/government-agrees-breakthrough-drug-pricing-deal-with-pharmaceutical-firms>

**Medicines being blocked from the NHS**

Overly complicated approval processes are blocking the NHS from new and innovative medicines.

Nine Pharma companies have written to the Telegraph, calling for David Cameron to force NICE to focus on innovation as well as the cost of products.

Fewer than 1 in 3 medicines have been approved since 2005.

Medicines should be seen as improving a patient's health and not just the costs involved.

To read more:

<http://uk.finance.yahoo.com/news/nice-hits-back-pharma-accusations-095148619.html>

**PRICE WATCH ..... UK****Sildenafil comes in at under £1 per pack**

Sildenafil has been added to our 'fast movers' this month to reflect the erectile-dysfunction treatment's swift move to category M of the Drug Tariff in October. Launched only in June, the generic equivalent to Pfizer's Viagra had taken a little over three months to move through the reimbursement categories since the original's supplementary.

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

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This bulletin now goes out to 3500 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 11th December 2013, as I will be issuing the next one on the 18th December 2013

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

<http://www.wavedata.co.uk/newinfo.asp>

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#### WaveData — Top ten searched products and 3 month's average prices

According to WaveData, these were the most commonly investigated products in searches of the online pricing data Wavedata Live at <http://www.wavedata.net>

Both uk and pi prices were viewed for each product, giving some indication of where the focus was to October 2013

Product	2013 08	2013 09	2013 10
Gabapentin Caps 300mg 100	£4.10	£5.06	£8.44
Bendroflumethiazide Tabs 2.5mg 28	£0.11	£0.12	£0.14
Atorvastatin Tabs 10mg 28	£0.42	£0.44	£0.42
Hydrocortisone Tabs 10mg 30	£41.53	£41.64	£42.02
Co-Amoxiclav Tabs 500mg/125mg 21	£2.23	£2.19	£2.88
Atorvastatin Tabs 20mg 28	£0.73	£0.72	£0.69
Memantine Tabs 10mg 28	£24.66	£22.98	£21.74
Co-Amoxiclav Tabs 250mg/125mg 21	£1.56	£1.53	£1.91
Memantine Tabs 20mg 28	£49.50	£46.03	£41.45
Simvastatin Tabs 20mg 28	£0.32	£0.33	£0.30