

EVOLUTION..NOT REVOLUTION

Update

October 2008

BAPW Members

AAH Pharmaceuticals Ltd
F. Maltby & Sons Ltd
Mawdsley-Brooks & Co. Ltd
Norchem Ltd
Phoenix Healthcare Distribution Ltd
P.I.F. Medical Supplies Ltd
Sangers (Maidstone) Ltd
Sangers (Northern Ireland) Ltd
Sants Pharmaceutical Distributors Ltd
UniChem Ltd

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BAPW in 2008

Welcome to the BAPW newsletter. We wanted to take the opportunity to provide an update on how we have been evolving as an association, reflect on the successes of the past year and describe some of the policy challenges we currently face.

In 2008, the BAPW was proud to once again represent the interests of all full-line pharmaceutical wholesalers. With so many changes to traditional medicines distribution, the BAPW decided to be clearer about what its members stand for, and the lengths to which they go to ensure the safe and secure distribution of hundreds of thousands of medicines, up and down the UK, every day, on behalf of the NHS.

Putting safety, and our *Gold Standard* of pharmaceutical distribution at the heart of our work, the BAPW has established a *Responsible Persons' Committee* to harmonise and develop the standard of RPs in pharmaceutical wholesaling. We are delighted that the MHRA has agreed to chair this group.

The Association continues to believe that pharmaceutical manufacturers are an extremely important part of the BAPW, working closely alongside our full-line wholesaler membership. With this in mind, the joint *Manufacturers' Liaison Committee*, has taken on a more direct role in managing the BAPW Business Days and Working Parties, whilst addressing common business policy issues as they arise in a constructive and pragmatic way. BAPW's three joint working parties are currently looking at issues around stock & supply, coding and NHS procurement.

The BAPW values all our partnerships— across industry, parliament, regulators and government –and we are grateful to you for your continued support.



Martin Sawyer, Executive Director, BAPW

Controlled Drugs to face tighter regulation

Full-line pharmaceutical wholesalers understand that Home Office inspections of controlled drug (CD) distribution are set to resume following a 12-month campaign by the BAPW.

In January 2007, after a Cabinet Office Deregulation Unit initiative to cut business red tape, it was quietly decided to abolish the Drugs Branch of the Home Office, the organisation which, post-Shipman Inquiry, had effectively been monitoring and inspecting CD licences. Following representation by the BAPW, an independent consultation was launched by the Home Office into this decision, involving the BAPW, PSNC and PCTs, among others.

The BAPW now expects the Home Office Drugs Inspectorate to be reinstated, with a staff increased from 8 to 18. It will be responsible for new CD licence applications, monitoring of those licences and standard setting for controlled Drug distributors. Commenting, Tony Garlick, Technical Director, BAPW said "We welcome the recreation of a national inspectorate for these drugs which deserve the close and rigorous scrutiny of the Home Office. They can be confident of our full support for the new Inspectorate."

“The MHRA is very pleased to have been invited to play its part in this BAPW initiative, which will place the security and certainty of supply in the UK medicines’ market at its heart.”
John Taylor, MHRA

Responsible Persons’ Committee

The BAPW is keen to promote the highest standards of medicines wholesaling. The establishment of the *Responsible Persons’ Committee* is part of the Association’s programme to demonstrate the role that wholesalers play in the safe delivery of 2 billion medicines each year across the UK.

This means that patients can receive their medicines when they want them and where they want

them.

Chaired by John Taylor, Group Manager, Regulatory Assessment at the MHRA, with membership from all BAPW member Responsible Persons, the remit of the Committee is to police members’ self-assessment, which is being developed in conjunction with the MHRA’s current “risk-based regulatory assessment” consultation and to monitor the harmonising and development of

standard qualifications for Responsible Persons in the wholesale sector.

The Committee meets quarterly and we hope will become a critical developer and arbiter of standards, regulation and safety in the distribution chain. This follows on from the publication of the *BAPW Gold Standard of Pharmaceutical Wholesaling* in 2007.

Medicine Shortages threatened this winter

The UK could be facing a potential medicines stock shortage this winter, when vital medicines could become unavailable in hospitals and pharmacies.

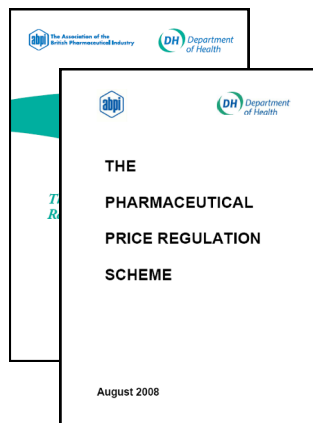
Two reasons are driving the shortages. The recent currency fluctuations between Sterling and the euro, has meant an increase in parallel trade out of the UK. Medicines

are being bought in bulk and exported at lower cost to Scandinavia and Germany where they are being resold.

The introduction of a new PPRS, scheduled for 1 January 2009, has also been creating supply challenges, as wholesalers run down their stocks so that they are not forced to carry a large potential

stock loss into 2009.

Ian Brownlee, Chairman of the BAPW said, “It is a very substantial financial situation for us. We are a low-margin business and the combination of these factors presents a big threat to our sector”.



Part delay of the new PPRS

The Department of Health and the ABPI have jointly announced a formal consultation on the “Loss of Exclusivity” (LOE) products and the alternative arrangements planned for these medicines under the new PPRS, which remains under negotiation.

This means that while the rest of the scheme could remain on schedule to be implemented on 1 January 2009, the Department of Health and ABPI expect there to be a delay of at least 3 months to the introduction of the LOE element of the agreement.

The BAPW, who have made representations to the Department of Health and the ABPI about the implementation of a new PPRS, is concerned about the supply implications of this further uncertainty over branded medicines’ pricing and will be watching developments closely.

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*British Association of
Pharmaceutical Wholesalers*

**The Gold Standard of
Pharmaceutical Distribution**

The British Association of Pharmaceutical Wholesalers (BAPW) is the trade association for an essential, but often overlooked, part of the medicines supply chain - full-line pharmaceutical wholesalers.

The BAPW represents only full line wholesalers (as opposed to short line operators). This is an important distinction to make since short liners only stock and supply products where they can make the biggest profit margins. Full line wholesalers on the other hand offer a full range of products to their customers, even those lines where there is little or no profit mark up.

It is the BAPW's responsibility to its members to ensure that their interests are represented; that their views are respected; and that the vital role that they play in the supply chain is valued by policy-makers and other key stakeholders.

www.bapw.net

Forthcoming events

BAPW Business Day
5 November 2008,
Fawley Hall, Northants

*The next BAPW Business
Day will be held in April
2009.*

BAPW Annual Conference

June 2009

In June, the BAPW will be bringing together policy makers, the media, industry and senior commentators to discuss issues of common concern to all those impacted by the distribution of medicines.

After a full day of debate, the evening takes a more relaxed feel with a gala dinner to bring the networking and debate to a close.

***"The changing climate of
primary healthcare"***

Welcome & Update—
Martin Sawyer, Executive
Director, BAPW

Medicines Market Update—Paul Crowley, IMS

Understanding Commissioning—Amit Shah, Humana Europe

Pharmacy Update—Peter Dunlevy, Department of Health

A Pharmacy Perspective—
Rob Darracott, CCA



Stephen O'Brien MP,
Shadow Health Minister,
BAPW Conference 2008



A panel of pharmacists,
BAPW Conference 2008