

Pfizer fined for hiking epilepsy drug price 2,600 pct in UK

December 7 2016, by Danica Kirka



In this Monday, Nov. 23, 2015, file photo, a woman passes Pfizer's world headquarters, in New York. British regulators fined U.S. drugmaker Pfizer and distributor Flynn Pharma a record 89.4 million pounds (\$112.7 million) Wednesday, Dec. 7, 2016 for increasing the cost of an epilepsy drug by as much as 2,600 percent. (AP Photo/Mark Lennihan, File)

British regulators fined U.S. drugmaker Pfizer and distributor Flynn Pharma a record 89.4 million pounds (\$112.7 million) Wednesday for increasing the cost of an epilepsy drug by as much as 2,600 percent.

Pfizer and Flynn Pharma charged "excessive and unfair prices" for the drug used by 48,000 people in Britain, the Competition and Markets Authority said. Pfizer was fined 84.2 million pounds and Flynn Pharma 5.2 million pounds.

"This is the highest fine the CMA has imposed and it sends out a clear message to the sector that we are determined to crack down on such behavior and to protect customers, including the NHS, and taxpayers from being exploited," Philip Marsden, chairman of the case decision group for the investigation, said in a statement.

The authority said the companies removed the official brand of Epanutin, Pfizer's name for phenytoin sodium capsules, so they could increase the price. As a result, the National Health Service saw the bill for drug increase to 50 million pounds in 2013, from 2 million pounds in 2012.

"The companies deliberately exploited the opportunity offered by de-branding to hike up the price for a drug which is relied upon by many thousands of patients," Marsden said.

Pfizer rejected the ruling, saying that Epanutin was a loss-making product and the deal with Flynn Pharma helped secure supplies of the drug for patients. It plans to appeal, as does Flynn Pharma.

"In this transaction, and in all of our business operations, we approached this divestment with integrity, and believe it fully complies with established competition law," Pfizer said.

Pfizer said the increased price of the drug was still 25 percent to 40 percent lower than the cost of an equivalent medicine by another supplier to the NHS.

"The ruling highlights real policy and legal issues concerning the respective roles of both the Department of Health and the CMA, in regulating the price of pharmaceutical products in the U.K.," the company said. "Pfizer will seek clarity on these issues as part of the appeal process."

Regulators around the world are getting tough on drugmakers amid soaring prices that companies say are justified by years of research and product development.

In one recent case, drugmaker Mylan said it would pay \$465 million to settle allegations it overbilled Medicaid, the U.S. program that provides health insurance for poor people, for its EpiPen, used to provide emergency treatment for severe allergic reactions.

In another, Turing Pharmaceuticals' former CEO Martin Shkreli increased the price of Daraprim by 5,000 percent. The drug is the only approved treatment for toxoplasmosis, a life-threatening parasitic infection that mainly strikes pregnant women, cancer patients and AIDS patients.

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