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Overpricing of meds denied

Aspen, Pfizer, Roche contest commission's claims of raising cancer medication prices

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PHARMACEUTICAL giants Aspen Pharmacare Holdings and Pfizer have denied increasing prices of cancer drugs exorbitantly or abusing their dominance in the drug industry.

This follows the launch of an investigation by the Competition Commission.

Aspen, Roche and Pfizer will face intensive investigations and subpoenas in a matter deemed by the commission to be "of grave national importance".

Pfizer told the New Age yesterday that it denies selling a lung cancer product for R152 000.

The company is being investigated for suspected excessive pricing of lung cancer medication in South Africa known as Xalkori crizotinib. It is the only provider of that particular drug in the country.

The regulator said it has information that raises suspicions that Pfizer "has and continues to engage in excessive pricing conduct in the provision of the drug, also in contravention of the Competition Act".

Lung cancer treatment is "unaffordable" in South Africa and medical aid schemes refuse to pay for this treatment, the commission said.

Pfizer said it is waiting to be contacted by the commission so it can clarify its pricing and cooperate with the authorities.

Durban-based Aspen said that it had not had "any engagement" with the commission on the investigation but has not increased prices of its products outside of the regulatory framework, adding that the oncology products in question are no exception.

Pharmaceutical prices are supposed to be approved by the Department of Health in terms of the Single Exit Price (SEP) regulatory framework which establishes a universal fixed price for each pharmaceutical product.

Aspen said that it would welcome the opportunity to clarify issues on the products covered in the commission's announcement.

"Products named in the announcement are all post patent," the group said.

The regulator said that Aspen has and continues to engage in "excessive pricing" in the provision of certain cancer medicines.

Aspen also faces accusations in various European countries but said there are no obvious barriers precluding generic products as substitutes.

Aspen said it never increased the prices for these products in South Africa beyond the allowable increases as gazetted by the Department of Health from time to time.

"The company fully acknowledges the vital nature of the four oncology products listed in the announcement. These products have a collective turnover of about R3m in the South African private market," the group said.

Roche faces an investigation into their provision of lifesaving breast cancer medicine in South Africa.

The group and its US-based biotechnology company, Genentech Inc, are said to have engaged in excessive pricing in South Africa.

The commission said breast cancer treatment is "unaffordable" in South Africa and many medical aid schemes refuse to pay the treatment based on cost.

Roche said yesterday it had not received a formal notification of an investigation by the Competition Commission in South Africa, but will cooperate fully with the authorities.

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