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GIRP calls for fairer sustainable remuneration system for full-line wholesalers
by Helen Collis

CANNES, June 7 (APM) - The president of the European wholesalers association, GIRP, has called for stakeholders and decision makers to find a sustainable way for patients to access all medicines while ensuring the supply and distribution system remains feasible.

Speaking at a press conference at GIRP's annual general meeting, in Cannes on Monday, René Jenny told reporters that changes in medicines procurement, such as tendering procedures, preference policy, selective distribution systems and the steady increase in direct sales, threaten the full-line wholesaling model.

"Considering the pure economic aspects of the model, if the delicate balance can no longer be maintained, full-line wholesalers would either have to remove low-priced slow-moving medicines from the product range or ask for a different remuneration of their services."

Jenny said this is due to the fact that current remuneration schemes do not offer sufficient margins to cover the costs of storage, handling and supply of low-priced medicines.

Jenny told the press conference that contribution from the supply of generics was close to "nothing" and did not recoup costs.

He said removing these products from the full-line wholesaler product range would mean that they cannot serve as a one-stop-shop for pharmacies and other healthcare providers and patients would have "significantly more difficulties" accessing their medicines.

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Jenny said in most European countries, the remuneration of full-line wholesalers is based on a margin scheme that is defined and regulated by law.

He said the pharmaceutical full-line wholesaling business model relies on striking a "delicate balance" between generating revenues from high and low priced products in such a way that together they contribute "in real terms" towards covering the costs involved in operating a full-line wholesaling model for all medicines.

Jenny said, in order to supply the full range of medicines, full-line wholesalers subsidise the distribution of low-priced drugs with the higher priced drugs - known as cross-subsidisation.

However, he said the impact of selective distributors supplying only the higher priced medicines, for example, means they are earning high revenues and leaving less of the high-priced drugs to be distributed by full-line wholesalers, and therefore less money to subsidise the cost of supplying the lower priced drugs.

Jenny called for a sustainable distribution model to be formulated to provide all medicines to all patients, to protect the future of the full-line wholesalers.

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