



Making Medicines Affordable

EUROPEAN GENERIC MEDICINES ASSOCIATION

PRESS RELEASE

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EGA URGES PRICE DELINKAGE FOR OFF-PATENT MEDICINES AT EU HIGH LEVEL FORUM ON PHARMACEUTICALS

Speaking today at the High Level Forum on Pharmaceuticals, organised by the European Commission in conjunction with pharmaceutical stakeholders, EGA President Emile Loof urged European medicines regulators not to link the price of generic medicines to the price of their corresponding originator products.

Mr Loof explained that "linking the price of generic medicines at a constant set percentage of the originator product (for example, always 25-50% lower than the originator) is anti-competitive and endangers the security of the generic medicines supply. Such linkage enables originators to force generic medicines competitors out of the market by constantly lowering prices to the point where generic medicines (forced to sell at a fixed percentage below the originator) can no longer afford to enter or to stay on the market."

In France, for example, the maximum ex-factory price of a generic medicine is 50% lower than the reference product price upon introduction of the generic medicine, and that differential must remain throughout the lifecycle of the product on the market. Consequently, when the reference product price is lowered due to regulation or to a voluntary decision, the price of the generic medicine must also be reduced in order to maintain the 50% price difference.

In Belgium, at the moment of market entry, the price of the generic medicine must be a minimum 30% lower than the reference product price. Afterwards, the generic medicine can never exceed the price of the reference product. This means that, again, when the reference product price is lowered due to price regulation or a voluntary decision, the price of the generic medicine must also come down as it cannot be set at a level higher than the reference product.

"Free pricing for generic medicines is necessary for the competitiveness of the off-patent market and for the sustainability of the generic medicines industry," Mr Loof concluded. He reminded the Forum that the Forum's Pricing Working Group had agreed that generic medicines competition is an effective tool for lowering prices of medicines and therefore for pharmaceutical cost containment in the Member States.

In this regard, the EGA proposes that, once a medicine is off patent, the price of equivalent generic medicines should be set independently from the off-patent reference product and from each other. Examples of free competition in Member States such as Denmark and the UK show that free prices encourage competition, resulting in lower prices. Through their reimbursement systems, Member States are free to define the reimbursement levels for medicinal products, including off-patent medicines, without controlling the actual price of the products on the market

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