## EHFG 2013: GENERIC DRUGS ARE NO PANACEA

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*The use of generic drugs opens up great potential for savings for the European health care systems, which are under such economic pressure. Experts warned at the European Health Forum Gastein that these efforts would only work if a number of possible errors were avoided.*

**Bad Hofgastein, 4 October 2013** – Professor Nikos Maniadakis from the National School of Public Health in Athens, Greece, had this to say today at the European Health Forum Gastein (EHFG): “Generics allow drug costs to be reduced substantially, thereby relieving the burdens on health care systems. However, these efforts only yield fruit if carried out correctly. Otherwise, there is a danger of a decline in treatment quality and in potential savings.”

“Resilient and Innovative Health Systems for Europe” is the slogan for this year's EHFG. More than 550 participants from some 45 countries are attending Europe's most important health policy conference in Bad Hofgastein to exchange views on key issues affecting European health systems.

When patents run out and the drugs covered by them are no longer patent protected, copies with the same active ingredients are allowed to be produced and sold. These copies are called generic drugs and have the advantage of being cheaper, usually far cheaper, than the original products. In terms of effectiveness and compatibility, generic drugs should not differ from the original, at least in theory. Professor Maniadakis said this presupposed a high degree of care on the part of the approval authorities: “Ultimately it is all about safety. In recent times, we have frequently seen that things do not work as they should. Major quality problems were determined with generic drugs in several countries. In some cases, the products were quite simply fakes.” Even in places where everything is done properly, the quality of treatment is not always assured when patients shift to generic drugs. In many cases, the conditions under which a generic drug is allowed to replace the original are not so clear. A ‘drug with the same active ingredients’ does not necessarily have the same active ingredients but sometimes only similar ones and can also contain additional different substances than the original. Professor Maniadakis referred in this context to a study presented at the EHFG showing that the definitions of what a generic drug was allowed to be differed widely in some cases amongst the 65 countries covered. He added that the degree of penetration of generic drugs was nonetheless considered a measure of the efficiency of health care systems. He went on to say that more research was urgently needed to stay on the safe side in what was usually a very simple approval process for generic drugs.

The economic advantage is not automatically guaranteed either. “Generics really have to be much cheaper to be worthwhile,” Professor Maniadakis said. “Regulation can definitely be helpful in reaching this goal. However, it is no guarantee. Freedom of choice and market mechanisms are important prerequisites if the broader introduction of generics is to succeed. Our study conducted an international comparison showing that regulation brings no cost advantages past a certain point and also is not useful in achieving the set goals. A negative example is procurement based on a tender system. This approach is taken in Scandinavia, for example. Huge quantities of a drug are purchased centrally there, which naturally causes the prices to fall initially. At the same time, this method forces other suppliers off the market and creates monopolists. In the long term, it has tended to have unfavourable impacts on prices. Generally, one could say that incentives yield better results than coercion.” This is especially true of patients’ perceptions. Frequently, they trust generic drugs less than original preparations and their adherence to therapy can suffer as a result.

Ultimately the goal is also to take the money saved through the use of generics and spend it sensibly in other parts of the health care system and medicine. Professor Maniadakis cited funding from public authorities for medical studies in this context as well as for increased investment in education and prevention.

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