Multiple demand side measures needed to enhance prescribing of generics for sustainable healthcare: experiences from Abu Dhabi

HTAi Brazil June 2011

Brian Godman, Mohammed Abuelkhair, Shajahan Abdu, Sahar Fahmy and Lars L Gustafsson

KAROLINSKA INSTITUTET
ett medicinskt universitet

MARIO NEGRI
ISTITUTO DI RICERCHE FARMACOLOGICHE

Study funded in part from a grant from Health Authority Abu Dhabi (HAAD) and Karolinska Institutet, Stockholm, Swedem

KAROLINSKA INSTITUTET
ett medicinskt universitet

1. **Introduction**
2. Methodology
3. Impact of reforms in Abu Dhabi
4. Comparisons with Western European countries
5. Conclusions and potential next steps

Increasingly seeing policies to enhance generic utilisation at low prices to conserve resources

- Countries are faced with growing pressure on resources due to:
  - ❑ ageing populations
  - ❑ greater patient expectations
  - ❑ strict clinical targets
  - ❑ continued launch of new premium priced drugs

- Health Authorities/ Health Insurance companies addressing this through encouraging utilisation of low priced generics where standard treatment. This will accelerate as more standards loose their patents – global sales of up to $100bn/ year of products loosing their patents between 2008 and 2013

- Utilisation and prices of generics vary considerably - prices up to 36 fold, with generic simvastatin and generic risperidone just 2% of originator prices in UK

HAAD has also instigated a number of policies in recent years to enhance prescribing efficiency

- The Health Authority – Abu Dhabi has also instigated a range of measures to enhance the quality and efficiency of prescribing in recent years

- Policies include:
  - ❑ Procedures for disseminating drug information and pharmacovigilance
  - ❑ Formal procedures/ guidance for listing of new drugs on formularies
  - ❑ Development of a Unified Prescription Form and subsequent comprehensive Generic Drug Policy. This includes prescriptive pricing for generics
  - ❑ Initiatives to reduce medication errors

This includes comprehensive policies for generics including compulsory INN prescribing

- The Unified Prescription Form and subsequent Generics Policy mandating Generic Prescribing in March 2009, and the comprehensive Generic Drug Policy (published in August 2009), both sought to conserve resources
- One initiative was the introduction of compulsory INN (International Non-Proprietary Name) prescribing apart from a limited number of exemptions (similar to Sweden and UK)
- Exemptions similar to European countries including Sweden and UK (UK – guidance in BNF and through professional bodies)
- However, there is need to examine the impact of existing measures to provide future guidance - especially given current circumstances in HAAD

There are currently a number of barriers in HAAD reducing potential gains from generics

- Current barriers in HAAD to potentially reduce efficiency savings from INN and other initiatives include:
  - ❑ No restrictions/ guidance on whether community pharmacists should dispense a generic drug following INN prescribing
  - ❑ No pressure on originator manufacturers to lower prices for continued reimbursement once generics become available
  - ❑ Patients do not have to pay the difference for a more expensive molecule than the current lowest price molecule
  - ❑ Pharmacists can receive appreciable bonuses from generic and originator manufacturers to preferentially dispense their products
  - ❑ No demand side measures directing physicians to prescribe particular products in sequence, e.g. generics first line in a class

1. Introduction

2. **Methodology**

3. Impact of reforms in Abu Dhabi

4. Comparisons with Western European countries

5. Conclusions and potential next steps

A standard methodological approach was used including converting IMS data to DDDs

- Observational study on the utilisation and expenditure of high volume prescribing areas in HAAD (based on IMS data supplied to HAAD)
- High volume prescribing areas chosen for analysis include PPIs, statins, antihistamines, and oral fluoroquinolones
- Utilisation converted to 2010 DDDs (International standard)
- Principal comparison 12 months to September 2010 vs. 12 months to September 2009 (i.e. one year after comprehensive Generic Drug Policy introduced)

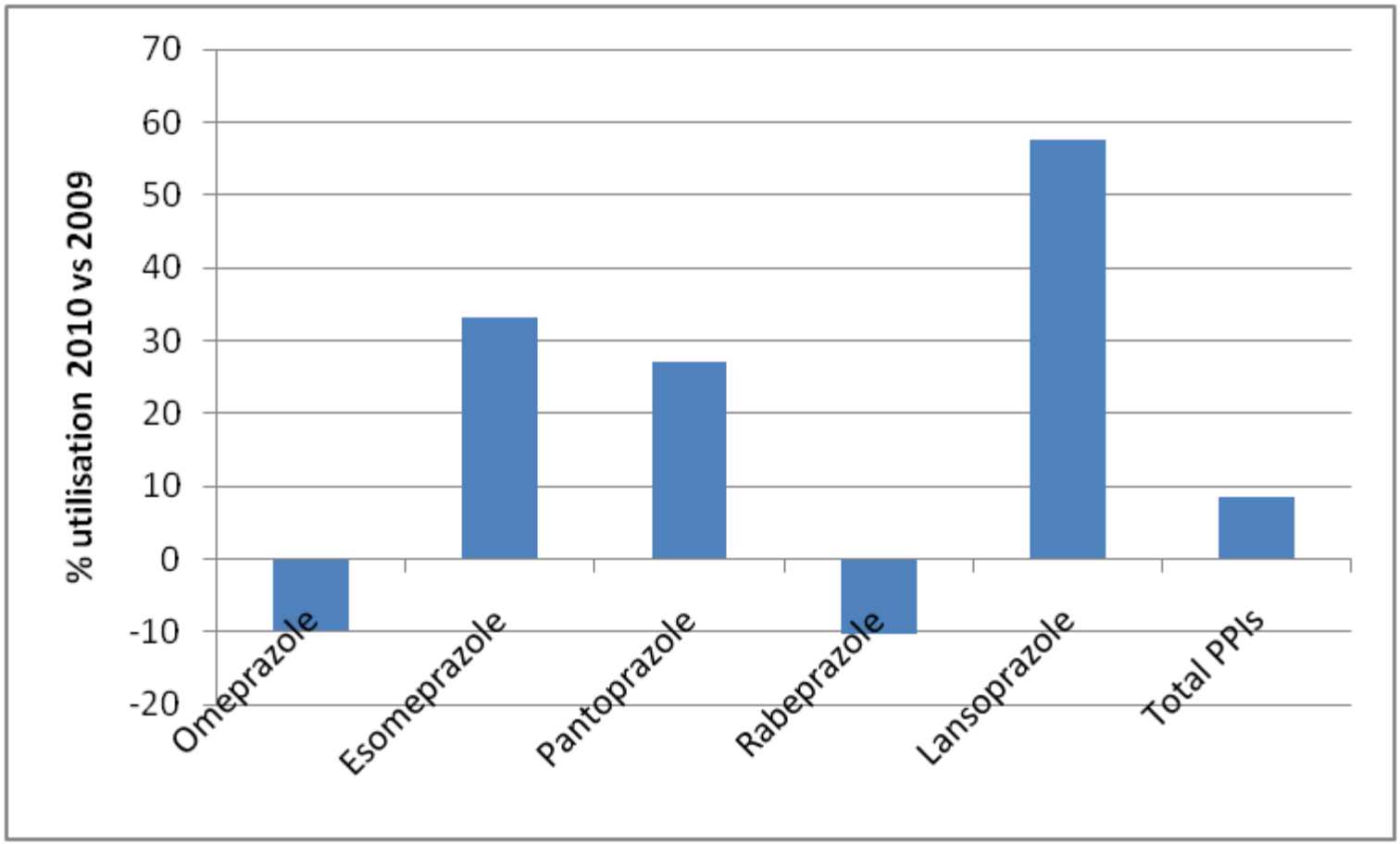
1. Introduction
2. Methodology
3. **Impact of reforms in Abu Dhabi**
4. Comparisons with Western European countries
5. Conclusions and potential next steps

Utilisation and expenditure increased in all classes in HAAD in 2010 vs. 2009

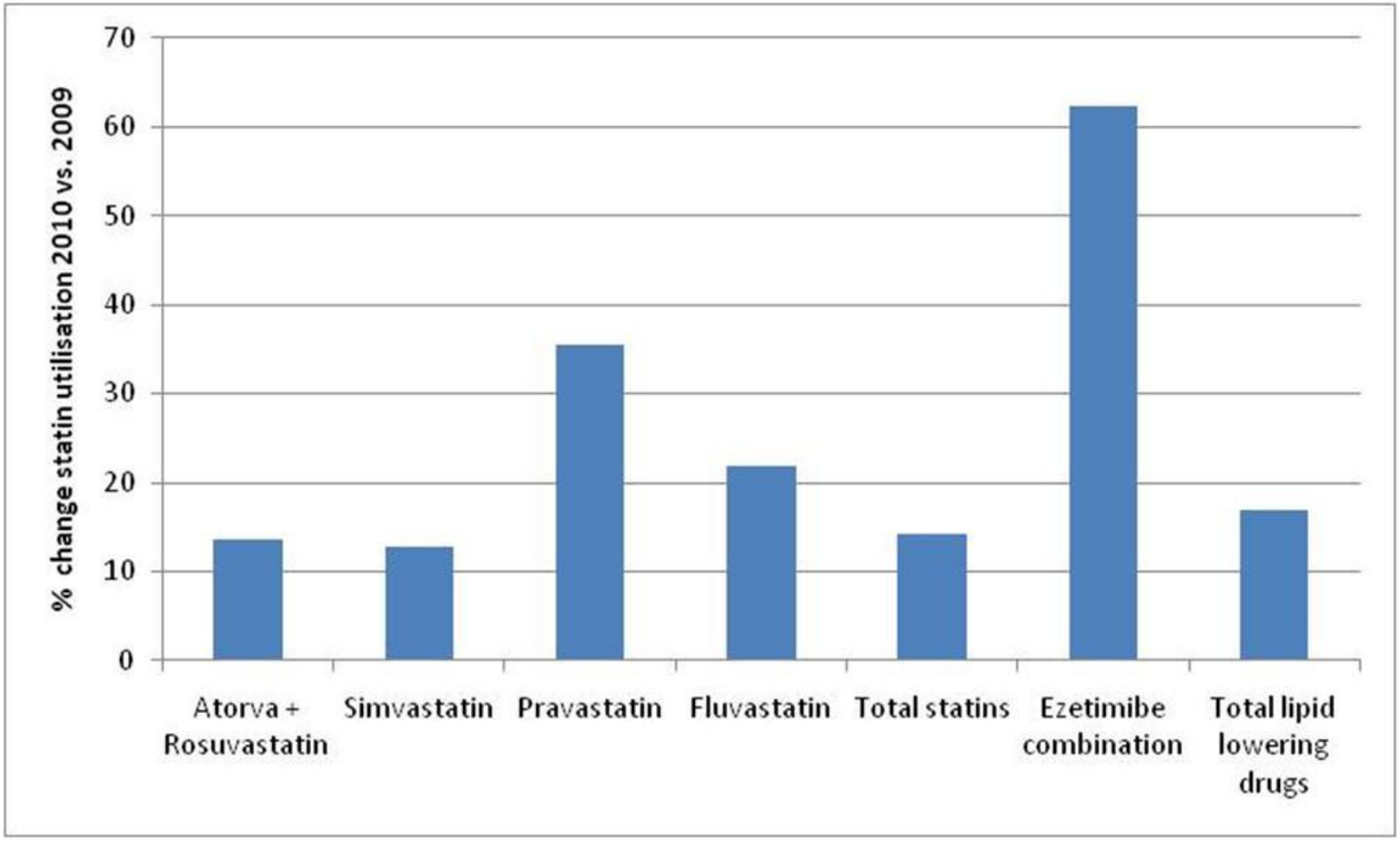
- Utilisation (DDD based) and expenditure (AEDs) increased in all 4 classes 2010 vs. 2009. Increased expenditure helped by increased utilisation of patent protected vs. multiple source products

Class	Utilisation	Expenditure
PPIs	8.4%	11.5%
Statins + ezetimibe	16.90%	11.20%
Anti-histamines	12%	10%
Oral fluoroquinilones	1.20%	4%

Increase utilisation of patented PPIs in 2010 versus multiple sourced omeprazole (DDDs)



Increased utilisation patented lipid lowering drugs in 2010 (A + R = 87.5% total statins)



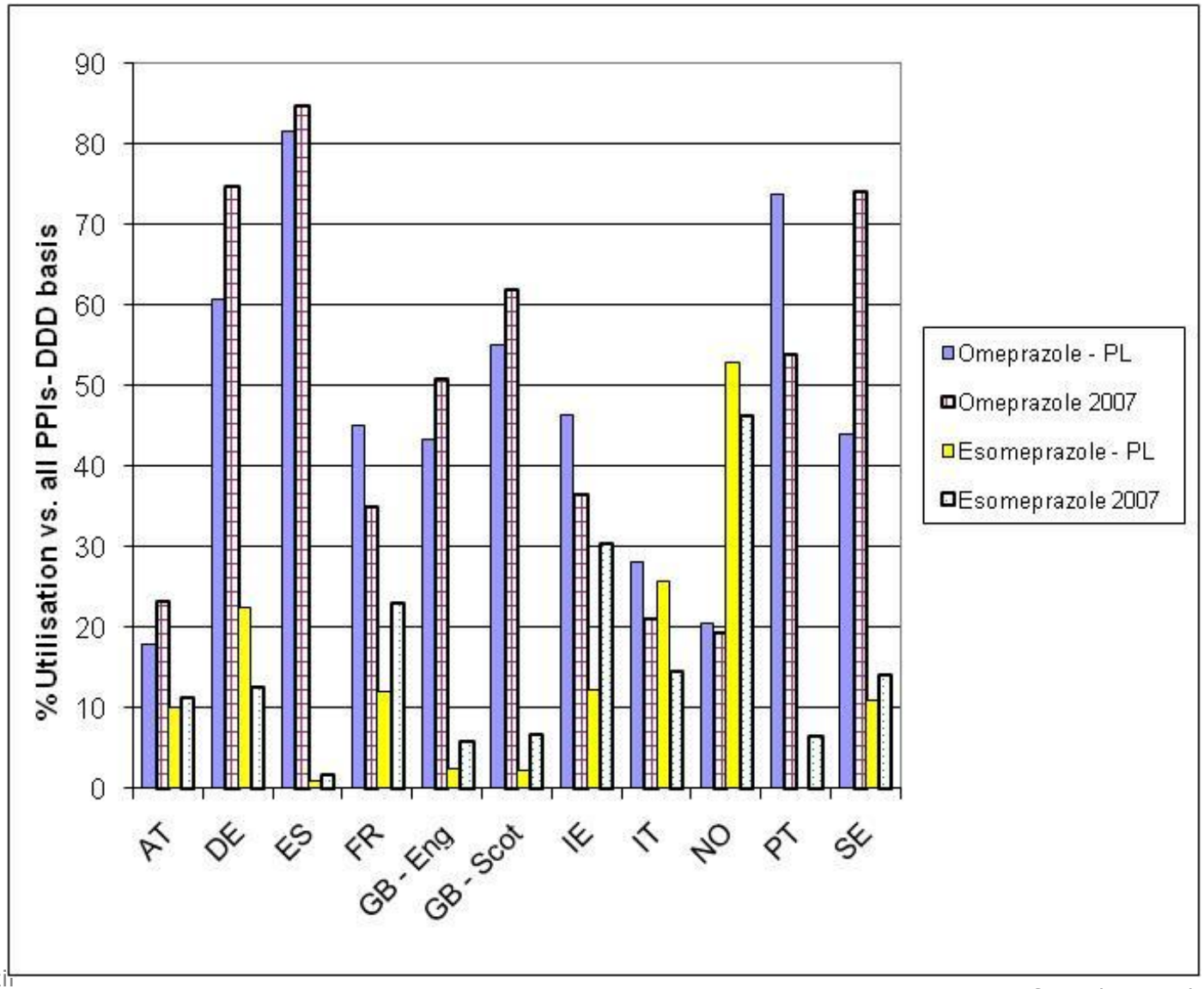
NB – No generic pravastatin or fluvastatin in study period

1. Introduction
2. Methodology
3. Impact of reforms in Abu Dhabi
4. **Comparisons with Western European countries**
5. Conclusions and potential next steps

Similar situation in Western countries where limited intensity of demand side measures

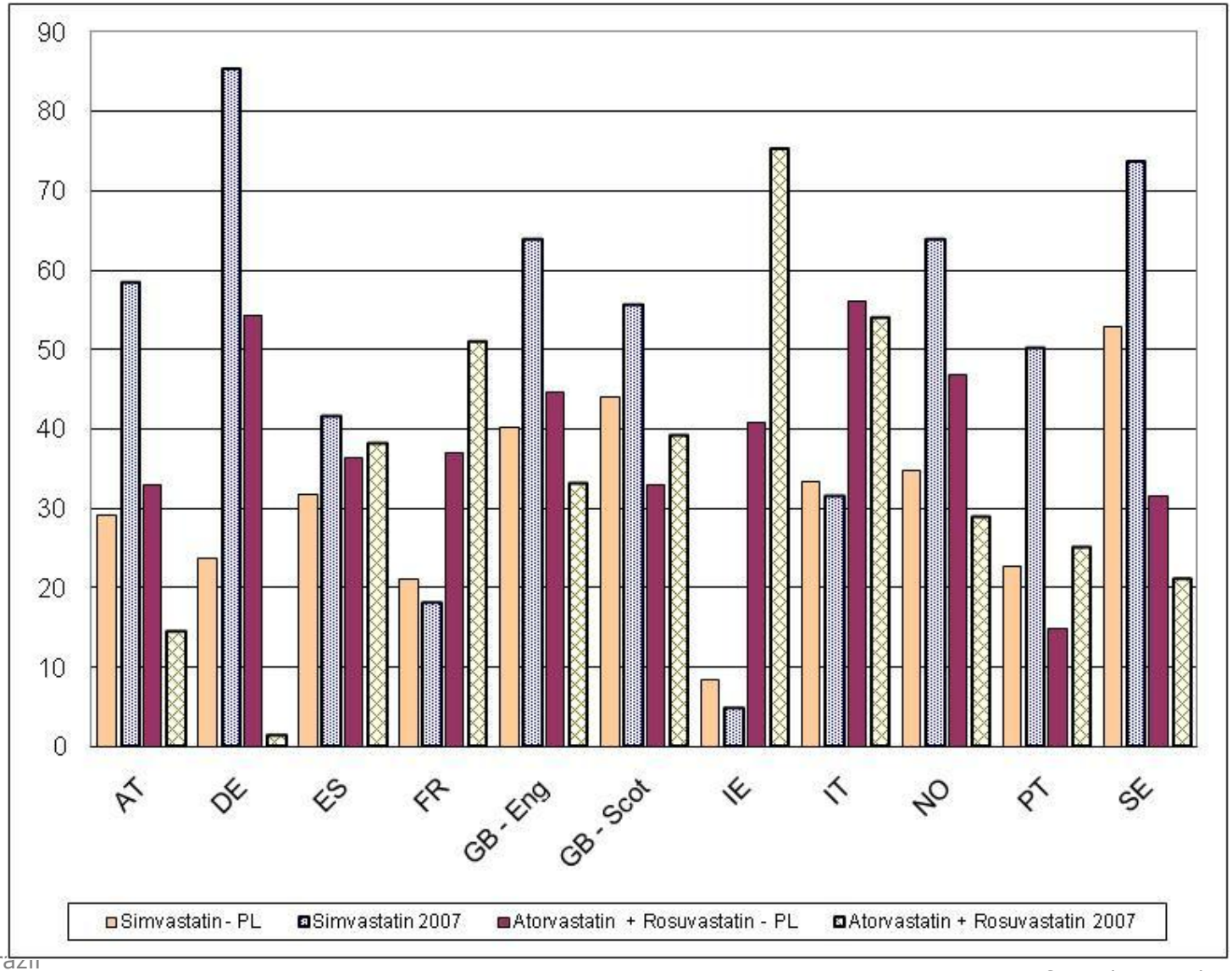
- A similar situation is seen among Western European countries where limited intensity of demand side measures to counter act Pharma industry pressures to enhance prescribing of patent protected products
- This includes esomeprazole vs. omeprazole in France, Ireland and Portugal versus for instance Germany, Sweden and UK
- It also includes atrovastatin + rosuvastatin versus simvastatin in France and Ireland plus Portugal (more limited) versus Austria, Germany, Sweden and UK
- Again leads to substantial differences in prescribing efficiency for PPIs and statins among European countries

Intensity and nature of the reforms impacts on PPI utilisation patterns post generic omeprazole



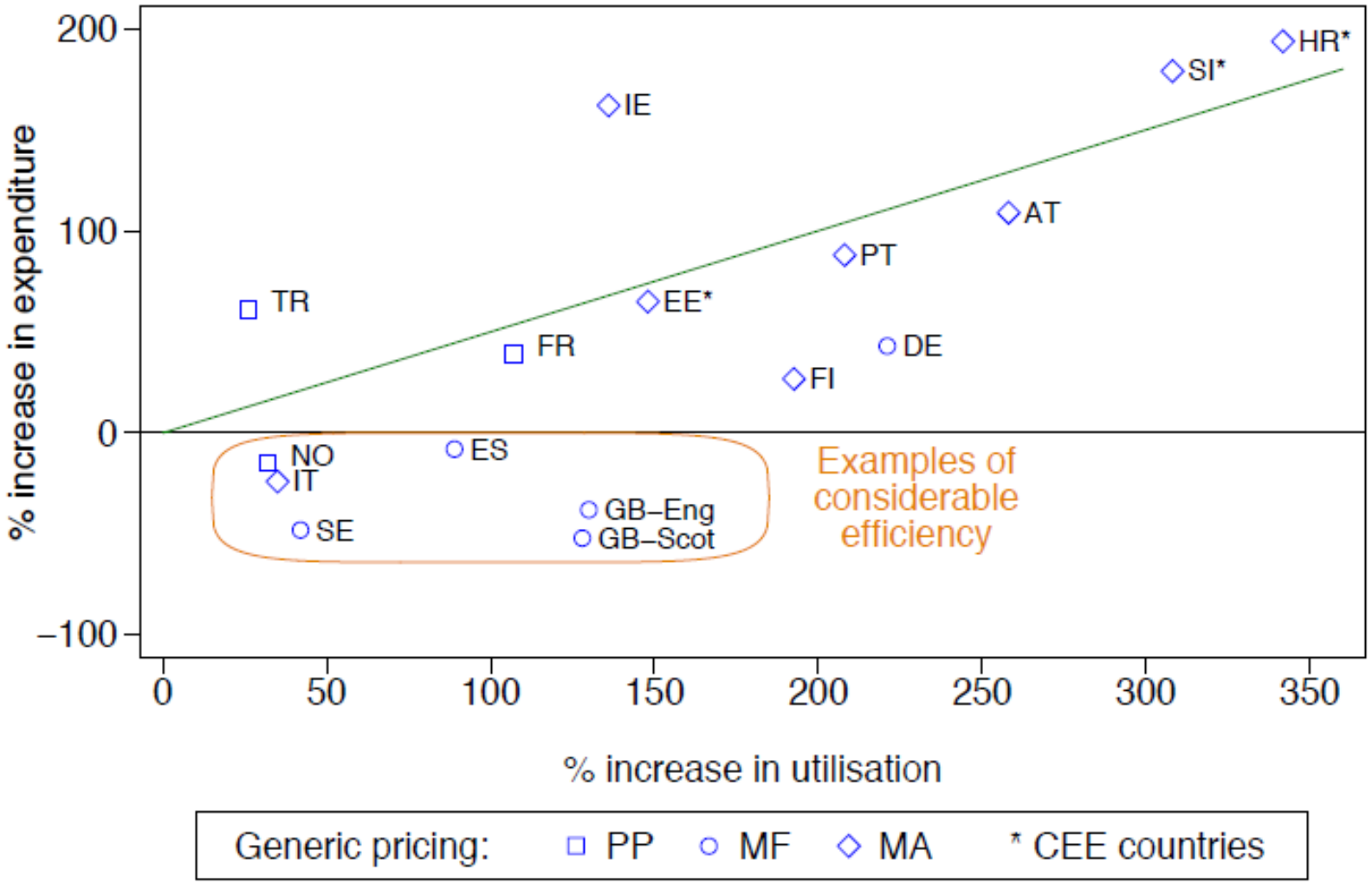
Ref: Godman, Shrank et al 2010

Intensity and nature of the reforms impacts on statin utilisation patterns post generic simvastatin



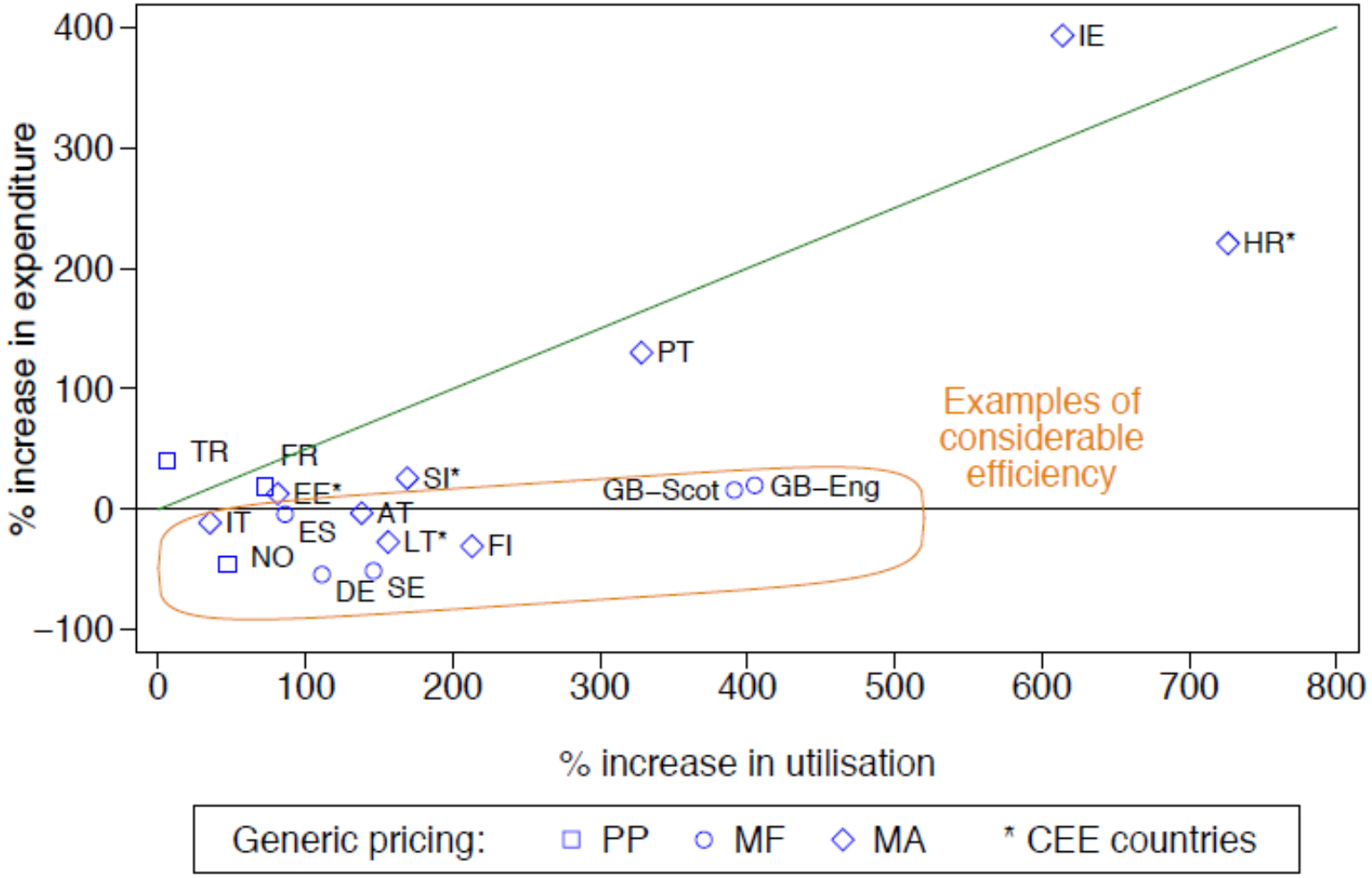
Ref: Godman, Shrank et al 2010

Differences in intensity and nature of the reforms led to considerable differences in prescribing efficiency - PPIs



Ref: Godman, Shrank et al 2011

Differences in intensity and nature of the reforms led to considerable differences in prescribing efficiency - statins



Ref: Godman, Shrank et al 2011

1. Introduction
2. Methodology
3. Impact of reforms in Abu Dhabi
4. Comparisons with Western European countries
5. **Conclusions and potential next steps**

HAAD not alone in not maximising savings from generics. Additional measures being considered

- Anticipated efficiency savings from generic availability in a class have not materialised as envisaged in HAAD. This is similar though to a number of Western European countries

- Future policies being considered (based on favourable experiences of both supply and demand side reforms among European countries implementing multiple measures) include:
  - ❑ potential reference pricing for the molecule
  - ❑ educational and economic activities as well as prescribing restrictions among physicians

- Potential annual savings of nearly 100mn AEDs/ year for 4 classes (US$27mn) from adopting best practices from across Europe (2010 sales of statins + ezetimibe = 70.5mnAED)

Thank You

Any Questions!

godman@ marionegri.it; Brian.Godman@ ki.se;
mail@briangodman.co.uk