

CAT M CAUSES JOB CUTS AT INDEPENDENT MULTIPLES

Pharmacists and other staff at independent multiple pharmacies have lost their jobs as a result of category M clawbacks. Others have faced pay freezes and reductions in training, as businesses feel the bite of last October's £400 million cut in purchase profits.

Groups said the effects of the clawback had led them to review their costs, leading in some cases to job cuts.

Others are not replacing staff as they leave and are being "cautious" about taking on new employees.

Healthcare, has made 40 full-time staff redundant since the clawbacks came in last year. He explained: "Category M moved us from profit into loss... we had to go and say to people you're working really well, but we can't afford you."

Meanwhile McParland Pharmacies has made around 10 per cent of staff redundant, including five phar-

macists.

Cost-saving tactics at Day Lewis have included focusing on organic growth, rather than buying extra branches, according to Kirit Patel, Day Lewis CEO.

Heather McParland, superintendent pharmacist and director of McParland Pharmacies, said: "We had no choice looking at the overall costs we have, and there doesn't seem to be any light at the end of the tunnel."

A Company Chemists' Association and AIMp spokesperson confirmed members were having to look at finances closely. But the DH said it believed the measures were fully consistent with the pharmacy contract.

Alastair Buxton, head of NHS services at PSNC, said: "We are working very hard on it."

SPECIAL POINTS OF INTEREST:

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POINTS OF INTEREST

Cat M causes job cuts at independent multiples

Record fuel prices lead to home delivery boom

Alliance Boots virtual chain tops 1,000 members

Pharma to take Research out of UK.

Mega Trends

Ondansetron gains cut pharmacy margins

RECORD FUEL PRICES LEAD TO HOME DELIVERY BOOM

Rising fuel prices have triggered an increase in the number of patients requesting home delivery of medicines, some businesses have reported. Rowlands managing director Kenny Black said the company had seen a "significant increase" in the number of prescription collection and delivery requests in the past two months.

He suggested this could be due to record fuel prices which, according to the AA, now top 118p per litre for unleaded, a 5.6p increase in a single month.

Worthing's Lime Tree Pharmacy owner, Paul Howie, added: "People have said that they're having [prescriptions] delivered because of fuel prices."

Mitesh Soma, CEO of online pharmacy Chemist Direct, reported a 35 per cent increase in sales in April, which he also attributed to record fuel prices. One Chemist Direct customer said: "My wife and I have recently become internet converts, with the rising fuel prices making it expensive to use our car."

Businesses have no plans to increase delivery charges to customers to offset their own rising fuel bills, although some indicated they would continue to monitor the situation.

Lloyds pharmacy and Asda said they had no evidence of an increase in demand for their online and delivery services linked to increasing fuel costs.

Pharmacists have had to pay a monthly £9.75 fuel surcharge on deliveries from wholesaler Phoenix since February. The firm said it had been forced into the move by spiralling fuel prices. Other distributors are watching the situation closely.

Alliance Boots virtual chain tops 1,000 members

Virtual pharmacy chain, Alphega, has hit 1,000 members across Europe following a concerted recruitment drive.

The Alphega network, which is run by Alliance Boots and which provides back-room support functions for independent pharmacies, has now grown to 50 members in the UK since its launch in November 2007.

Ornella Barra, board member of Alliance Boots, said: "The development of Alphega Pharmacy illustrates our commitment to supporting independent pharmacy and professional pharmacists throughout Europe."

The network has also recently launched in the Czech Republic and aims to launch in Russia in the next few months.

Alphega plans to have 3,000 members across Europe by 2010,



Pharma to take

Research out of UK.

Pfizer, Roche and Merck Serono—among other Pharma giants, have told the Financial Times they either are, or will cut back on the enrolment of British patients in to clinical trials because of the lack of support from the government and the NHS. The primary reason is that too few patients are receiving 'gold standard' medicines following a run of knockbacks from NICE for fewer therapies, so the UK is no longer a useful comparator.

Mega Trends

Looking at the big picture, many Wholesalers are gradually trying to become manufacturers i.e. waymade with Amdipharm.

Generic manufactures are trying to become branded manufactures i.e. Actavis acquiring brands from Thornton and Ross last year.

Perhaps what you didn't know is that branded companies i.e Pfizer, Merck and Co and Eli Lilly are getting together to create a biotech'

The reasons for these changes are that each type of company is trying to get more protection through patents and other intellectual property i.e. trade marks, so that they can function as exclusive suppliers for that product or group of products.

Ondansetron gains cut pharmacy margins

Pharmacists' chances of increasing their profits from dispensing ondansetron were dealt a blow last month when both the lowest and average prices of 30-tablet packs of the 4mg strength of the antiemetic rose by more than a quarter. The lowest price increased by 31% to £2.94 (US\$5.79) and the average price by 28% to £24.54. As we have remarked in the past, shopping around for the best deal on ondansetron represents potentially the most fruitful option for pharmacists looking among our 'fast movers' to make a dispensing profit.

The category A Drug Tariff reimbursement price for ondansetron 4mg was £91.16, partly based on prices listed by Actavis and Teva. Despite the price rises, independent pharmacists and dispensing doctors could still have made a 97% profit on buying ondansetron at the lowest price, and a 73% margin on the average price.

Not every ondansetron supplier, however, was increasing its prices in June. The lowest price of the other ondansetron presentation, 10-tablet packs of the 8mg strength, was static at £1.95, even though the average price rose by 20% to £16.09. Trazodone recorded the biggest price falls in the month.

But, while average prices dropped by almost a fifth for two of the strengths, and by 15% for another, the lowest prices were little changed, indicating there were no bargains to be had.



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