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Unit SANCO/D/3
Brey 10/114
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Belgium

Dear Sirs,

Reference: Sanco.ddg1.d.3(2011)1342823. DELEGATED ACT ON THE DETAILED RULES FOR A UNIQUE IDENTIFIER FOR MEDICINALPRODUCTS FOR HUMAN USE, AND ITS VERIFICATION

Aegate is a specialist pharmaceutical authentication company operating authentication systems in pharmacies at the point of dispensing in three member states today where unique serialisation is already mandatory.

We fully welcome and support this directive as once it is implemented, our experiences already confirm that it will create substantially better protection for European patients against counterfeit and recalled medicines.

We would like to contribute the following comments regarding the above consultation.

Section A: Characteristics and technical specification of the unique identifier

We recommend policy option 2; harmonisation through regulation.

For economic reasons; a harmonised standard means that pharmacists only need to invest in a standard reader. In addition, manufacturers, importers and exporters need only invest in standard software to produce the coding.
Regarding regulation of the composition of the serialisation number; we also recommend this should be standardised to encompass national reimbursement numbers. The risk of non harmonisation is that more

than one unique code may be placed on the pack, creating confusion as to which code to scan. To avoid any potential weakness in the system, it is imperative that the standard set will only necessitate one code on the pack in any member state.

- 2.1.2.a and b; Additional product information such as batch number and expiry date would be an advantage for all parties within the distribution chain.

- 2.1.2 c Option 2. The national reimbursement number is essential to ensure that member states do not have to place a second code on the pack (see point above).

- 2.2 regarding technical options to carry the unique serialisation number;
    - 2D datamatrix offers the most flexibility. It can hold data such as batch and expiry without unduly impacting the size of the physical code. Printing costs are similar to a linear barcode and these do not have the error rates of RFID.
    - It is also becoming commonplace in Europe on other consumable products and Europe's veterinary medicines have already selected this as the code of choice.
    - The cost of scanning devices are approximately €200 per reader.

    - A linear barcode will prove limited if the decision is to add data such as batch and expiry information into the code. The code will become physically too large to fit onto many medicinal packs

    - Radio Frequency Devices and the corresponding readers are significantly more expensive than linear or 2D codes. In addition;
        - RFID is really the wrong technology for the pharmacy environment, where line of sight is necessary, i.e. the pharmacist still needs to make a visual check of the pack.
        - RFID still has read failure issues if placed near liquids or certain metals (ie in some cases it could interact with the blister foil).
        - Furthermore there are still safety concerns about the heating effect on covalent bonds within some biological or protein based medicines when the reader comes into contact with the RFID chip on the pack.

Section B: Modalities for verifying the safety features

We support policy options 2/1 systematic check out of the serialisation number at the dispensing point and 2/2; with additional random verifications at the level of wholesale distributors.

The process of checking out the serialisation number at the dispensing point is fundamental to the legislation achieving patient safety effectiveness across Europe. The security of the serialisation number is based on the combination of the number itself being randomised, and it being systematically checked out of the supply chain at the dispensing point. The benefits of this are also far wider reaching than falsified medicines.

- In 2011, our authentication system detected more than 67,000 individual medicinal packs with unique identification coding that were recalled, preventing these from being dispensed to consumers.

- The system has also accelerated the recalls procedure; in once case from incident identification to withdrawal within three days, compared to the weeks or months the investigation process can sometimes take.

- The system is also currently being used to monitor for the appearance of an illegally imported product in one member state

Authentication at the point of dispensing is also cost effective. In 2008, The Pharmacoeconomic Department within the University of Leuven in Belgium carried out a cost benefit analysis of an authentication system. The university determined that for any individual country, the point at which authentication becomes cost neutral is when just 0.47% of medications detected by the system are recalled, expired or counterfeit.

The University concluded that the proportion of recalled, expired, or counterfeit products in a given country determines the level of cost benefits of an authentication system. Using actual data with a statistically significant sample size (95% CI: 99.8%-100%), the University studied Belgium which has 5200 pharmacies. They found an error rate of 0.87%. More recently over the past six months in one member state there have been three incidents;

- March 23rd 2012, 38,929 packs recalled of painkiller drugs. Packs which should contain 8mg/500mg strength tablets but had a higher strength of 30mg/500mg tablets.

- March 20th 2012 £ 115,000 of counterfeit medicines seized including Viagra and Cialis, both used to treat erectile dysfunction, and the withdrawn anti-obesity drugs Rimonabant and Sibutramine.

- 27 August 2011, 250,000 packs recalled of Nurofen Plus due to suspected sabotage

Healthcare savings from avoiding substandard and recalled drugs, litigation avoidance and avoidance of medication errors are also substantial. The University modeled the potential healthcare savings for Europe which they estimated could amount to as much as €25 billion.

Health care savings:

Hospitalisations:	*~ € 22 billion*
General practitioner:	*~ € 1 billion*
Authenticity checks:	*~ € 1 billion*
Facilitation recalled products:	*~ € 1 billion*

We support 2/2 additional random verifications at the level of wholesale distributors, in the following circumstances;

- If medicinal products carrying safety features on the outer packaging are obtained from sources, other than the manufacturing authorisation holder or a person who is authorised by the marketing authorisation holder to supply those products, the products need to be verified by the receiving wholesale distributor.
- For medicinal products that are returned from persons authorised or entitled to supply to the public, the wholesale distributor must verify that they are not falsified or tampered with by checking the safety features on the outer packaging.

We do not recommend policy option 2/3, additional systematic verification by the wholesale distributors. The negative impacts would be felt throughout the supply chain in terms of added cost, reduced frequency of deliveries to pharmacy and ultimately delays to patients. The corresponding added benefits that would need to be achieved from this are not substantial enough over and above than that which can be gained with policy options 2/1 or 2/2.

Section C: Provisions on the establishment, management and accessibility of the repositories system

We recommend policy option 3/1; stakeholder governance. We agree with point 63. This policy option may be the most cost-efficient as it will create a market that provides best value for money.

In terms of key responsibilities, the manufacturer (62.) would be responsible for ensuring *inter alia* that the serialisation number is checked ***in*** (not out) to the repository system. The person dispensing the medicinal product would be responsible for ensuring that the serialisation number is checked ***out*** (verified).

Regarding policy options 3/2 and 3/3.

Policy option 3/2: We do not believe that an EU governed system is workable from a number of political and operational complexities;

- It may be politically very difficult to obtain the agreement of all 27 member states regarding the location of this system; due to national interests and local legislation a number of governments may require the repository to be nationally located.
- Countries that are furthest away from the single system will suffer longer response times compared to those that are closer. Costly data backbones may be required in order to provide satisfactory response times to the most distant territories, particularly if the system is located geographically at the edge of Europe.
- A single repository also creates a single point of failure which we believe to be an unacceptably high risk given this is a patient safety system.

Policy option 3/3: National governance. We do not believe this option is economically viable or sufficiently flexible.

- It would mean 27 different national systems which is not cost effective
- It creates substantial complexities for manufacturers that supply medicines to various member states.
- It is not sufficiently flexible. A number of member states may wish to share the cost of a repository and this model could prevent the flexibility for stakeholders to collaborate to determine the most cost effective approach.

4. Other issues related to the repositories system

If policy option 3/1 or 3/3 are decided upon, a clear process for managing the legitimate movement of goods between member states must be specified. A fundamental responsibility would be that of the repackager or distributor who must be responsible for checking the serialisation number ***out*** of the exporting country stakeholder repository system and checking the serialisation number ***in*** to the importing country stakeholder repository system.

4.1 Information of a commercially sensitive nature

In the context of a repositories system; the only data contained within it should be for the purposes of the check in or check out process for medicinal products. No patient or prescriber data is relevant to operate these systems.

Within the stakeholder governance framework we believe it is possible for the relevant stakeholders concerned to set the legal framework, limits and obligations to protect personal and commercial data.

There are other factors that stakeholders will wish consider, for example

- The process of checking in serialisation numbers could also be commercially sensitive if there were no safeguards to separate one manufacturer's serialisation data from another.
- Safeguarding information relating to random verifications by wholesalers
- Safeguarding information relating to the check in and check out process of repackagers
- Procedure for information sharing in the case of an alert event ie a suspicious item detected

Section D: Lists containing the medicinal products or product categories which, in the case of prescription medicines shall not bear the safety features

We do not see there is any justifiable case to exempt any prescription medicine by use of identification or classification criteria. In simple practical terms we believe that patients have a right to know that all prescription medicines supplied through the legal supply chain are protected by the legislation. A limited list that restricts the safety features to specific medicines would only serve to simply direct counterfeiters to other non protected medicines and could indeed shift the problem to lower priced products.

It is impossible to predict which medicines may be targeted by counterfeiters. In simple terms where money can be made these become a target, therefore price / volume thresholds cannot be effective. Localised price changes and currency fluctuations would also need to be taken into account which will be complicated to manage. Looking at ATC classes, the only class of drugs that could on a past history basis be exempt would be the skin and emollient products. On patient safety grounds all other ATC classes must be included.

Finally, again in practical terms, dispensing pharmacists need standardised procedures to ensure every pack is systematically checked out of the system. If some packs contain serialisation and others do not, confusion will arise, some packs may or may not be checked out, and the effectiveness of the entire system could be called into question.

We are concerned with point 85 that there is no optional scope for manufacturers. Manufacturers legally own the medicines and medicines packaging for the medicines that they produce. They choose to apply a variety of security features depending on their perceived risk profile, therefore for manufacturers to be prevented from choosing to apply a unique identification code as an added security device, and prevented from adding the unique numbers to the repository system, seems wholly unethical.

From a legislative and economic perspective; manufacturers must pay for the repository systems. Ultimately the more manufacturers share in the costs of these, the lower the financial costs for everyone concerned. A limited list will make the costs of the repository substantially higher for the few manufacturers concerned, with a particularly negative impact on a small number of generics companies, and it would be this that could ultimately impact the drugs budget.

Yours sincerely

Alison Williams, Senior Vice President, Aegate