

Gabapentin tests reimbursement scheme

Gabapentin capsules have been in short supply in the UK for the past year. Ever since May 2010, the anti-epileptic drug has appeared on the list of products granted special reimbursement status by the Department of Health.

Firstly it was gabapentin 300mg capsules that were granted 'no cheaper stock obtainable' (NCSO) status by the department, but gabapentin 100mg capsules were added in August 2010 and 400mg capsules a month later. Figure 1 is typical of the rollercoaster pricing of gabapentin capsules since they were launched, and the efforts of the department to keep pace with the changes through Drug Tariff reimbursement prices.

The 300mg strength was the only generic product in November 2010 to be given the newly-introduced 'concessionary price increase' by the department as an alternative to granting NCSO status, which was the case for gabapentin 100mg and 400mg capsules.

Price concessions are fixed at more than Drug Tariff reimbursement prices and, like NCSO status, only apply for the month in which they are granted. Their benefit to pharmacists and dispensing doctors is that they apply automatically without special endorsement by the dispenser. Endorsement is required when dispensers supply an equivalent, more expensive proprietary drug instead of the prescribed NCSO product.

As Figure 2 shows, gabapentin 300mg capsules have been granted a concessionary price increase every month since the category was introduced. It was originally set at £14.12 (US\$23.25), but was reduced to £13.49 last month, reflecting a drop in the average trade price to £12.10 in March from £13.11 a month earlier. Needless to say, the average trade price immediately rose back to £12.30 in April. Dispensers would have made a meagre 9% profit margin last month. They would also have made a small margin on the official Drug Tariff reimbursement price of £12.51. This would not have been the case in March, however, when the price of the category M product was £11.21, or £0.89 less than the average trade price.

Meanwhile, gabapentin tablets in higher strengths have exhibited typical generic price decay from launch. Figure 3 shows how both the average and lowest trade prices of gabapentin 600mg tablets have declined together in an orderly fashion, providing pharmacists with a comfortable margin for dispensing them, particularly during the years between 2007 and 2009.

Immediately after generic launch, gabapentin 600mg tablets were reimbursed at the price for Pfizer's Neurontin brand, but this has been lowered firstly to the Drug Tariff's category A – calculated from a weighted average of Teva, Actavis and two wholesalers' list prices – but more recently to category M, which is based on historical data of actual trade prices in the marketplace.

Meanwhile, dorzolamide and timolol eye drops have been on the UK market for just over a year (see Figure 4). Merck, Sharp & Dohme's Cosopt original brand has a trade price of £10.05, which was the reimbursement price until the generic was put into category M in January 2011. April's reimbursement price of £7.23, however, was below that of the average price of £7.37, indicating that this may be another product which the category M scheme finds problematic.

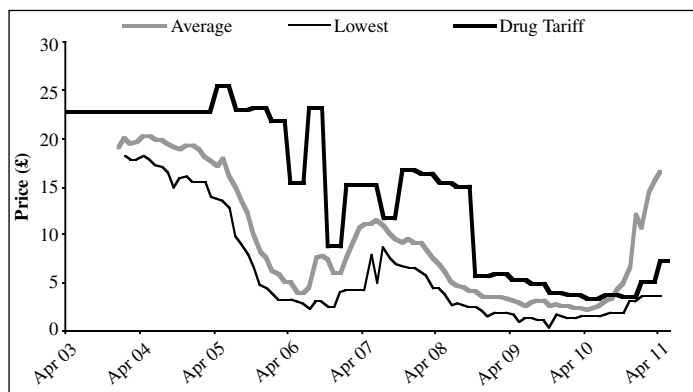


Figure 1: Prices for 100-capsule packs of gabapentin 100mg since launch, showing why the product has been granted NCSO status in recent months (Source – WaveData)

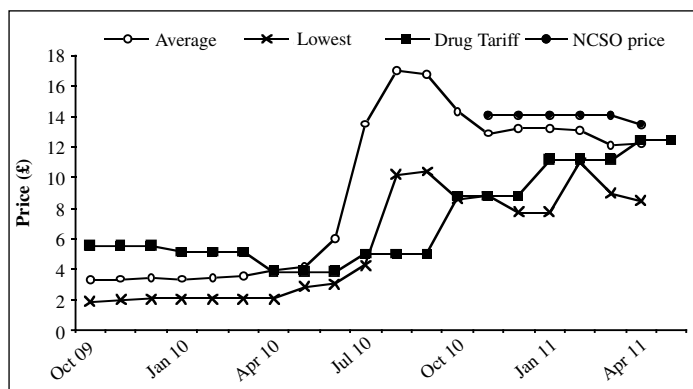


Figure 2: Recent price activity for 100-capsule packs of gabapentin 300mg, showing monthly concessionary prices ahead of average trade prices (Source- WaveData)

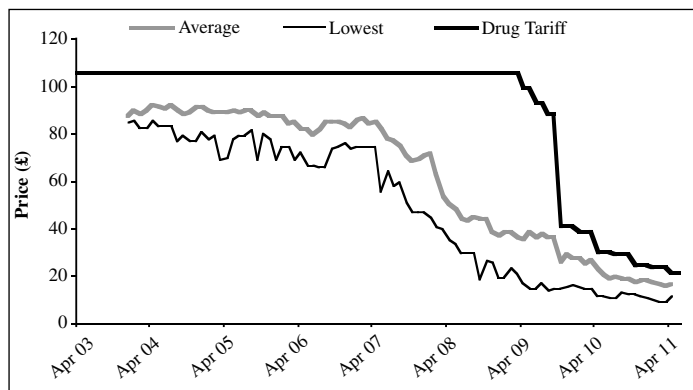


Figure 3: Price decay since launch for 100-tablet packs of gabapentin 600mg has contrasted strongly with that for lower-strength capsules (Source – WaveData)

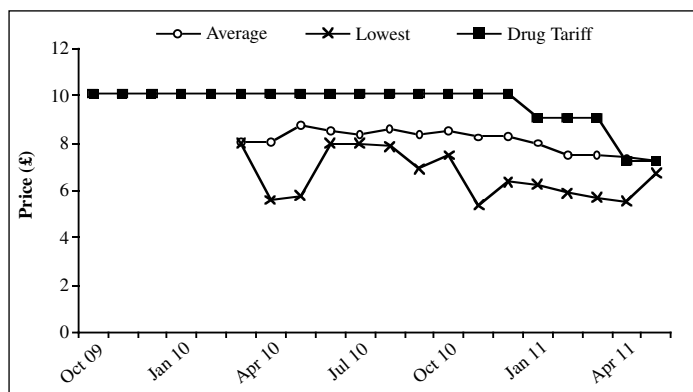


Figure 4: Price decay since launch for 5ml packs of dorzolamide 2%/timolol 0.5% eye drops, showing difficulties with the Drug Tariff's category M (Source – WaveData)

WANT MORE LIKE THIS?

Long-term product price trends or other price analyses are available.

Please specify the product and period of time you would like to investigate and email your request to info@wavedata.co.uk.

■ For further information see www.bppi.co.uk.
Alternatively, contact Charles Joynson at
WaveData Limited, UK. Tel: +44 (0)1702 425125.
E-mail: cjoynson@wavedata.co.uk.

