

PE1401/G

National Procurement Letter of 8 November 2011

Anne

Please see response below:

“Please would you advise whether National Procurement is managing any pharmacy contracts which include orphan medicines, and if not whether it has any plans to do so. In addition, does National Procurement, from its experience, believe that there could be more cost effective ways for procuring orphan medicines?”

National Procurement is not currently managing contracts which include orphan medicines due to the low volume purchasing requirements and in most cases the lack of a competitive market. During 2010, National Procurement did commence a scoping exercise which included dialogue with several orphan drug companies. The main purpose of this exercise was to understand if any opportunities did exist to consider procurement approaches on behalf on Scotland with a view to achieving consolidated discounts where requirements were considered nationally. This dialogue also looked to benchmark products with other countries in Europe and to assess responses from companies where a European wide procurement model was adopted. Whilst this piece of work is not complete, initial findings suggest that no specific procurement approach would change the current pricing structures and, in the absence of competition, the ability to reduce pricing across this range of specialised products is limited. National Procurement will however continue this piece of work during 2012 and consider any opportunities should they arise. National Procurement will continue to benchmark these products both nationally and internationally.

Thanks.

Colin Sinclair
Director of National Procurement