

# Escitalopram starts life as a commodity

More than a decade ago, in January 2002, generic citalopram was launched in the UK with prices offering a 10% discount to Lundbeck's Cipramil brand. More than two years later, the average price was still more than 50% of the brand price. Even the most diligent independent pharmacist or dispensing doctor would have only managed to buy the antidepressant at a 60% discount to the brand.

Moving forward to earlier this month, the picture was very different. Day-one launch prices for citalopram's successor, escitalopram – effectively on Monday, 2 June – offered a 90% discount to Lundbeck's CipraleX brand. Market leaders Teva and Actavis both announced immediate launches upon expiry of the brand's supplementary protection certificate on 31 May (**Generics bulletin**, 6 June 2014, page 16).

Lundbeck, meanwhile, is still involved in pending court trials in other developed markets over CipraleX, which generated European sales ahead by 4% to DKr887 million (US\$164 million) in the first quarter of this year, as the selective serotonin-reuptake inhibitor registered global turnover of DKr1.55 billion (**Generics bulletin**, 16 May 2014, page 24).

Today, after at least one prominent price 'bounce' in 2011, citalopram is one of the most deeply discounted generics on the UK market (see Figure 1). The official brand trade price has also dropped in recent years, such that Cipramil 10mg now has a trade price of £5.38 (US\$9.03), compared with £9.64 in 2002. Nevertheless, the average generic trade price for 28-tablet packs of citalopram 10mg was £0.39 last month, offering a 93% discount to the brand price. If pharmacists were prepared to shop around, they could have paid as little as £0.23, or a 96% discount. The Drug Tariff of pharmacy reimbursement prices would have given pharmacists an average dispensing margin of 55%, based on a reimbursement price of £0.86 per pack.

Escitalopram's trade price decay over time will not follow that of its predecessor. Figures 2, 3 and 4 show the depths of discounts available for each of the three strengths in the first few days after launch. Taking the 10mg strength, for example, the lowest day-one trade price recorded by WaveData for 28-tablet packs was £0.90, although the average was £1.18.

The equivalent trade price for CipraleX on day one was £14.91. The average discount to the brand was thus 92%, and the highest discount was 94%. The figures for the other strengths were similar.

Pharmacists and dispensing doctors are currently enjoying these discounts as dispensing margins while the Drug Tariff price remains the brand's trade price. Judging by recent high-profile generic launches, however, this generosity by the Department of Health will be short-lived. As soon as it has enough market data, it will move escitalopram to category M of the Drug Tariff, probably for the October to December quarter.

When this happens, pharmacists' margins for dispensing escitalopram will shrink. There will be little to choose between escitalopram and citalopram as far as discounts and margins are concerned. Prices for both products will be measured in pence. And it will be as if the 12 years' generic life of citalopram had been condensed into less than six months for escitalopram.

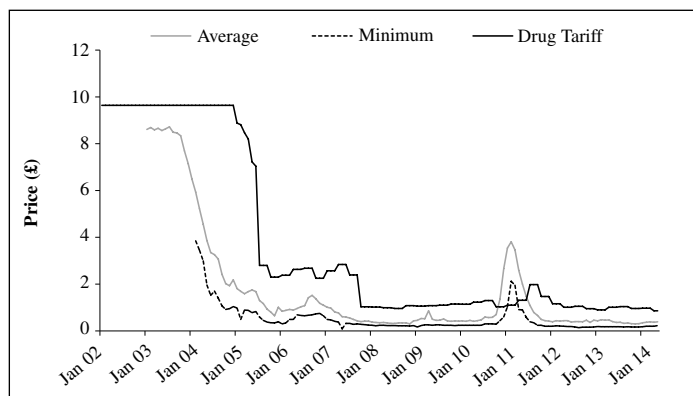


Figure 1: Lowest and average trade prices, compared with Drug Tariff reimbursement prices, for 28-tablet packs of citalopram 10mg (Source – WaveData)

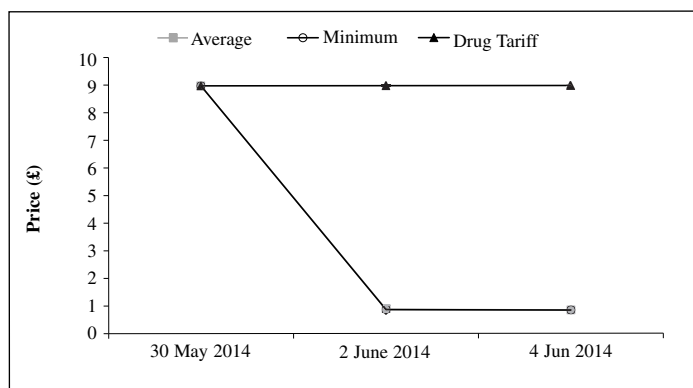


Figure 2: Lowest and average trade prices, compared with Drug Tariff reimbursement prices, for 28-tablet packs of escitalopram 5mg (Source – WaveData)

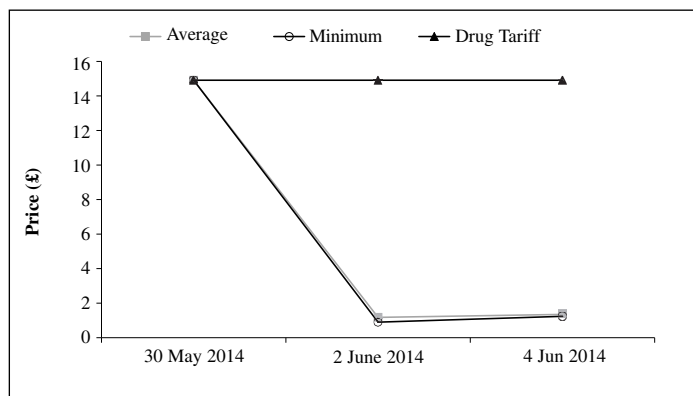


Figure 3: Lowest and average trade prices, compared with Drug Tariff reimbursement prices, for 28-tablet packs of escitalopram 10mg (Source – WaveData)

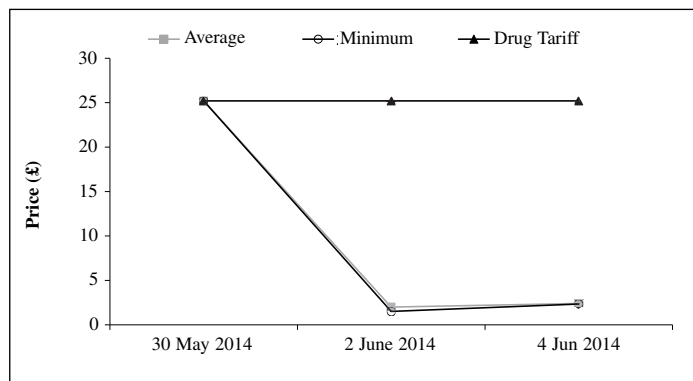


Figure 4: Lowest and average trade prices, compared with Drug Tariff reimbursement prices, for 28-tablet packs of escitalopram 20mg (Source – WaveData)

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