

# Day-one montelukast gives 90% discount

Actavis set the scene for the launch of generic rivals to Merck, Sharp and Dohme's Singulair in February by announcing that its 'day one' trade price for its three montelukast products offered a 90% discount to the brand. Its main rivals, Mylan and Teva, seemed content with this level of discount, matching Actavis in the prices they offered to independent pharmacists and dispensing doctors, according to WaveData's pricing information.

Claiming the asthma remedy was its first 'day one' launch in the UK in 2013, Actavis had stocks ready at midnight on 24 February, when six-month paediatric exclusivities attached to supplementary certificates (SPCs) came to an end (**Generics bulletin**, 15 February 2013, page 22). Actavis' trade price for 28-count packs of both the 4mg and 5mg strengths of montelukast chewable tablets was £2.57 (US\$3.94), which was almost exactly 10% of the brand's trade price of £25.69 for both variants. Similar pack sizes of Singulair 10mg film-coated tablets had a trade price of £26.97, which became £2.70 after Actavis had applied a 90% discount.

Teva followed suit on 'day one', offering the three products for the same prices as Actavis. However, the UK's leading generics firm also offered a fourth variant in the form of 4mg oral powder in 28-sachet packs. These were also priced at £2.57 to the trade.

Mylan was soon offering 28-tablet packs of montelukast 10mg at £1.85, although its prices for the chewable strengths remained at 90% discounts to the brand. This may be explained in part by a product recall announced by the Medicines and Healthcare products Regulatory Agency (MHRA) on 5 March, not long after Mylan's products were launched.

## Mylan recalled batch of 5mg tablets

The MHRA's class 2 drug alert – requiring action within 48 hours – announced that Mylan was recalling all remaining packs of a particular batch of 5mg chewable tablets from pharmacies, clinics and wholesalers. The recall had been prompted by an error on the pack, which had incorrectly stated that the tablets were for children from two to five years, when the patient information leaflet inside the pack correctly stated that they were for children from six to 14 years.

While this was happening, Dexcel entered the fray at £1.89 for the 10mg tablets. This lower price was soon matched by Actavis, lifting its discount to 93%. Teva meanwhile, increased the price of its sachets to £3.05, taking advantage of the lack of competition. Actavis has subsequently brought the trade price of its two strengths of chewable tablet into line by dropping it to £1.80, the same as Dexcel's, thereby also increasing the discount to 93% of the brand price.

Charles Joynson, WaveData's managing director, notes that there has been "a lot more activity" in the marketplace for the 10mg film-coated tablets. In the first half of April, WaveData recorded 50 separate price offers to independent pharmacists and dispensing doctors for the 10mg variant, he says, compared with 35 offers in the trade for the 4mg chewable tablets and 33 price offers for the 5mg tablets.

Montelukast is currently still in category C of the Drug Tariff of pharmacy reimbursement prices, which means that generic montelukast is reimbursed at the brand's trade price. Pharmacists are thus enjoying the full discount to the brand as their dispensing profit margin (see Figures 1, 2 and 3).

According to the latest prices, independent pharmacists can buy chewable tablets of montelukast 4mg and 5mg at £1.80 and make a dispensing profit margin of 93%. They can also make the same level of profit from buying 10mg film-coated tablets for £1.85.

It remains to be seen how long montelukast remains in category C of the Drug Tariff before it is moved by the Department of Health to category M, which is based on actual market prices and is likely to produce massive cuts in pharmacy margins. **G**

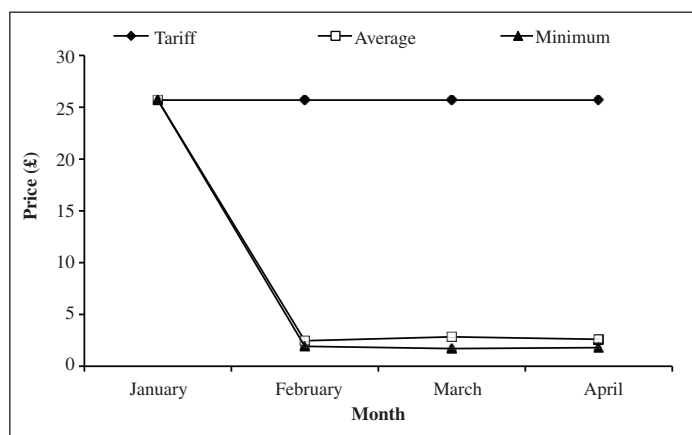


Figure 1: Average and minimum prices, as well as Drug Tariff prices, for 28-tablet packs of montelukast 4mg in the three months since generic launch (Source – WaveData)

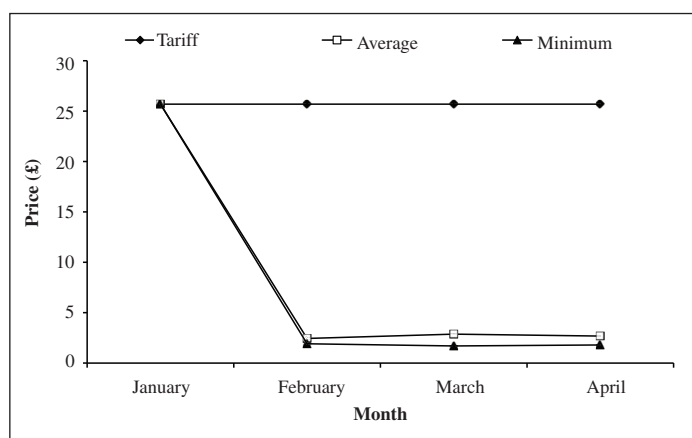


Figure 2: Average and minimum prices, as well as Drug Tariff prices, for 28-tablet packs of montelukast 5mg in the three months since generic launch (Source – WaveData)

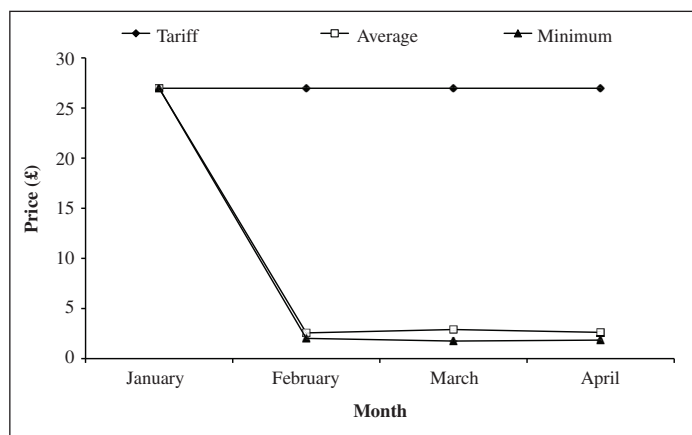


Figure 3: Average and minimum prices, as well as Drug Tariff prices, for 28-tablet packs of montelukast 10mg in the three months since generic launch (Source – WaveData)

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