

Recent launches follow different paths

Just as three new products are being launched onto the UK generics market – ibandronic acid, levofloxacin and repaglinide – we are taking a look at three other generics that were launched a little while ago – lercanidipine, mycophenolate mofetil and risedronate – to see what may happen to the prices of the newcomers over the next few months.

Risedronate has been on the UK generics market for just over six months now, over which time prices have decayed sharply. Prices for ibandronic acid – in the same therapeutic class as risedronate – may follow a similar pattern.

WaveData has recorded price offers to independent pharmacists and dispensing doctors for four-tablet packs of risedronate 35mg from 10 separate generics firms for part or all of the six-month period. Such rivalry has produced some cut-throat pricing to gain share. The 10 firms are Actavis, Almus, Aspire, Custom, Focus, Mylan, Ranbaxy, Sandoz, Sovereign and Teva. As Figure 1 shows, the trade price of the original brand, Warner Chilcott's Actonel, is £19.12 (US\$30.59). This remained the Drug Tariff reimbursement price until this month, giving pharmacists handsome margins as generics prices plummeted.

The Drug Tariff price for the once-a-week product is now £2.20, which still compares favourably with the average market price of £1.34 last month, and a lowest price of £0.89. However, from making almost a 93% profit margin on average in June, pharmacists are now making a margin of about 40%. In monetary terms, it is the difference between a dispensing profit of almost £18 per pack and a little less than £1.

When compared with the original brand, generic risedronate shows a similar price disparity. Its average price has dropped to around 7% of the brand price in just six months, and to less than 5% for the lowest price.

Lercanidipine has been on the market for a year longer than risedronate, during which time WaveData has recorded seven generics firms in the marketplace. They are Actavis, Almus, Custom, Glenmark, Mylan, Teva and Winthrop. Prices have been more volatile than for risedronate, but they have not suffered the same steep falls. A key difference is the brand original, Recordati's Zanidip, has a relatively low trade price. Figure 2 shows the price decay for 28-tablet packs of lercanidipine 10mg from the brand price of £5.70 to an average generics price of £2.89 last month. This was only a 49% discount on the brand price after an 18-month period of price decay, although the lowest price offer of £1.99 represented a 65% discount.

In contrast to Zandip, the brand original of mycophenolate mofetil, Roche's Cellcept, has a relatively high trade price of £82.26 for 50 tablets of the 500mg strength. Launched at about the same time as risedronate, mycophenolate's average generics price had slimmed to £19.54 last month, while the lowest price had fallen to £11.95. The former offered a 76% discount to the brand and the latter 85% (see Figure 3).

As many as 10 different generics firms have been active in the market for all or some of the time, which has driven prices down faster than for lercanidipine. Nevertheless, prices from different suppliers have varied widely, as Figure 4 shows. Teva appears to be the only player to offer a branded generic with Myfenax. Last month, the price premium was over 20%, with Myfenax costing £17.00, and Teva's unbranded version priced at £13.99.

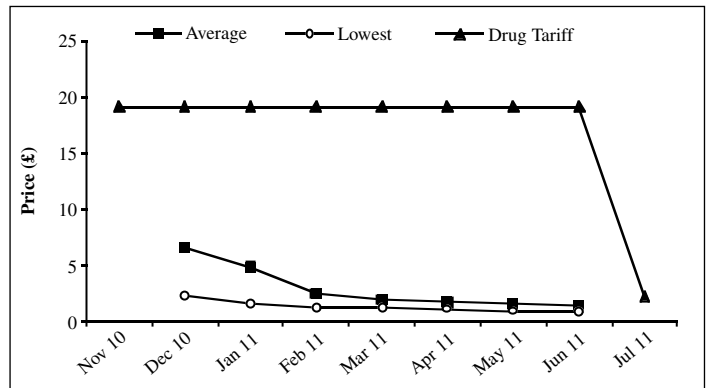


Figure 1: Changes in the Drug Tariff, and in lowest and average generics prices, since the launch of four-tablet packs of risedronate 35mg (Source – WaveData)

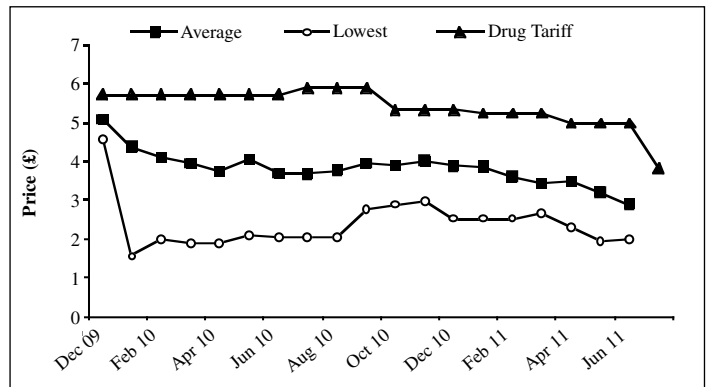


Figure 2: Changes in the Drug Tariff, and in lowest and average generics prices, since the launch of 28-tablet packs of lercanidipine 10mg (Source – WaveData)

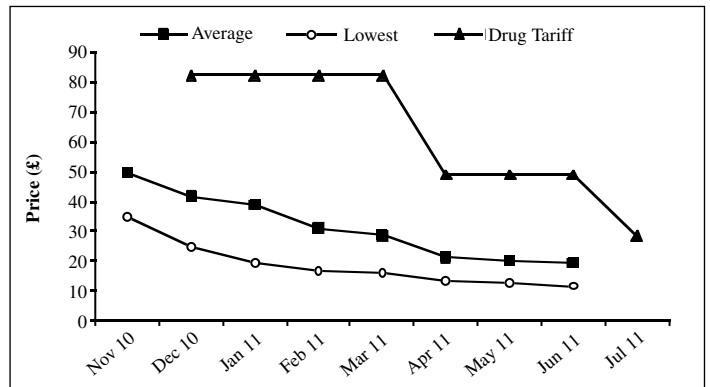


Figure 3: Changes in the Drug Tariff, and in lowest and average generics prices, since the launch of 50-tablet packs of mycophenolate mofetil 500mg (Source – WaveData)

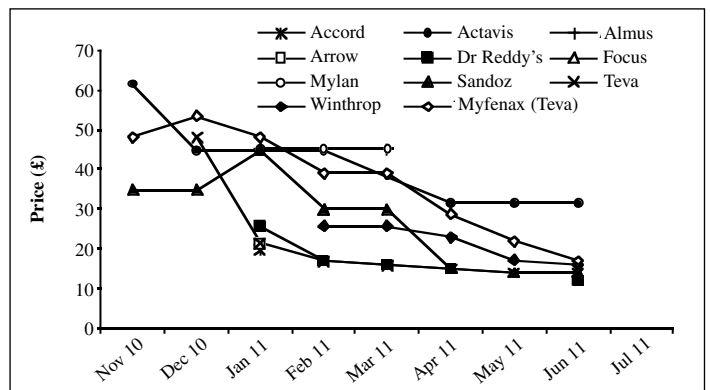


Figure 4: Prices offered to independent pharmacists for 50-tablet packs of mycophenolate mofetil 500mg from various firms since launch (Source – WaveData)

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