

# Commercial Bulletin

## Special points of Interest

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## Greek debt hits pharma deliveries

The debt crisis afflicting Greece is starting to affect the country's hospitals as pharma companies refuse to deliver drugs.

**Roche** has stopped delivering medicines to public hospitals which have not paid their bills and other disgruntled companies have threatened to take similar measures.

**From** September 1 last year, Roche Hellas halted deliveries of medicines to those hospitals that have not paid outstanding invoices, a Roche spokeswoman told the Wall Street Journal.

**Since** July last year, Roche Hellas has "repeatedly informed" all public hospitals and Greek authorities about the "significantly delayed payments ... which are not compliant with Greek and EU legislation".

**"Deliveries** to wholesalers, private clinics, private pharmacies and public hospitals which have settled their outstanding invoices continue normally," she added.

**And** the company has pledged to continue making available life-saving drugs regardless of arrears.

**The** paper reports that the Greek government began paying hospital suppliers in government bonds last year – bonds whose ultimate value is suspect as the spectre of a debt default looms.

**"This** is a major issue," Nycomed chief executive Hakan Bjoerklund told Dow Jones Newswires. "In reality, this means we're not getting all of the money they owe us."

**"If** the situation gets totally out of hand and we don't think we will get paid in the end, we simply cannot continue to deliver products."

**In** a letter to the Greek government last month, the Hellenic Association of Pharmaceutical Companies (SFEE) voiced its concern about the money its members were owed by Greek hospitals.

**Arrears** for the period from 1 January 2010 to the end of March this year represent 80% of products purchased, the Wall Street Journal reported.

**"In** the first quarter of 2011, hospitals and pharmacies purchased medicinal products worth about 70 million euros, of which only 332 euros have been paid! That is not a typing error," the SFEE letter said.

**The** European Federation of Pharmaceutical Industries and Associations said it had been told Greek debts from last year would be settled this month.

**A** 48-hour general strike is underway in Greece, a mass protest ahead of a parliamentary vote on the government's £25 billion austerity package.

**If** the vote goes against the government, the economic situation could become even more parlous with the European Union and International Monetary Fund withholding billions of euros in loans.

**A** year ago the Greek government [cut drug prices](#), initially by a quarter, to help bring down healthcare costs – a move which prompted Danish firms [Novo Nordisk](#) and [Leo Pharma](#) to pull some drugs from the market.

Inpharm 29/06/11

### Supply problems 'can't be allowed to go on', warns NPA chair Bharat Patel

Medicine supply problems "can't be allowed to go on", NPA chairman Bharat Patel has warned. The delays showed "no signs of improving" and were affecting nearly every pharmacy in the country, Mr Patel stressed.

Given this, Mr Patel said he saw "no reason why active discussions" about the government placing a public service obligation on the supply chain could not start.

"A public service obligation would provide a more complete framework of responsibility by also imposing obligations on manufacturers and wholesalers higher up the supply chain," he argued. "The government has not ruled this out, and we see no reason why active discussions on this-

can't begin immediately."

In an exclusive interview with C+D, Mr Patel said: "The problem is now long-standing and widespread and shows no sign of improving. Nearly every pharmacy has been affected by the problem and most community pharmacies are spending several additional hours each week to hunt down supplies."

"It's down to the heroic efforts of pharmacists that patient harm has been avoided to date," he added.

Pharmacy Voice also [called for action on supply chain delays](#), warning the government not to "wait for the worst to happen".

But pharmacy minister Earl Howe last month maintained that [public service obligations would not be a "panacea"](#) to supply problems.

Current Department of Health (DH) guidelines had not reduced medicine delays, Mr Patel stressed: "The [DH's] 24-hour target is a very helpful signal for manufacturers about their responsibilities, but it hasn't yet had a discernable impact on the ground."

The NPA had "significant input" into the DH guidelines and was now in "regular talks" with the government on supply delays, Mr Patel confirmed.

Chemist & Druggist 0707/11

#### Generic launches for July 2011

Exemestane Tabs 25mg 30

Exemestane Tabs 25mg 90

Letrozole Tabs 2.5mg 14

Letrozole Tabs 2.5mg 28

Ropinirole XL Tabs 2mg 28

Ropinirole XL Tabs 4mg 28

### Numark announces 250th member in Northern Ireland

Numark has announced its 250th member has joined in Northern Ireland, meaning nearly half of Northern Irish pharmacies are now members of the virtual chain.

The total UK membership is 2,620 with a market share in Northern Ireland of 49 per cent of total pharmacies and 68 per

cent of the independent market of five pharmacies or less.

Numark's managing director John D'Arcy said he was delighted with the rate at which the company was gaining members.

"Hitting the 250 milestone in Northern Ireland is indicative of our growth in

the province which emulates the trend in the rest of the UK. I am delighted more and more pharmacists are choosing Numark as their 'one stop' solution", he said.

Chemist & Druggist 06/07/11

### Fallers outnumber risers this month

Fluoxetine prices tumbled in June for the second consecutive month, with both lowest and average prices dropping by double-digit amounts (Generics bulletin, 10 June 2011, page 31). Meanwhile, citalopram prices fell by a third as they moved back towards where they had been a year ago, before the recent product shortages. The average price of 30-capsule packs of fluoxetine 20mg slipped by 26% to £0.31 (US\$0.50) as 28-tablet packs of citalopram 20mg slipped in average price by 35% to £1.66 (see Figure 1). Recent market entrant pramipexole 180µg saw the lower offer price slashed by a fifth while offers for the 700µg strength were withdrawn, lifting the lowest price by a similar amount. Average prices for both strengths were virtually unchanged.

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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## CPHI in Frankfurt

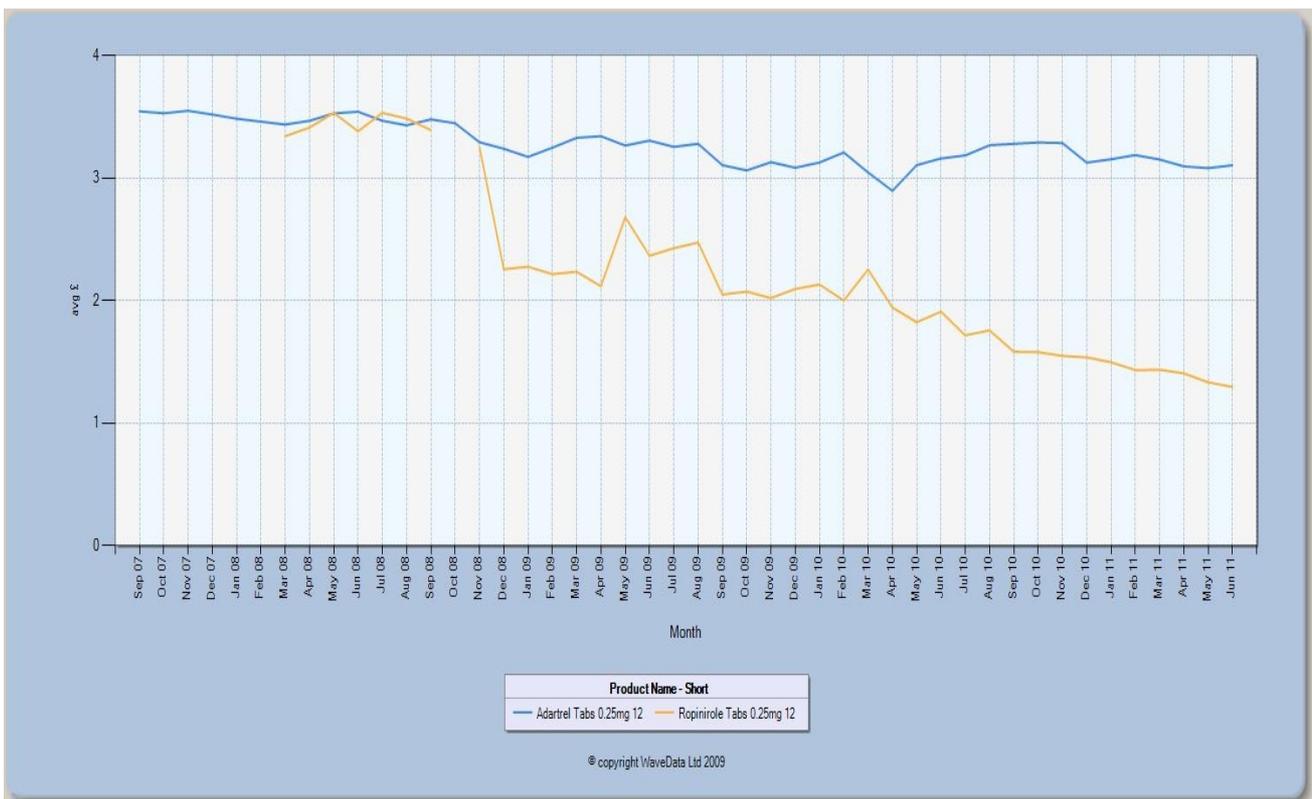
Wavedata's managing director; Charles Joynson, has agreed to do a product analysis for anyone attending the CPHI exhibition in Frankfurt on Wednesday 26<sup>th</sup> October.

This will include current market dynamics, including which manufacturers are selling and how much they are charging, how wholesalers are pricing the product, and whether dispensing doctors are getting a better deal than pharmacies.

To book a slot and suggest a product line, please contact Charles on [info@wavedata.co.uk](mailto:info@wavedata.co.uk)

Examples below:

Ropinirole	Ropinirole Tabs 0.25mg 12	Teva (Teva One Price List - Generics) <Retail>	Eng.		£1.79	£1.79	£1.79
Ropinirole	Ropinirole Tabs 0.25mg 12	Teva (Teva One Price List - Generics) <Retail>	N Ireland		£1.79	£1.79	
Ropinirole	Ropinirole Tabs 0.25mg 12	Teva (Teva One Price List - Generics) <Retail>	Scot.		£1.79		
Ropinirole	Ropinirole Tabs 0.25mg 12	Teva (Teva Two Price List - With 3% Discount) <Dis	Eng.			£1.39	
Ropinirole	Ropinirole Tabs 0.25mg 12	Teva (Teva Two Price List - With 5% Discount) <Dis	Eng.			£1.36	
Ropinirole	Ropinirole Tabs 0.25mg 12	Teva (Teva Two Price List) <Dispensing Doctors>	Eng.			£1.43	
Ropinirole	Ropinirole Tabs 0.25mg 12	Teva (Ultimate Price List) <Dispensing Doctors>	Eng.	£1.99			
Ropinirole	Ropinirole Tabs 0.25mg 12	Teva (Ultimate Price List) <Retail>	Eng.	£1.99			
Ropinirole	Ropinirole Tabs 0.25mg 12	Teva (Ultimate Price List) <Retail>	Scot.	£1.99			
Ropinirole	Ropinirole Tabs 0.25mg 12	Tillomed (Monthly Order Form Multiples) <Dispensin	Eng.	£1.55	£1.55	£1.55	
Ropinirole	Ropinirole Tabs 0.25mg 12	Tillomed (Monthly Order Form Multiples) <Retail>	Eng.	£1.55		£1.55	
Ropinirole	Ropinirole Tabs 0.25mg 12	Tillomed (Revised Multi Price List) <Retail>	Eng.			£1.55	
Ropinirole	Ropinirole Tabs 0.25mg 12	Trident (Avicenna Price List - Generics) <Retail>	Eng.			£1.14	
Ropinirole	Ropinirole Tabs 0.25mg 12	Trident (Cambrian Price List - Generics) <Retail>	Scot.		£1.09		
Ropinirole	Ropinirole Tabs 0.25mg 12	Trident (Keyline Generics Price List) <Dispensing D	Eng.	£1.14	£1.14	£1.14	
Ropinirole	Ropinirole Tabs 0.25mg 12	Trident (Keyline Generics Price List) <Retail>	Eng.	£1.14		£1.14	£1.14
Ropinirole	Ropinirole Tabs 0.25mg 12	Waymade (Generics - Price List R) <Retail>	Eng.	£1.12	£0.96	£0.96	£0.96
Ropinirole	Ropinirole Tabs 0.25mg 12	Zecare (Daily Offers) <Dispensing Doctors>	Eng.	£1.30			
Ropinirole	Ropinirole Tabs 0.25mg 12	ZeCare (Generic Price List) <Retail>	Eng.	£1.29			
Ropinirole	Ropinirole Tabs 0.25mg 12 Short Dat	Elite Pharma Surrey (Short Dated & Clearance Lin	Eng.			£0.65	£0.65
Ropinirole	Ropinirole Tabs 0.25mg 12 Short Dat	Elite Pharma Surrey (Short Dated And Clearance Lir	Eng.			£0.65	£0.65
Ropinirole	Ropinirole Tabs 0.25mg 12 Teva	Elite Pharma Surrey (Generics Special Offers) <Dis	Eng.	£0.94	£0.94		£0.95
Ropinirole	Ropinirole Tabs 0.25mg 12 Teva	Elite Pharma Surrey (Generics Special Offers) <Ret	Eng.	£0.94			£0.95
Ropinirole	Ropinirole Tabs 0.25mg 12 Winthrop	Mawdsleys (Dispex One Generic Scheme-Net Price	Eng.	£1.19	£1.14	£1.16	£1.12
Ropinirole	Ropinirole Tabs 0.25mg 84	CrossPharma (DE Grp of Comp Generic Cheaper Pr	Eng.			£7.67	
Ropinirole	Ropinirole Tabs 0.25mg 84	CrossPharma (DE Grp of Comp Generic Price List E	Eng.			£8.95	
Ropinirole	Ropinirole Tabs 0.25mg 84	CrossPharma (DE Grp of Comp Generic Price List N	Eng.			£7.99	
Ropinirole	Ropinirole Tabs 0.25mg 84	CrossPharma (DE Grp of Comp Generic Price List S	Scot.	£8.60			
Ropinirole	Ropinirole Tabs 0.25mg 84	CrossPharma (DE Grp of Comp Generic Price List Y	Eng.	£8.60	£8.60	£8.60	
Ropinirole	Ropinirole Tabs 0.25mg 84	CrossPharma (DE Grp of Comp Generics List Home	Eng.		£8.60	£8.60	£8.60



## VBP (Value based pricing) scheme to go ahead, says govt

The coalition government has said its plans to introduce a value-based pricing (VBP) system for medicines from 2014 will go ahead, but respondents to its consultation on the plan have called for more details on how the system would operate in practice.

In its response to the consultation, the government notes that a number of respondents stated that the proposals, as set out in the consultation document, "were at a fairly high level, and it was felt that there was a lack of detail around how the process of assessing a medicine, and the subsequent setting of a value-based price, would operate in practice."

Moreover, "many felt that further consultation on the detail of the plans would be helpful, both for the design of the new system and for communicating what is likely to be a complex system, requiring a high level of engagement from stakeholders in order to be able to fulfil its objectives," it adds.

The consultation received 188 separate responses, and "a clear majority were supportive of the concept of moving to a VBP system and of the objectives set out in the consultation document," the government response notes. The scope of the proposals was also "generally supported," although some respondents suggested that, in a few cases, it might be worthwhile to look at including medicines already on the market before 2014, or where a separate assessment system or process may be necessary, such as for treatments for rare diseases.

"The proposal that we would be willing to pay more for medicines in therapeutic areas with the highest unmet need was met with some support, as was the suggestion that we should be willing to pay an extra premium to incentivise the development of innovative medicines," says the government. However, it adds: "less certainty was expressed about how these factors could be measured and calculated in practice as part of the VBP assessment."

In its response to the consultation, the Association of the British Pharmaceutical Industry (ABPI) pointed to the need to ensure that any new system recognises the value brought by the research-based pharmaceutical industry in developing new and innovative medicines. "The ABPI would like to see a proper understanding of the nature of pharmaceutical innovation - specifically the terms 'breakthrough' and 'incremental' need significantly more clarity," says the group.

The ABPI also tells the government that it is not clear if the provisions included in the existing Pharmaceutical Price Regulation Scheme (PPRS) to stimulate the industry's growth as part of the UK health economy will be included in VBP. "We have serious concerns that the plans to encourage and nurture life sciences via the Plan for Growth in isolation will not deliver the joined-up industrial policy that we believe is essential," it says.

The industry's preference is for a single unitary pricing and reimbursement system that includes the commitment to VBP, minimises bureaucracy and ensures rapid access for patients to new medicines, says the ABPI but, it adds: "we have still to see a clear vision of the system that will succeed the current PPRS, which has traditionally met patient needs and supported an important R&D-based UK industry."

The NHS Confederation's response to the consultation notes its concern about the feasibility of the government's timetable for implementing the new system by 2014, given the amount of research and testing which will be required to ensure the proposals will work.

Also, more needs to be known about how full transparency of the proposed system will be achieved in practice, and the Confederation still has reservations about the impact the proposals will have on driving innovation, according to chief executive Mike Farrar.

"We remain concerned about the difficulty of defining what transparency is and whether commissioners should pay a premium for innovation," he said.

"Ultimately, we are seeking a wise agreement on VBP that recognises both the value of pharmaceuticals to patients and the need to secure and develop the pharmaceutical industry in the UK," said Mr Farrar.

In a Written Ministerial Statement on the consultation's findings, Health Secretary Andrew Lansley told Parliament yesterday that work will continue on developing a VBP system. "We are modernising the NHS so we can give patients better access to the medicines they need. To do this, we need to change the way drugs are priced and ensure value for money for the NHS," he said.

It is vital that doctors "must be able to focus on what matters most - achieving the best health outcomes for their patient, not debating the price of a drug. Value-based pricing will ensure this happens," he said.

The government response to the consultation concludes by pointing out that the current PPRS is a voluntary scheme agreed with the branded pharmaceutical industry and that "our preference for VBP would be, similarly, to achieve a negotiated agreement." Forecasting that negotiations "might begin some time in 2012," it says that, in the meantime, "we look forward to continued positive and productive engagement with the full range of interested stakeholders."

Links

[www.dh.gov.uk](http://www.dh.gov.uk)

[www.abpi.org.uk](http://www.abpi.org.uk)

[www.nhsconfed.org](http://www.nhsconfed.org)

## Export data per company

"In addition to the generic and parallel import information collated each month by Wavedata, export information has been collected as well.

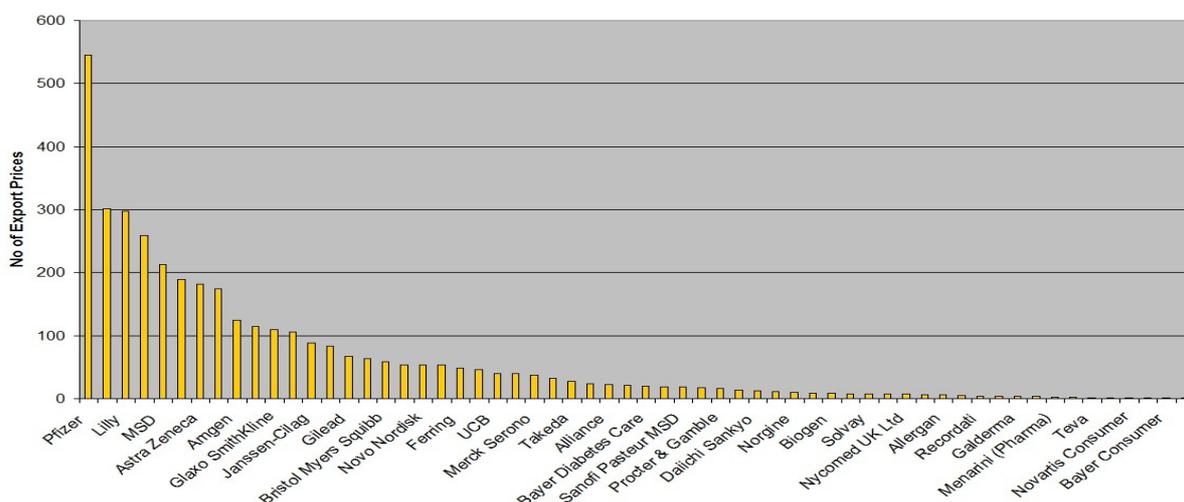
This generally takes the form of export lists sent to chemists and dispensing doctors with offers for 'spare' stock.

On average the prices offered to chemists by exporters are about 6% above the prices they are charged for UK or PI packs,

but in many cases ethical issues outweigh the additional profits which could be made.

And a breakdown of which manufacturers suffer from export pressures is below, however if further information is needed please contact us via [info@wavedata.co.uk](mailto:info@wavedata.co.uk) or by calling 01702 425 125"

Export data per Company



### 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](http://www.wavedata.net)

Both uk and pi prices were viewed for each product, giving some indication of where the focus was in June 2011

Simvastatin Tabs 20mg 28  
Losartan Tabs 25mg 28  
Losartan Tabs 50mg 28  
Omeprazole Caps 20mg 28  
Simvastatin Tabs 40mg 28  
Thiamine Tabs 100mg 100  
Gabapentin Caps 100mg 100  
Serevent Evohaler 25mcg 1 (120 Doses)  
Simvastatin Tabs 10mg 28  
Citalopram Tabs 20mg 28

This bulletin now goes out to 1600 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 17th August 2011, as I will be issuing the next one on the 24th August 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](http://www.wavedata.co.uk)

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