

# Unprecedented drug shortages

GPs and local leaders GPs and local NHS leaders may have become aware of the generic supply situation in recent months, and in early December 2017, The Times featured an article on its front page raising concerns about patients not being able to get hold of vital medicines due to drug shortages.

The Times reported that cancer patients and people with severe mental illness are being particularly affected by the shortages, which it reported have cost the NHS £180 million in the last six months due to substantial price increases. The article went on to state that at least 100 drugs have been affected by supply problems, forcing health officials to approve temporary price rises of up to 4,000% to boost stocks.

Community pharmacy teams are being put in a very difficult situation at the moment and most are having to work far harder than usual to obtain supplies of certain medicines for their patients. This additional work comes at a time when many pharmacies are also facing severe financial pressures as a result of Government imposed funding cuts. Pharmacies may be struggling to pay their wholesaler bills, and this is exacerbated by the price rises being seen for many generics.

This document answers a number of key questions about the generics supply situation, and explains how prescribers can help support both pharmacies and patients.

## 1. What's happening with the supply of generics?

Community pharmacy teams are experiencing very great difficulties in sourcing a large number of products, with both shortage and pricing issues playing a part. This is having a huge impact on workload as staff do their utmost to ensure patients continue to receive vital medicines in a timely manner. Mostly this means pharmacies are paying many times more than a drug's usual price to obtain what little stock is available, but without knowing whether they will be reimbursed the total cost by the Department of Health (DH).

## 2. Why are there so many drug shortages at the moment?

We have seen an increase in supply issues with generic medicines since late spring/early summer 2017. This was in part due to the closure of two generics manufacturing plants, but may also be a consequence of the UK being a less attractive market for manufacturers. Generics prices in England are incredibly low compared to most parts of the world, because DH's policy to incentivise community pharmacies to reduce medicines prices for the NHS has worked incredibly well. There is a global market for generics, so international manufacturers can choose to sell where they will make the best financial return.

## 3. What's being done about it?

PSNC, the national community pharmacy negotiating body, have been pressing DH and the Pharmacy Minister for urgent intervention to ensure the resilience of the supply chain and the provision of services to patients. However, in the short-term, pharmacies must each month await the granting of so-called 'price concessions' which recognise where medicines are not available to purchase at Drug Tariff prices, and help pharmacies to pay the inflated drug prices.

## 4. What is a price concession?

The Drug Tariff is a monthly publication of prices that DH will pay pharmacies for dispensing NHS prescription items. When a price concession is granted, it means that pharmacies will automatically be reimbursed at a price different to the one listed in the Drug Tariff. DH grants price concessions for products where they are only available at a price materially above the set Drug Tariff price.

## 5. What problems are there with the price concession system?

The applications that PSNC makes for price concessions only apply to the month in which they are granted, and DH requires PSNC to apply/re-apply for concessions on a monthly basis. With so many medicines currently affected, this is a work intensive process, and means that for much of the month pharmacies must buy medicines at high prices without knowing what they will be reimbursed for them.

Both PSNC and DH do not provide details of generic products that are suspected of being affected by supply problems until concessions are granted, and we are prevented from directing pharmacies to specific suppliers who may have stock at a lower price by competition law. This is necessary in order to avoid market manipulation and potentially worsening any shortage situations.

## 6. What can GPs and other prescribers do to help the situation?

We ask that prescribers are willing to consider alternatives when pharmacies are unable to obtain stock at the Drug Tariff price. Pharmacists may call GPs to discuss possible alternative products and request new prescriptions for affected patients. Writing a prescription for an alternative medicine may be the quickest way for the patient to receive treatment.



If you have any questions or require any additional information please speak to your local pharmacy or contact [Hertfordshire Local Pharmaceutical Committee \(LPC\)](mailto:info@hertsipc.org.uk) at [info@hertsipc.org.uk](mailto:info@hertsipc.org.uk).

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