CMA fines firms over £35m for illegal arrangement for NHS drug

- CMA fines firms in relation to an arrangement under which a competitor was paid not to launch a product, and which enabled price increases
- From 2013 to 2017, the prices paid by the NHS for prochlorperazine rose from £6.49 per pack of 50 tablets to £51.68 an increase of 700%
- The firms fined include Advanz, the private equity firm Cinven, and Lexon, all of which have been fined for breaking competition laws in previous pharmaceutical CMA investigations

The fines are the result of a Competition and Markets Authority (CMA) investigation into the conduct of several pharmaceutical firms. The CMA found that, from June 2013 to July 2018, Alliance Pharmaceuticals, Focus (now owned by Advanz, previously owned by the private equity firm Cinven), and Lexon were involved in an arrangement that restricted competition in the supply of prochlorperazine 3mg dissolvable or "buccal" tablets to the NHS. Another company (Medreich) was involved in the arrangement between February 2014 and February 2018. Prochlorperazine is an important drug used to treat nausea, dizziness and migraines.

Under the arrangement, Alliance Pharmaceuticals appointed Focus as its distributor, and Lexon and Medreich were paid a share of the profits that Focus earned by selling Alliance's product. In return, Lexon and Medreich agreed not to compete in the supply of these prochlorperazine tablets in the UK.

Before entering into this arrangement, Lexon and Medreich had been taking steps to launch their jointly-developed version of prochlorperazine. Although Medreich first obtained a licence to supply prochlorperazine in January 2014, it did not supply commercial volumes of the product during the period of the infringement.

From December 2013 to December 2017, the prices paid by the NHS for prochlorperazine rose by 700%. Consequently, between 2014 and 2018, the annual costs incurred by the NHS for prochlorperazine increased from around £2.7 million to around £7.5 million, even though the number of packs dispensed fell.

The CMA has fined the pharmaceutical and private equity firms involved a total of over £35 million for the relevant periods in which they broke the law. This includes: a £7.9m fine for Alliance Pharmaceuticals; a £7.3m fine for Lexon; a £4.6m fine for Medreich; and a fine for Focus of £15.5m, apportioned between Advanz and Cinven. Medreich's fine would have been

higher, but was reduced by 40% as a result of Medreich being granted leniency in return for admitting its involvement in the infringement and cooperating with the CMA's investigation.

Andrea Coscelli, Chief Executive of the CMA, said:

The size of the fines reflects the seriousness of this breach. These firms conspired to stifle competition in the supply of this important medication, so that the NHS — the main buyer of the drugs — lost the opportunity for increased choice and lower prices. While the arrangement was in place, the price increased significantly for a drug that people rely on to manage debilitating nausea, dizziness and migraines.

All firms should know that we will not hesitate to take action like this against any businesses that collude at the expense of the NHS.

The investigation into these firms is part of the CMA's ongoing work in the pharmaceutical sector. Recent action includes <u>fining pharmaceutical firms</u> over £260 million for competition law breaches and <u>imposing over £100 million</u> of fines for charging unfair and excessive prices for a crucial thyroid drug.

Advanz, Cinven, and Lexon have all previously been issued fines in previous CMA pharmaceutical investigations. In the case of Advanz and Cinven, this is the first time that a company has been fined by the CMA in three separate investigations.

For more information see <u>the pharmaceuticals</u>: <u>suspected anti-competitive</u> <u>agreements</u> case page.

- 1. Advanz and Cinven have filed appeals in the Competition Appeal Tribunal against the CMA's decisions in the other two investigations in which they have been fined.
- 2. The infringement decision is addressed to the following legal entities: (i) Alliance Pharmaceuticals Limited and Alliance Pharma plc; (ii) Focus Pharmaceuticals Limited, Focus Pharma Holdings Limited, Mercury Pharma Group Limited, Concordia Investment Holdings (UK) Limited, Concordia Investments (Jersey) Limited and Advanz Pharma Corp. Limited; (iii) Cinven Capital Management (V) General Partner Limited, Cinven (Luxco 1) S.à.r.l and Cinven Partners LLP; (iv)- Lexon (UK) Limited and Lexon UK Holdings Limited; (v) Medreich plc, Medreich Ltd, Meiji Seika Pharma Co. Ltd and Meiji Holdings Co. Ltd.
- 3. In its decision, the CMA found that an agreement existed between Alliance and Lexon relating to prochlorperazine 3mg buccal tablets sold in packs of 50 which is a prescription only medicine, in which Focus, and subsequently Medreich, participated which had as its object the

restriction of competition. This agreement infringed the Chapter I prohibition in the Competition Act 1998.

- 4. The infringement commenced by 7 June 2013, and continued until 31 July 2018. Focus was involved in the infringement from 22 June 2013 until 31 July 2018. Medreich was involved in the infringement from 5 February 2014 until 15 February 2018.
- 5. Focus was independent until 1 October 2014. Cinven indirectly owned Focus between 1 October 2014 and 20 October 2015. Advanz, the current owner, acquired indirect ownership of Focus from Cinven on 21 October 2015.
- 6. The total fines imposed are as follows:
 - 1. Alliance: Alliance Pharmaceuticals Limited and Alliance Pharma plc are jointly and severally liable for £7,900,000
 - 2. Lexon:
 - 1. Lexon (UK) Limited is liable for £6,706,220; and
 - 2. Lexon (UK) Limited and Lexon UK Holdings Limited are jointly and severally liable for a further £593,780
 - 3. Medreich:
 - 1. Medreich plc and Medreich Ltd are jointly and severally liable for £1,167,554; and
 - 2. Medreich plc, Medreich Ltd, Meiji Seika Pharma Co and Meiji Holdings Co Ltd are jointly and severally liable for a further £3,452,446

4. Focus:

- 1. Focus Pharmaceuticals Limited and Focus Pharma Holdings Limited are jointly and severally liable for £549,343;
- Focus Pharmaceuticals Limited, Focus Pharma Holdings Limited, Mercury Pharma Group Limited, Cinven Capital Management (V) General Partner Limited, Cinven (Luxco 1) S.à.r.l and Cinven Partners LLP are jointly and severally liable for a further £1,843,380;
- 3. Focus Pharmaceuticals Limited, Focus Pharma Holdings Limited and Mercury Pharma Group Limited are jointly and severally liable for a further £921,357;
- 4. Cinven Capital Management (V) General Partner Limited, Cinven (Luxco 1) S.à.r.l and Cinven Partners LLP are jointly and severally liable for a further £4,856,620; and
- 5. Focus Pharmaceuticals Limited, Focus Pharma Holdings Limited, Mercury Pharma Group Limited, Concordia Investment Holdings (UK) Limited, Concordia Investments (Jersey) Limited and Advanz Pharma Corp. Limited are jointly and severally liable for a further £7,288,853
- 7. Work on this case by the CMA was paused in April 2020, in order to reallocate resources and ensure that the CMA was able to focus on urgent

work relating to the ongoing Coronavirus (COVID-19) pandemic. Work on the case was resumed at the first feasible opportunity in July 2020.

8. Under the CMA's leniency policy a business that has been involved in a cartel may be granted immunity from penalties or a significant reduction in penalty in return for reporting cartel activity and assisting the CMA with its investigation. More information on the CMA's leniency and informant reward policies is available on the guidance page.

Nation unite to tackle menopause taskforce

- First meeting of UK Menopause Taskforce to co-ordinate and work together on support for women across all nations
- Consultation launched into reclassification of low-dose hormone replacement therapy (HRT) product Gina
- Formation of taskforce comes ahead of publication of first governmentled Women's Health Strategy for England to tackle the gender health gap

Women across the UK will benefit from improved menopause support and care as government ministers and senior clinicians from across all 4 nations will come together today for the inaugural meeting of the UK Menopause Taskforce.

Millions of women go through the menopause every year, with the majority experiencing symptoms that can be severe, such as low mood, anxiety, hot flushes and difficulty sleeping, and have a negative impact on everyday life.

The taskforce will tackle issues surrounding the menopause including increasing access to treatment, and ending the taboos and stigmas that still surround conversations about the menopause, including in the workplace.

The inaugural meeting comes as the Medicines and Healthcare products Regulatory Agency (MHRA) launched a consultation into the reclassification of a locally applied HRT product, Gina, meaning women in the UK could access a menopausal treatment over the counter at a pharmacy, without requiring a prescription.

This is the first time HRT has been considered for sale over the counter, marking important progress in ensuring women can more easily access menopause treatment.

Minister for Women's Health and co-chair of the UK Menopause Taskforce Maria Caulfield, said:

For too long women have gone unsupported and unheard when it comes to specific women's health issues. This is especially true when it comes to the understanding of and treatment for the menopause.

This must change. The UK Menopause Taskforce is another stride forward in delivering real change for women across the UK, breaking down taboos and ensuring better access to treatment and support.

I look forward to working closely with my colleagues across all 4 nations as we drive forward the women's health agenda to tackle the gender health gap ahead of the publication of our Women's Health Strategy later this year.

Established to ensure co-ordination across the UK in terms of raising awareness of the menopause and improve care and support, the objectives of the taskforce are to:

- ensure clinical evidence underpins all aspects of menopause work
- look across all the recommendations made to government on the menopause, accelerating the delivery of menopause-related programmes of work across the UK
- identify areas of mutual interest and collaboration, share best practice and take forward actions where it is appropriate to take a joint approach across nations
- increase understanding of and encourage open conversations about the menopause among the general public, within healthcare settings, and in workplaces
- work closely with external stakeholder and raise awareness of the menopause in the workplace by encouraging open conversations

The formation of the taskforce forms part of the wider commitment to eradicate health disparities and ensure everyone is able to lead healthier, happier lives.

Co-chair of the UK Menopause Taskforce, Carolyn Harris MP, said:

I am delighted to be co-chair on the newly formed Menopause Taskforce alongside the minister. Improving support and services for those experiencing symptoms of the menopause is something that I am passionate about.

Insufficient education and awareness of its impact alongside historic taboos around openly discussing its symptoms has meant that for too long women have suffered and struggled to access the help that they need.

The taskforce will bring together Parliamentarians from across the UK as well as professional bodies, menopause specialists and experts by experience to raise awareness of the issues and coordinate our response in order to improve support and services and ensure better menopause experiences for women in the future.

The inaugural meeting of the taskforce discussed key themes and focuses, shared objectives across all 4 nations, and the future ways of working.

The taskforce seeks to draw on best practice across all nations, and will draw on workstreams including Scotland's Women's Health Plan, which prioritised the menopause.

It was agreed the taskforce will meet every 2 months, and future meetings will be scheduled by theme which will include:

- healthcare provision
- education and awareness
- menopause in the workplace
- research evidence and data

Maree Todd, Minister for Public Health, Women's Health and Sport, Scottish Government, said:

Menopause care and support is a top priority in our Women's Health Plan — the first of its kind to be published in the UK. Women told us they wanted more reliable information and better services around what is an important transition in their lives, so they are not taken by surprise by any changes, either physically or mentally.

We have already launched a new online menopause platform on NHS Inform, as the first phase in the development of a comprehensive women's health platform. And we have set up a Menopause Specialists Network to provide advice and peer support to healthcare professionals.

With more work yet to be done, I welcome the chance to work together with the other UK nations to share best practice on menopause and make a difference to the lives of so many women and their families.

Robin Swann, Minister of Health Northern Ireland Executive, said:

51% of the population in Northern Ireland is female so menopause is clearly a very significant topic for our society.

I welcome the opportunity to explore a UK-wide approach to cross cutting societal issues such as support in the workplace and education programmes for women at this time in their lives, and look forward to working with the other nations on this important women's health issue.

Eluned Morgan, Minister for Health and Social Services, Welsh Government, said:

I'm pleased to be working across the 4 nations on an issue which affects so many people.

Women's individual experience of menopause may differ but we must ensure the same high standards of care are available to everyone. HRT has been available for free in Wales since 2007.

We are determined to improve women's health services and have set up the Women's Health Implementation Group to work with women and healthcare professionals to do just this.

The taskforce is time-limited, holding meetings every 2 months and will be in operation for an initial period of 18 months.

At the end of the initial period, permanent members will consider if there is a need for the taskforce to be extended or transformed into another purpose.

The taskforce will be co-chaired by Maria Caulfield MP, Minister for Patient Safety and Primary Care and Carolyn Harris MP, Labour MP for Swansea East and Chair of the Menopause All-Party Parliamentary Group (APPG).

Other permanent members of the taskforce are:

- Maree Todd MSP Minister for Public Health, Women and Sport, Scottish Government
- Eluned Morgan MP Minister for Health and Social Services, Welsh Government
- Robin Swann MLA Minister of Health, Northern Ireland Executive
- Liz Truss MP Minister for Women and Equalities
- Kwasi Kwarteng MP Secretary of State for Business, Energy and Industrial Strategy
- Therese Coffey MP Secretary of State for Department for Work and Pensions
- Ruth May Chief Nursing Officer for England
- Matthew Cripps Director for Behaviour Change at NHS England and Improvement
- Professor Marion Bain Senior Public Health Adviser, Scottish Government
- Sue Tranka Chief Nursing Officer, Welsh Government
- Dr Heather Payne Senior Medical Adviser, Welsh Government
- Dr Joanne McManus Clinical Advisers, Northern Ireland Executive
- Dr Charlie Beattie Clinical Adviser, Northern Ireland Executive
- Mr Haitham Hamoda Chairman of the British Menopause Society and Consultant Gynaecologist
- Dr Louise Newson GP and Menopause Specialist

The MHRA consultation seeks views on making Gina available over the counter to women aged 50 years and above, who have not had a period for at least one year.

GPs, pharmacists and members of the public can <u>give their views on whether</u> this product should become a pharmacy medicine and available over the

Further plans to level up opportunities for every child

New measures to make sure children are getting the quality of education they deserve are being announced today, as the government continues its drive to level up opportunities for every child and family across the country.

The government has today (Thursday 03 February) confirmed it will go ahead with the creation of a register for children not in school at the earliest available legislative opportunity, alongside plans to give schools greater support on behaviour and rebuild hundreds more school buildings across the country.

The vast majority of home education is already done well, but particularly in light of the pandemic contributing to a rise in children not being educated in school, the government will support local authorities to make sure they know where every child is being educated, that it is of the right quality, and that support is offered to home educating families.

The government is also providing greater support on behaviour for headteachers to create calm, orderly, safe and supportive environments for children and young people to thrive in. A consultation on revised guidance will open today to give headteachers clearer support on maintaining that positive culture, and advice on responding to behaviour incidents online.

The flagship School Rebuilding Programme, announced by the Prime Minister in 2020 and with £2bn to be invested in 100 rebuilds already, is also entering its most intensive phase. Applications are being invited for the first time for the selection of up to 300 of the programme's 500 total projects this decade, transforming the lives of hundreds of thousands of students across the country, providing facilities fit for the future of education.

Today's package is the latest in a string of announcements this week to help level up across the country, following the publication of the Government's Levelling Up White Paper, including plans for targeted education support in 55 lower performing areas such as Bolton, Luton and Rochdale.

Education Secretary Nadhim Zahawi said:

Education is at the heart of this government's plans to level up, ensuring that every child has the opportunity to succeed no matter where they grow up or what their background.

While the majority of children already learn in a calm and well-maintained classroom, and some learn at home with dedicated parents, there are areas across the country where high standards are not being met.

As Education Secretary, it is my priority to make sure every child gets the start in life they deserve, which is why I'm announcing clearer guidance to help every school boost behaviour and new legislation to create the first local authority register for children not in school. Not only this, but our school rebuilding programme will ensure pupils can learn in state of the art facilities, giving them the best opportunity to thrive.

The revised behaviour guidance also makes clear that heads are best placed to make decisions on whether mobile phones should be in classrooms, considering the needs of their pupils. There will also be more consistent guidance to support headteachers with decisions about exclusions, making sure they are used in a proportionate and fair way.

Action to increase attendance is already underway via the Department's alliance of education leaders, including the Children's Commissioner, to make sure no child is lost from the system.

The new duty on local authorities to maintain a register of children not in school will help them spot and support young people in the rare cases they may be receiving an unsuitable education, for example at an unregistered school.

Children's Commissioner Rachel D'Souza said:

The register of children not in school is vital in making sure that we are able to keep children safe and engaged, wherever they are learning. The reason I've pressed for the roll-out of a national register is that it is all about ensuring children are safe, that they get the best education they can, helping to unlock doors to their future, and that those dedicated parents who choose to educate their children at home feel supported in doing so.

What hundreds of thousands of children have told me is that they love school and are so pleased to be back in the classroom. Nothing made them value school more than the face-to-face education they'd missed so much during lockdown — they are happy to be back with their friends and teachers.

There are however too many children who, for many reasons, have not come back to school or are not attending consistently and regularly. All of us working with children need to redouble our efforts to get all children back in the classroom — we should all know where all our children are, that they are safe, and getting the best education and support we can offer.

Following a public consultation on how the Department will prioritise schools for the School Rebuilding Programme, up to 300 schools, rather than the usual 50, will be selected for participation in the programme later this year. This will give schools and families assurances that they have been prioritised for future investment. The Programme will continue to start delivery on 50 new projects each year, with 100 already in progress from selection rounds from last year.

For the first time in the Programme, the bodies responsible for running schools such as local authorities and academy trusts will be able to provide additional evidence of their buildings' condition need, making sure the selection harnesses local knowledge, helping level up where the need is greatest across the country. The application process has been made as simple as possible and full guidance has been published today on making a quality application.

All projects in the School Rebuilding Programme are built to the latest construction standards, resilient to climate risks, net-zero in operation, and include modern facilities to support a world-class education from classrooms and science labs, to sports halls and dining rooms.

PM call with President Putin of Russia: 2 February 2022

Press release

Prime Minister Boris Johnson spoke to Russian President Vladimir Putin.



The Prime Minister spoke to Russian President Putin this afternoon.

The Prime Minister expressed his deep concern about Russia's current hostile activity on the Ukrainian border. He emphasised the need to find a way forward which respects both Ukraine's territorial integrity and right to self-defence. The Prime Minister stressed that any further Russian incursion

into Ukrainian territory would be a tragic miscalculation.

The Prime Minister underscored that, under NATO's open door policy, all European democracies have a right to aspire to NATO membership. This right fully applies to Ukraine. He also reiterated that NATO is a defensive alliance.

The leaders agreed that aggravation was in no one's interest. The Prime Minister stressed the importance of dialogue and diplomacy, and the need to include Ukraine in talks.

The Prime Minister and President Putin welcomed communication between the UK and Russia on a number of important issues including climate change, the situation in Afghanistan and the Iran nuclear deal. They agreed to apply this spirit of dialogue to the current tensions in order to find a peaceful resolution.

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