

Unit-dose form commands better prices

Just over six months ago on 5 August 2013, Teva launched in the UK a single-dose generic version of Merck, Sharp & Dohme's Cosopt dorzolamide/ timolol 2%/0.5% preservative-free eye drops. Standard generic versions of dorzolamide 2% eye drops, with and without 0.5% timolol, had already been on the UK market for more than three years, having been introduced in March 2010.

Unit-dose versions of Cosopt were available when the standard generics were launched. This meant the generics were competing not only with the basic forms of Cosopt and Trusopt – the sister dorzolamide-only brand from Merck, Sharp & Dohme – but also with the preservative-free, unit-dose variants as well.

Premium prices for the unit-dose forms were being charged by the originator. Cosopt's trade prices are the same today as they were when the generics were launched at £10.05 (US\$16.67) for the standard form, but £28.59 for unit-doses. Last August, when the unit-dose generic was launched, the lowest trade price in the market was £24.99, representing just a 12.5% discount on the brand price. In the same month, the trade prices for standard combination eye-drops had decayed to an average of £2.95 and a lowest price of £2.34, indicating a considerably better margin for suppliers on the unit-dose product.

However, the August 2013 prices for the standard form of the combination eye drops had followed more than three years on the market. During that time, the product's average trade price had fallen to the point where it represented a 70% generic discount to the brand. Even just a month after launch in March 2010, its trade price had already dropped by 20% compared with the brand (see Figure 1).

Pharmacists too have benefitted from the generic launch of the unit-dose product. This is because they have been reimbursed at Cosopt's trade price, whereas they only received £3.26 last month for dispensing the standard form. The lowest price for the unit-dose combination reported to WaveData last month was £24.75, but the average price had moved up since launch to £26.35, which represented just an 8% generic discount to Cosopt's trade price.

WaveData's Charles Joynson notes that the trade price of the unit-dose product is decaying at a slower rate. "Our conclusion," he says, "is that the greater the difference in character from the core original product, then the longer it takes for other generic manufacturers to introduce a rival. This implies a premium price for the first to launch, and a much slower price-decay rate than for more common forms of the product, and for generics in general."

Figure 2 also shows that there has been little difference between the trade-price decay of dorzolamide and timolol in combination and dorzolamide alone. Looking at the two products individually, the lowest trade price of dorzolamide was £1.17 last month, compared with an average price of £1.86. Meanwhile, its Drug Tariff reimbursement price was £2.31 (see Figure 3). When compared with Trusopt's trade price for the standard form of £6.33, these prices represent decays compared with the brand of 64% for the Tariff, 71% for the average and 82% for the lowest price.

Meanwhile, the equivalent decays for the standard combination of dorzolamide and timolol were 68%, 73% and 90% (see Figure 4).

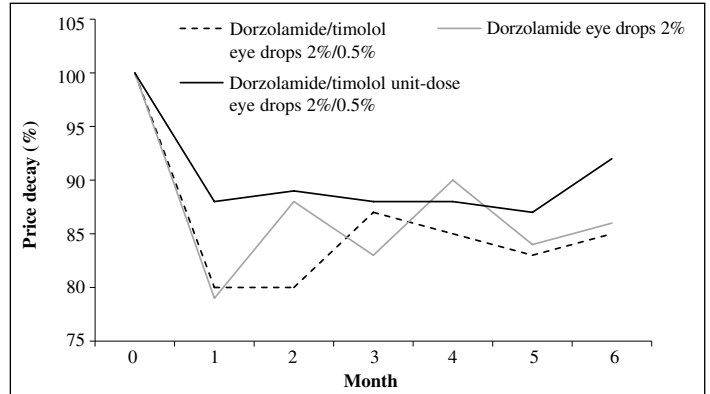


Figure 1: Monthly decay in the average trade prices for dorzolamide eye-drop formulations in the six months after generic launch (Source – WaveData)

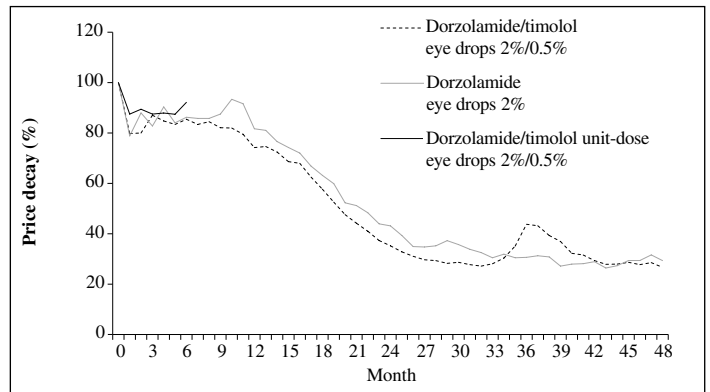


Figure 2: Monthly decay in the average trade prices for dorzolamide eye-drop formulations since generic launch (Source – WaveData)

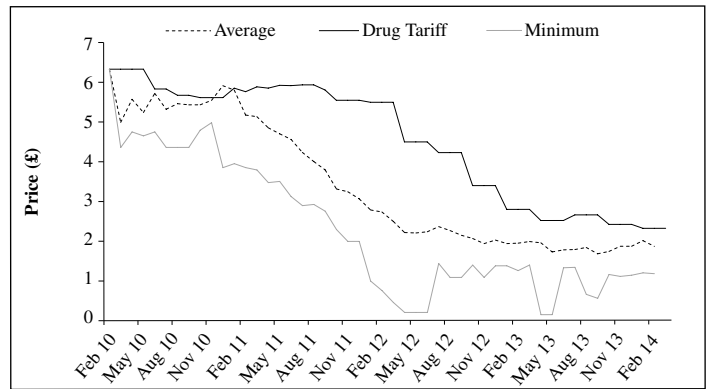


Figure 3: Monthly changes since launch in the trade and Drug Tariff reimbursement prices for 5ml packs of dorzolamide 2% eye drops (Source – WaveData)

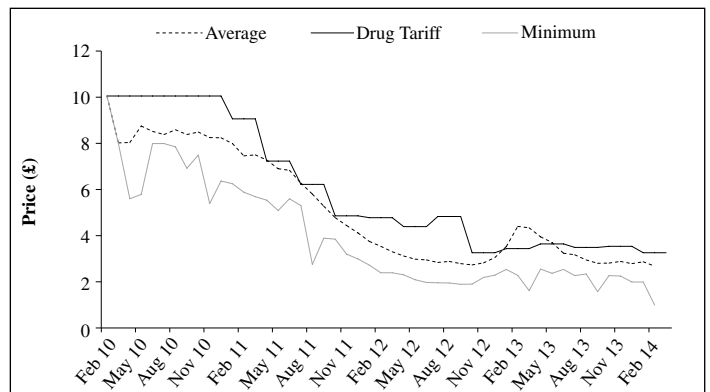


Figure 4: Monthly changes in the trade and Drug Tariff reimbursement prices for 60 unit-dose packs of dorzolamide/timolol 2%/0.5% eye drops (Source – WaveData)

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