

Pantoprazole follows well-trodden path

When Nycomed's Protium lost its supplementary protection certificate (SPC) in early May, we noted that no UK generics player was claiming a Day 1 launch for pantoprazole. The proton-pump inhibitor had got off to a slow start, we said, with Apotex probably the first company to get its gastro-resistant tablets into the UK market on 8 May, a few days after the brand's SPC expiry (*Generics bulletin*, 15 May 2009, page 19).

Pantoprazole had not excited the same launch clamour as its category predecessor lansoprazole, possibly because UK sales of branded pantoprazole were estimated to be little more than £20 million (US\$32 million), many times smaller than its earlier class rivals.

Six months later, however, it seems the generic price decay of pantoprazole is following a similar path to that of lansoprazole, which was launched more recently than omeprazole in December 2005. As Figure 1 shows, the average price of pantoprazole as a percentage of the brand price has decayed from launch at the same speed as lansoprazole, and has fallen at a much steeper rate than omeprazole. Similarly, the shape of generic pantoprazole's price decay at actual prices has traced a similar shape to generic lansoprazole (see Figure 2).

Despite the slow start, pantoprazole is now supplied by about six generics licence holders in the UK, which is about the same number as its two rival ulcer treatments.

When pantoprazole was launched, the trade price of 28 enteric-coated Protium 20mg tablets was £11.83. Early generics prices offered to independent pharmacists and dispensing doctors for the same strength ranged from £8.87 – a 25% price cut compared to the brand – to £4.29, which was a 64% discount to Protium's price. Within the first few weeks, however, the average price had fallen to less than £3, while the lowest price dipped under the £2 mark in week four. This represented an 83% discount to the brand price (see Figure 3). Similarly, 28-tablet packs of pantoprazole 40mg could be bought by the trade for £3.25 in July, representing an 84% decline on the brand's trade price of £20.57 (see Figure 4).

Charles Joynson, WaveData's managing director, stresses the difference between price averages measured on a monthly basis, covering numerous data points and a broad price range, and those price averages captured weekly. The peaks in average prices every few weeks, he explains, coincide with new monthly price lists; what's actually going on in the marketplace changes little as evidenced by the lowest price available, which maintains a smoother decay pattern.

For example, the average price of 28-tablet packs of pantoprazole 40mg was £4.18 in week four, but £11.92 in week five, which was also the first week in July. In week six it was back down to £5.64 and was only £3.25 by week seven.

In terms of reimbursement prices, pantoprazole is still in category A of the Drug Tariff, which is tied to company and wholesaler price lists. Despite a small price reduction in September, pantoprazole's reimbursement prices are still £10.82 and £18.81, which means that pharmacists can make a 92% profit margin for dispensing packs of the lower 20mg strength costing them as little as £0.89, and an 89% profit margin for dispensing 40mg packs with a price tag of £1.99.

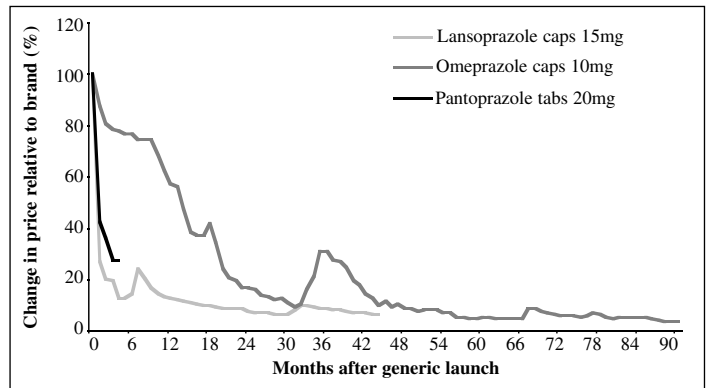


Figure 1: Average monthly decay in pack price of three generic proton-pump inhibitors from launch, expressed as a percentage of the brand price (Source – WaveData)

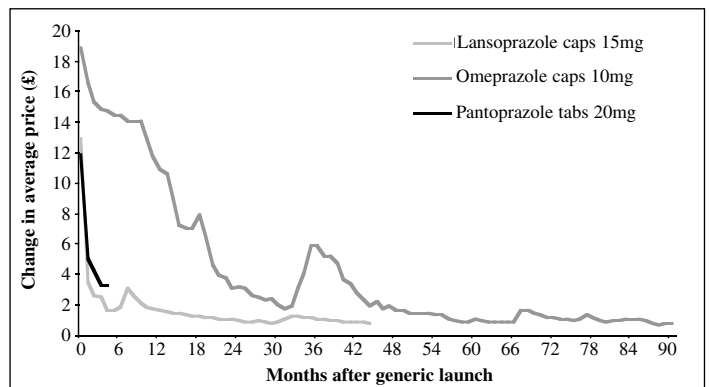


Figure 2: Average monthly price decay of 28-count packs of three generic proton-pump inhibitors from launch (Source – WaveData)

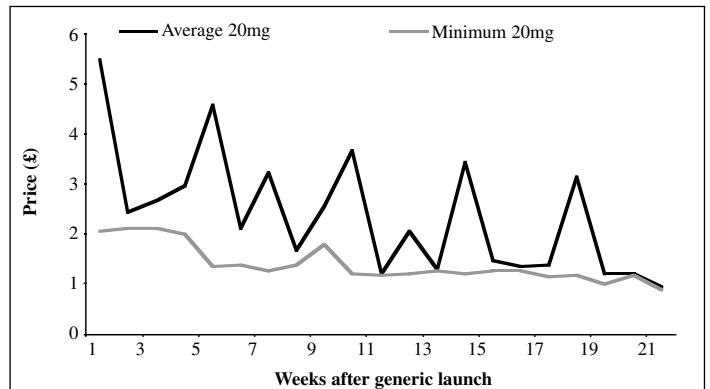


Figure 3: Weekly decay of average and minimum prices for 28-tablet packs of pantoprazole 20mg following generic launch (Source – WaveData)

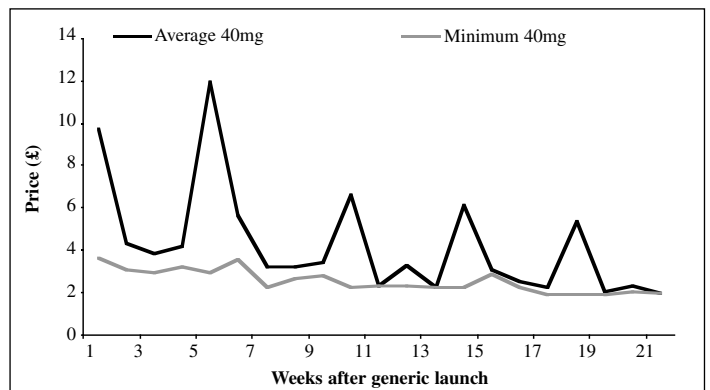


Figure 4: Weekly decay of average and minimum prices for 28-tablet packs of pantoprazole 40mg following generic launch (Source – WaveData)

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