

Press release: Drug company accused of abusing its position to overcharge the NHS

The Competition and Markets Authority (CMA) has been investigating how much the pharmaceutical company was charging for liothyronine tablets. It found that last year, the NHS spent more than £34 million on the drug, an increase from around £600,000 in 2006. The amount it paid per pack rose from around £4.46 before it was de-branded in 2007 to £258.19 by July 2017, an increase of almost 6,000%, while production costs remained broadly stable.

Liothyronine tablets are primarily used to treat hypothyroidism, a condition caused by a deficiency of thyroid hormone affecting at least 2 in every 100 people and which can lead to depression, tiredness and weight gain. Although liothyronine tablets are not the primary treatment for hypothyroidism, for many patients there is no suitable alternative and, until earlier this year, Concordia was the only supplier.

CMA Chief Executive, Andrea Coscelli, said:

Pharmaceutical companies which abuse their position and overcharge for drugs are forcing the NHS – and the UK taxpayer – to pay over the odds for important medical treatments.

We allege that Concordia used its market dominance in the supply of liothyronine tablets to do exactly that.

At this stage in the investigation, our findings are provisional and there has been no definitive decision that there has been a breach of competition law. We will carefully consider any representations from the companies before deciding whether the law has in fact been broken.

The CMA is addressing its Statement of Objections to Concordia, as well as to Cinven and HgCapital – private equity firms and previous owners of entities now forming part of Concordia. All now have an opportunity to respond to the provisional findings set out in the Statement of Objections.

This is one of a number of CMA cases in the pharmaceutical sector, including a recent fine against [Pfizer and Flynn Pharma of nearly £90 million](#) in relation to excessive and unfair prices for anti-epilepsy treatment, phenytoin sodium capsules, in respect of which the CMA's decision is currently under appeal. The CMA also fined [a number of pharmaceutical companies a total of £45 million](#) in relation to anti-depressant medicine paroxetine; that decision is also under appeal. The CMA is pursuing another 7 investigations into several companies in relation to drug pricing and competition issues. These can all be viewed on the [CMA's case pages](#).

Notes to editors

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer protection laws.
2. The CMA is addressing the Statement of Objections to Mercury Pharmaceuticals Limited, Concordia International Rx (UK) Limited, Mercury Pharma Group Limited and Concordia International Corporation, 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. A Statement of Objections gives parties notice of a proposed infringement decision under the competition law prohibitions in the Competition Act 1998 and the EU law equivalents. It is a provisional decision only and does not necessarily lead to an infringement decision. Parties have the opportunity to make written and oral representations on the matters set out in the Statement of Objections. Any such representations will be considered by the CMA before any final decision is made. The final decision will be taken by a case decision group, which is separate from the case investigation team and was not involved in the decision to issue the Statement of Objections.
4. The Statement of Objections will not be published. However, any person who wishes to comment on the CMA's provisional findings, and who is in a position materially to assist the CMA in testing its factual, legal or economic arguments, may request a non-confidential version of the Statement of Objections by contacting the CMA.
5. The CMA may impose a financial penalty (ie a fine) on any business found to have infringed each of these provisions of up to 10% of its annual worldwide group turnover. In calculating financial penalties, the CMA takes into account a number of factors including the seriousness of the infringement, turnover in the relevant market and any mitigating or aggravating factors.
6. Media queries should be directed to press@cma.gsi.gov.uk, on 020 3738 6337.