

NEWS

Austria could save Euros 256 million by using more generics

A recent study by IMS Health Austria (IMS) revealed that in Austria healthcare payers could have saved more than a quarter billion Euros during 2011 if physicians would have prescribed more generics to their patients.

The total reimbursed medicines market in Austria totals Euros 1.89 billion. IMS estimates that 89% of the total market by volume is theoretically replaceable by generics. However, of the total more than 7 million counting units (CU : dosages per day) prescribed in 2011 only 38% were replaced by generics (2.7 million CU).

IMS considered that the average price of an originator drug is at least three Euros 3 more expensive than the average generic drug, meaning that an average generic drug CU costs Euros 0.13 whereas an originator with a price of Euros 0.20 per CU is at least 54% more expensive. If every originator in the replaceable segment were switched to a generic drug, the country would reap savings of more than 3.6 million CU that would result in Euros 256 million in savings per year. This value is however only theoretical as it would mean a 100% generics penetration rate in the replaceable segment.

Since in Austria physicians are only advised, but not obliged, to prescribe generics; and pharmacists are also not obliged to substitute an originator by a generic drug as is common practice in other countries, e.g. Germany with its '*aut-idem*' system, such penetration rates are just wishful thinking. In fact, at the moment Austria is at the lower end regarding generics penetration. According to 2010 data from IMS, generics in Austria had a market share of only 26% of the total retail market, visit the article link below to view the data on generics uptake rates in Europe.

The Austrian Generics Association (*Österreichische Generikaverband*) and the Austrian Medicines Authority indeed think that it may be possible to increase the generics share up to 60% during the next years. These opinions, along with the size of the potential savings in Austria, have led to huge media and television coverage in Austria. One crucial point however will remain – providing information to and convincing both physicians and patients of the safety and quality of generics.

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<http://www.gabionline.net/Generics/General/Austria-could-save-Euros-256-million-by-using-more-generics/>

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