

PRICE WATCH UK

Bleak times borne by UK pharmacists

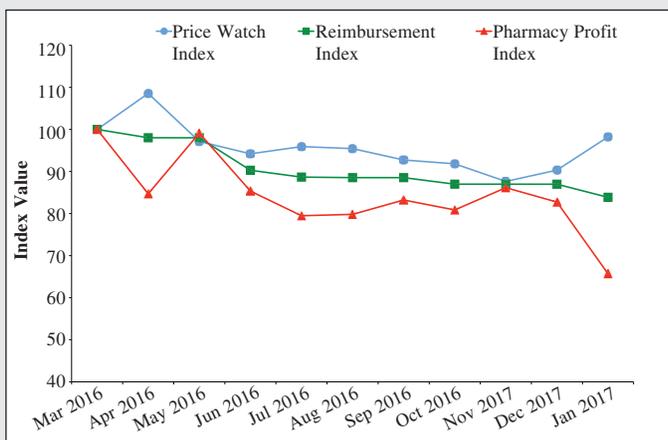
UK pharmacists had a dreadful start to the New Year, watching helplessly as their dispensing margins were squeezed between rising generics prices and falling reimbursement prices.

Measured by our representative basket of 20 popular generic products, our Pharmacy Profit Index dropped dramatically by 17.0 percentage points in January, its largest monthly fall by far, to just 65.7. Pharmacists were thus earning almost 35% less from dispensing the basket than they were last March, when the Index was first calculated.

In financial terms, pharmacists on average pocketed just £1,106.11 (US\$1,379.50) in January from dispensing our typical basket. This was a shortfall of more than £575 compared with the £1,683.51 they had made just 10 months earlier.

Rising generics prices gave the basket a value of over £2,000 for the first time since last August. At £2,091.06, its value was almost back to the £2,128.87 where it started last March, and was reflected in a Price Watch Index up by 7.9 percentage-points to 98.2.

Having kept reimbursement prices almost level for three months at about £3,316, the Department of Health's new quarterly Drug Tariff for January 2017 shaved more than £100 from the basket's total to just £3,197.17. This was 83.9% of where it had been last March, representing a reimbursement price cut of 16.1% for the generics in our typical basket.



Price Watch Index	98.2	Pharmacy Profit Index	65.7
Monthly change	+7.9	Monthly change	-17.0

January 2017		January 2017	
Basket Price	Reimbursement Price	Pharmacy Profit	
£2,091.06	£3,197.17	£1,106.11	

January 2017
 The Price Watch Index is based on the actual average trade price according to WaveData of a representative basket of 20 popular generic products in March 2016, when the Index was 100. The basket reflects recent official prescribing data for England and Wales and represents what an average pharmacy would pay for the products, which were selected as being the top cash generators within pharmacy. The Pharmacy Profit Index is calculated on the same basis by applying Drug Tariff reimbursement prices to the basket.

Up to the minute live retail market pricing is available for the UK and Eire on Wavedata Live at wavedata.net. Alternatively, contact Charles Joynson at WaveData Limited, UK.Tel: +44 (0)1702 425125. E-mail: cjoynson@wavedata.co.uk.

