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Risk of domino effect on EU member states if Greece succeeds in halving drug bill - IMS
by Nick Smith

TALLINN, June 7 (APM) - There is a real danger of domino-effect reductions in drug spend if Greece successfully slashes its medicines expenditure, warns an IMS Health specialist.

Speaking at the GIRP meeting of full-line pharmaceutical wholesalers in Tallinn on Monday, Per Troein, vice president, strategic alliances for IMS highlighted the "very severe restructuring" in EU countries, which had been the subject of international financial bail outs, such as Greece and Portugal.

"Don't see what happens (in these countries) in isolation. This is something that is likely to spread," he said.

Speaking to APM on the sidelines of the event on Monday, Troein, expanded on his argument for the spread of another round of deep drug spending cuts as other countries sought to similarly cut their medicines spend if Greece, for example, was successful.

Troein said in effect, the International Monetary Fund had told Greece to cut its medicines bill in half as a condition of the bail out.

He was circumspect on whether the country was likely to meet this target but said if it did, others were certain to look to follow suit.

Greece's drug spend per capita is one of the highest in Europe, but this is not due to the actual price of branded drugs - which are among the lowest in the EU, making it a target for parallel export, Troein noted.

Rather, the country has a high volume of drug use per capita which was part of the high spend. Its use of generics was also less than many EU member states and the price of generics was "quite high", a cocktail which more than counterbalanced its cheap branded drugs.

"PRICE CARD"
Troein did not rule out Greece looking to cut what is paid for branded drugs further still but said any success Greece had in adjusting its use per capita of drugs and altering the mix of cheap and expensive drugs, would certainly not be overlooked by other countries in a similar state.

He would not name any particular counties but said it would be those which did not have developed systems for controlling the use of drugs and mix, even if they had "already played the price card" and reduced the price of drugs to reduce overall spend.

Speaking from the podium on Tuesday, the director general of European Federation of the Pharmaceutical Industries and Associations, Richard Bergstrom said countries simply cutting the price they paid for innovative medicines had to come to an end if innovation itself was to end.

It was not possible to "take more from prices", volume and drug mix had to be the target for controlling spends, he argued.

Without any reference to any particular country, he said there must be an end to "panic measures taking place".

He told the wholesalers: "It is we, who understand how the markets work who have to give advice," to payers.

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