

April 2012

Commercial Bulletin

Monthly
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Pharmacy minister denies patient impact of stock shortages

Pharmacy minister Earl Howe has downplayed the impact of medicines shortages in the UK, telling MPs that there is "no hard evidence" of patient harm from shortages and claiming that government supply chain measures are working "very smoothly".

Addressing the All-Party Pharmacy Group (APPG) inquiry into medicines shortages on Monday (March 26), the minister stressed that he was not complacent about shortages, but he argued that it was important to have a "sense of scope" and said many people, including pharmacists, would be "completely unaware" of many shortages averted by the Department of Health (DH).

The comments faced opposition from APPG chair Kevin Barron, who said the group had seen examples of patients being hospitalised because of medicine shortages. Earl Howe's comments also contradict the results of C & D's Stocks Survey 2011, which found more than 140 pharmacists had seen a patient's health suffer in the past year because of supply problems, with issues including mental health patients seeing their conditions worsen and patients referred to hospital.

But Earl Howe claimed the DH had "consistently asked all members of the supply chain" about anything that materially damaged the interests of patients. "As far as I'm aware, we don't have hard evidence of patient harm," he said.

The minister went on to restate his position that the government was reluctant to take any further regulatory action to resolve the problems. Supply chain measures were "working very smoothly" and "collaborative working" was the only way to tackle the issue, he stressed. "We have no convincing evidence that [further regulation of the supply chain] even if it could be adequately defined, would improve the market's operation or the safety of patients."

But industry leaders and MPs reacted angrily to the news, stressing that patients were in danger and calling for more action to address the problems. The Royal Pharmaceutical Society (RPS) said the problems were "getting worse, not better". And executive director of the British Association of Pharmaceutical Wholesalers (BAPW) Martin Sawyer told C+D it was clear that patient health was at risk.

"The minister says he uses the PSNC branded shortages list as a guide to medicines that patients have difficulty obtaining," he said. "Surely this is evidence, if a medicine is a transplant therapy, insulin or a cancer treatment, for example, that there is a serious risk of patient health suffering."

Mr Sawyer also called for improved monitoring of the problems, saying: "Then maybe the DH will see a case for regulation."

Home affairs select committee chair Keith Vaz MP, who last month put forward a parliamentary motion to raise awareness of shortages, said ministers needed to acknowledge the scale of the problem and act quickly to resolve the issue. "We should not be in a position where patients need to be hospitalised because they cannot get the drugs they need," he said. Mr Vaz added that health minister Simon Burns had told him that 65 MPs had already raised the issue with the DH.

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Special points of interest:

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Co-operative Pharmacy scoops seven-year outpatient contract

The Co-operative Pharmacy has landed a seven-year contract with a foundation trust to dispense to outpatients at two hospitals.

The deal with Calderdale and Huddersfield NHS Foundation Trust will see the multiple installed in the two hospitals from summer 2012, creating 15 jobs in the process.

The pharmacy service will be delivered to A&E patients and outpatients from a purpose-built pharmacy at Huddersfield Royal Infirmary and from a newly refurbished area inside Calderdale Royal Hospital.

The deal is expected to reduce

waiting times for outpatients and bring financial savings for the trust.

It comes after the multiple's first move into secondary care last September, when it announced that it had won a seven-year contract to provide outpatient dispensing at Doncaster Royal Infirmary.

Commenting on the latest contract, the Co-operative Pharmacy's head of business development Mandeep Mudhar said: "There are many synergies with the foundation trust model and the Co-operative movement which makes the award all the

more pleasing."

"Working in this way with the NHS is aligned with our existing business model and our ongoing goal of improving the health of our customers and their communities," Mr Mudhar added. Mike Culshaw, clinical director of pharmacy at the trust, said: "We are really pleased to be working with the Co-operative Pharmacy on this project. We feel it will be of huge benefit to our patients, staff and visitors, and are delighted that all of this is being achieved at no extra cost."

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Generic Substitution

French pharmacists agree substitution deal

An agreement to link pay for French pharmacists to their ability to meet generic substitution targets has been finalised in negotiations between three of the country's pharmacist unions and France's health insurance fund. Unions FSPF, USPO and UNPF signed an agreement which France's health ministry said would "improve the dispensing of generics by introducing performance-related pay linked to a generic substitution target".

Meanwhile, a similar agreement struck with French doctors last year (**Generics bulletin**, 5 August 2011, page 12) has been published in the country's *Journal Officiel*. The objectives-based rewards scheme aims to raise the proportion of prescriptions within France's *répertoire* of generic equivalents to 90% for antibiotics; 85% for proton-pump inhibitors; 80% for antidepressants; 70% for statins; and 65% for antihypertensives.

France's generics industry association, Gemme, noted towards the end of last year that the country's generic substitution rate for eligible prescriptions had fallen beneath 70% (**Generics bulletin**, 18 November 2011, page 21), compared to an annual average of nearly 80% in 2010 (**Generics bulletin**, 5 August 2011, page 13).

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Goldshield takes off as Mercury Pharma

Goldshield Pharmaceuticals changed its name to Mercury Pharmaceuticals on 21 March as a "public declaration of a new era", according to chief executive officer John Beighton, with "new owners, new senior management and a revised strategy as a speciality pharmaceuticals business". In future, he said, the firm would focus on "exclusive and semi-exclusive" off-patent brands and generics, with the

emphasis on "niche products".

Since a management buy-out in December 2009 – when the Goldshield Group had been delisted from the London Stock Exchange – Beighton said there had been a two-year-period of "investing and divesting" under the ownership of Hg Capital.

Describing the business of two years ago as "diverse" – it comprised pharmaceuticals, consumer health, publishing and

property divisions with sales of £74 million (US\$118 million) – he pointed out that this year a projected turnover of £90 million would come largely from branded and unbranded generics in various delivery forms.

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Olympics pose threat to twice-daily pharmacy deliveries, BAPW warns

London pharmacies could suffer from "serious disruption" to their medicines supply this summer with twice-daily deliveries potentially "unworkable" during the Olympic games, the British Association of Pharmaceutical Wholesalers (BAPW) has warned.

Congestion and Olympic traffic priority routes during the games could mean delivery drivers are delayed or cannot stop on some London roads, which could affect 500 pharmacies and make normal delivery practices impossible in some cases.

"We are very concerned that there is potential for serious disruption to day-to-day primary and secondary care medicines supply to pharmacies and hospitals," said Martin Sawyer, executive director of the BAPW. "The BAPW has mapped over 500 individual pharmacies in the London area whose normal twice-daily deliveries from BAPW wholesalers may not be able to take place for a combined period of over two months because of the road restrictions," he said.

However, the BAPW is now working with its members to minimise disruption. Wholesalers will speak to individual pharmacies about supply arrangements, and possible solutions include a temporary reduction down to a once-daily service and businesses sharing deliveries.

In a letter to pharmacists, Geoff Mellor, technical director of the BAPW, said: "BAPW members might be forced to provide a once per day delivery service. Please be assured that this decision has not been taken lightly, and that we and our members have directed a significant amount of time and resources in planning for the games."

Mr Sawyer stressed that the association was planning for worst-case scenarios and that its members would help all affected pharmacies to come up with individual contingency plans to ensure supply continued throughout the games. "Deliveries will be affected, but they will get through," he said.

Pharmacy Voice and the BAPW are also continuing to press London authorities to modify the current plans for transportation during the Olympics to limit disruption to medicines supply.

Meanwhile, the NPA is producing a support pack, available from April, that will include information on business continuity, foreign drug identification, signposting to translation services, over the counter medicines for common minor ailments and changes to deliveries during the Olympics.

The association has also produced a short film for www.askyourpharmacist.co.uk advising overseas travellers to the games about what they can expect from UK pharmacies.

"Pharmacy teams need to plan ahead [for the Olympics], and there is only a matter of weeks to go," said Leyla Hannbeck, head of information services at the NPA.

"For example, road closures may cause delivery disruptions so pharmacists should put a contingency plan in place to ensure continuity of supply," she said.

Pharmacists should also ensure staff are confident signposting patients to translation services and about foreign drug identification processes.

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Alliance Healthcare vans join fight against counterfeits

Alliance Healthcare has become the latest partner in a heavyweight campaign highlighting the dangers of buying medicines online from unregulated sources.

Posters warning of the dangers of bypassing the healthcare system will be featured on 100 Alliance vans for a year from this month.

As part of the 'Get real. Get a prescription' campaign, the posters will encourage patients to seek advice and support from a pharmacist or GP rather than turning to unregulated online outlets.

The campaign is backed by the medicines regulator, the Royal Phar-

maceutical Society (RPS), patient charities and Pfizer.

Alliance Healthcare commercial director Mark Stephenson said the wholesaler was "pleased to be supporting a valuable and educational campaign" which "reminded consumers of the dangers of purchasing medicines from illegal websites".

"The [websites] may look very professional but in fact they often supply dangerous counterfeit products which can contain no active ingredient, the wrong ingredient or even toxic substances, posing a real risk to public health," he said.

The news follows warnings earlier this month that illegal internet pharmacies are now targeting young people via social networking sites.

For more information on the 'Get real. Get a prescription' campaign, visit www.realdanger.co.uk

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Abbott Announces Name for New Drug Company

Abbott Laboratories announced Wednesday that AbbVie will be the name of the new, independent research-based pharmaceutical company it expects to launch by the end of 2012.

The name is derived from a combination of Abbott and "vie," which references the Latin root "vi" meaning life. The AbbVie logo and graphic identity will be unveiled when the new company is launched.

The naming of the new company is the latest milestone in the process that began in October 2011, when Abbott announced it would separate into two publicly traded companies, one in diversified medical products and the other in research-based pharmaceuticals.

AbbVie will include Abbott's current portfolio of leading proprietary pharmaceuticals and biologics. The diversified medical products company, which will retain the Abbott name, will consist of Abbott's existing diversified medical products portfolio, including its branded generic pharmaceutical, devices, diagnostics and nutritional businesses. Both companies will be global leaders in their respective industries.

Miles D. White will remain chairman and CEO of Abbott. Richard A. Gonzalez, currently executive vice president, Global Pharmaceuticals, will become chairman and CEO of AbbVie.

<http://www.cphi-online.com/news/16180/Abbott+Announces+Name+for+New+Drug+Company.html> 22/03/12

PRICE WATCH UK

Four products added to 'fast movers' list

Four active ingredients – esomeprazole, olanzapine, pioglitazone and valsartan – have been added this month to the 'fast movers' in Figure 1. All are relatively recent generics, having been launched within the past year, and from this month they are all to be found in category M of the Drug Tariff of pharmacy-reimbursement prices in England and Wales. Olanzapine was switched to category M at the start of this year, while the other three were switched to reimbursement prices based on actual market prices on 1 April (Generics bulletin, 23 March 2012, page 21). Some strengths of existing 'fast mover' products have made way for the new arrivals.

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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Pricing & Reimbursement

German parliament to restrict rebates

Germany's statutory health insurance funds should not be able to award rebate contracts for active ingredients until at least two years after they have lost patent protection, the country's upper house of parliament, the *Bundesrat*, has proposed. Nor, it says, should originators be allowed to strike supply deals with funds that go beyond the brand in question's patent life.

The *Bundesrat's* proposals largely meet demands made by Germany's generics industry association, Pro Generika. But major statutory fund, the AOK, insists parliament has fallen for lobbying "in back rooms" that has led to "nothing other than a licence to print money for the leading lights of the generics industry".

In response, Pro Generika maintained it had supported its arguments with "evidence-based results from scientific studies". The association urged the AOK to join in with the constructive dialogue that Pro Generika was embarking on with other funds.

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Price decay after loss of brand exclusivity (patent expiry) and generic launch

There comes a point in the life of every brand when exclusivity will be lost and generics will begin to compete for market share. However this is not the end of the brand's lifecycle and many branded Pharma companies have commercial departments whose main function is to maintain value in the brand years after loss of exclusivity.

To see more to go <http://www.pharmaphorum.com/2012/04/04/price-decay-after-loss-brand-exclusivity-patent-expiry-generic-launch/>
Pharmaphorum 04/04/12

WaveData — Top ten products

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

Both uk and pi prices were viewed for each product, giving some indication of where the focus was in March 2012

Pioglitazone Tabs 30mg 28

Pioglitazone Tabs 45mg 28

Pioglitazone Tabs 15mg 28

Donepezil Tabs 10mg 28

Seretide Accuhaler 250mcg 1 (60 Doses)

Flixotide Evohaler 250mcg 1 (120 Doses)

Latanoprost Eye Drops 0.005% 2.5ml

Levothyroxine Tabs 100mcg 28

Donepezil Tabs 5mg 28

Levothyroxine Tabs 25mcg 28

This bulletin now goes out to 2300 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 16th May 2012, as I will be issuing the next one on the 23rd May 2012.

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

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

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