

CMA fines pharma firm over pricing of crucial thyroid drug

- Advanz increased the price of thyroid tablet packs from £20 in 2009 to £248 in 2017 – an increase of 1,110%.
- Latest CMA fine “sends a clear message” to the pharma sector that breaking the law will not be tolerated.

Following an investigation, the Competition and Markets Authority (CMA) has found that from 2009 until 2017 the pharmaceutical company Advanz charged excessive and unfair prices for supplying liothyronine tablets which are used to treat thyroid hormone deficiency.

They achieved this because liothyronine tablets were among a number of drugs that, although genericised, faced limited or no competition and therefore could sustain repeated price increases. This strategy, which began in 2007, involved an overall price increase for liothyronine tablets of more than 6,000%.

The CMA has fined the firms involved a total of over £100 million for the relevant periods in which they broke the law: Advanz (£40.9 million), together with HgCapital (£8.6 million) and Cinven (£51.9 million) – two private equity firms which were previously owners of the businesses now forming part of Advanz.

The price increases were not driven by any meaningful innovation or investment, volumes remained broadly stable, and the cost of producing the tablets did not increase significantly. NHS spending on the tablets in 2006, the year before the implementation of the strategy, was £600,000, but by 2009 had increased to more than £2.3 million and jumped to more than £30 million by 2016.

Eventually the drug was placed on the NHS ‘drop list’ in July 2015. This led to patients being faced with the prospect of having their current treatment stopped or having to purchase liothyronine tablets at their own expense. That is particularly concerning, given that many patients do not respond adequately to the main treatment for hypothyroidism, levothyroxine tablets – and instead rely on liothyronine tablets to alleviate symptoms such as extreme fatigue and depression.

Andrea Coscelli, Chief Executive of the CMA, said:

“Advanz’s decision to ratchet up the price of liothyronine tablets and impose excessive and unfair prices for over eight years came at a huge cost to the NHS, and ultimately to UK taxpayers. But that wasn’t all – it also meant that people dealing with depression and extreme fatigue, as a result of their thyroid conditions, were told they could not continue to receive the most effective treatment for them due its increased price.

“Advanz’s strategy exploited a loophole enabling it to reap much higher

profits. This fine of over £100 million, and our work in the pharma sector to date, sends a clear message that breaking the law has serious consequences.”

As well as imposing substantial fines, the CMA’s decision makes it easier for the NHS to seek compensation for the firms’ behaviour, by way of damages, should it choose to do so.

The investigation into these firms is part of the CMA’s ongoing work in the pharmaceutical sector. Recent action includes [securing an £8 million repayment to the NHS](#) after companies took part in illegal arrangements relating to the supply of fludrocortisone, and fining firms £260 million [for competition law breaches in relation to the supply of hydrocortisone tablets](#). A number of other CMA investigations are continuing.

For more information, visit the [Liothyronine tablets case page](#).

Notes to Editors

1. The CMA has decided to impose financial penalties on Advanz Pharma Corp and three of its subsidiaries, as well as HgCapital and Cinven. Specifically, the CMA requires the parties to pay a total penalty of £101,442,899 in relation to the infringement which occurred between 2009 and 2017, with each of them being liable for the following amounts:
 1. Advanz Pharma Corp and three of its subsidiaries are liable for a penalty of £40,942,899;
 2. HgCapital is liable for a penalty of £8.6 million; and
 3. Cinven is liable for a penalty of £51.9 million.
2. The CMA is addressing the decision to Mercury Pharmaceuticals Limited, Advanz Pharma Services (UK) Limited, Mercury Pharma Group Limited and Advanz Pharma Corp. Limited, as well as to HgCapital LLP and to Cinven (Luxco 1) S.A., Cinven Capital Management (V) General Partner Limited and Cinven Partners LLP.
3. Previous action taken by the CMA in relation to the pharma sector and fines imposed:
 1. Fludrocortisone (2019): £2.3 million in fines and £8 million redress to the NHS, issued to Aspen, Amilco and Tiofarma over market sharing. [Read more here](#).
 2. Nortriptyline (2020): £3.4 million in fines and £1 million redress to the NHS, issued to Accord UK, King, Alissa and Lexon over illegal arrangements including market sharing and information exchange. [Read more here](#).
 3. Hydrocortisone (2021): £260 million in fines, over excessive and unfair pricing and market sharing. [Read more here](#).
4. In 2007, Advanz developed what it termed a ‘price optimisation’ strategy. This involved identifying genericised drugs with limited or no competition and high barriers to entry. By ‘de-branding’ these drugs, it could remove them from the price regulation regime which only applied to branded drugs, enabling it to set whatever prices it chose.
5. For media queries, please contact the press office on press@cma.gov.uk or on 020 3738 6460.