

Epic Battle of Branded Vs Generics

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It is commonly understood that every issue has two sides, and the truth lies somewhere in the middle. When it comes to healthcare, we typically hear one side of the narrative: branded generics are blamed for higher costs of medicines and unethical pharma practices.



On May 23, the National Medical Council (NMC) proposed draft guidelines to doctors. The guidelines insist that the doctors must prescribe medicines **ONLY** by generic names and encourage patients to buy medicines from JanAushadhi stores. They'll be penalised if they don't.

About 90 per cent of India's Rs 1,83,000 crore pharma market comprises branded generics. Numerous branded generics, such as Dolo, Limcee, Human Mixtard, or Razo, are now household names. There is a growing belief that branded generics are the reason behind higher healthcare costs in India, and forcing doctors to prescribe generics is the solution. Let's dig deeper.

Are branded generics the healthcare industry's villains? If this is the case, why have branded generics been around for decades in India and dozens of other countries?

In my opinion, generics, branded generics and patented brands must co-exist in the country to keep India healthy. To know why let's focus on the other side of the story and the prevalent narratives.

Branded generics drive up the cost of Indian medications

Medicine prices in India are amongst the lowest in the world. The most recent data shows that roughly 11 per cent of India's medicines cost less than Rs 6. India's average cost of pharmaceuticals is 70 per cent less than the global average.

However, medications are expensive for Indians because, in contrast to other countries, medicines are an out-of-pocket expense for Indians.

The other factor is that Indians spend about 28 per cent of their healthcare expense on medications, compared to the global average of 15 per cent. Do the doctors overprescribe in India? This is a debatable topic. Experts must come together to create treatment algorithms specific to Indian patients.

But, banning branded generics is no solution to over-prescription if it exists.

Even when cheaper alternatives exist, doctors prescribe expensive medicines

Why can't doctors prescribe generics from JanAushadhi? Do they prescribe branded generics to get kickbacks from pharma companies?

It is essential to understand that doctors' source of income is patients and not pharma companies. If patients were unhappy, doctors would see empty waiting rooms, and pharma companies would stop meeting them. So, the patient is always the priority of the doctors.

Another common notion is that all generics of the same medicines are the same. Branded Generics differ in many ways: Source of the API, its form, adjuvants, dosage form, manufacturing process, packaging, offers on the brand, unit price, supply chain SOPs, quality checks, beyond pill services, so on and so forth. Clearly, the value provided is different for each brand.

Patients, too, have different requirements depending on their psychographic, occupational, and financial needs. Doctors look at the value offered by brands and match them to the requirements of the patients.

Doctors trust some brands more than others based on experience. When prescribing generic drugs, they don't know which company's generic will be given to the patient. How can they take responsibility for the outcome? Would that not put a strain on patient-doctor relationships?

Branded generics are expensive because they are marketed with high promotional expenses

One of the arguments against branded generics is that they spend huge money on promoting branded generics. This amount is similar to every other industry: around five to 20 per cent of revenue.

Many believe that brands spend money sending doctors on foreign trips or giving them heavy incentives. This is a sweeping generalisation. Neither all brands nor all companies indulge in these practices. Yet those who indulge in these practices must stop them **STAT**. Stringent implementation of Uniform Code for Pharmaceuticals Marketing Practices (UCPMP) and not banning branded generics is the need of the hour.

Take Human Mixtard, a brand of insulin for diabetics, which is the No. 1 selling branded generic in India. The brand has been investing heavily to improve patient outcomes. Insulin is a temperature-sensitive medicine. To ensure Mixtard remains effective despite soaring temperatures in the country, the company invested heavily in cold chains from manufacturing plants to last-mile delivery. The brand invested significantly in color-coding packaging to ensure that neither boy at the chemist shop nor the caregiver at home would mix up the doses. The brand Mixtard supports counseling diabetics through human and AI-based counselors. Would JanAushadhi generic manufacturer of insulin, make such investments?

Branded generics invest in patient outcomes. Free patient camps, disease awareness initiatives, patient education etc., have improved the country's diagnosis and treatment of many chronic diseases.

Branded generics also contribute to doctors' continuous medical education (CMEs). Patients are the ultimate beneficiaries of these activities.

Of course, these promotional initiatives help the pharma companies get prescriptions, but they create an ultimate win-win for all the stakeholders.

New scenario

Let's assume NMC and the policymakers ban the prescription of branded generics. What impact will it have on the healthcare ecosystem?

Pharma companies: It will not change anything for pharma companies. Instead of selling medicines as an individual brand, they will promote them under the corporate brand. Instead of calling the insulin brand, Mixtard, they will call it Insulin by Novo Nordisk. They will continue to price it higher to support their investments to create brand value. So technically, nothing much would change.

Yes, one will see many pharma corporate ads in the media to win doctors' and patients' trust for the generics from the corporate house. This will further increase promotional expenses leaving lesser money for R &D and innovation.

Physicians: In India, there is a strain on patient-doctor relations, who are solely held responsible for patient outcomes. Now doctors would need to bear responsibility for the generic whose manufacturer they wouldn't know. To avoid this issue, physicians may prescribe a generic and orally recommend the company whose generic the patient should buy.

In India, we don't have electronic medical records. Doctors rely on patients to understand their treatment history. Compared to brand names, generic names are tongue-twisting and expecting patients to remember them without any mistake is too much of an ask.

Chemists: The responsibility of the chemist increases many folds in the generic prescription world. We do not have an adequate number of qualified chemists. The impact on the healthcare environment is easy to foresee.

Quality inspectors: The burden on the quality inspectors would increase immensely. There must constantly be checks on the quality. Is the quality of the generic consistent with every batch? Is a good manufacturing process (GMP) being followed? India has a considerable burden of counterfeit medicines. How will the scenarios unfold? A larger debate is needed on this issue.

Patients: Consumers all over the world are switching from commodities to brands. Be it clothes, food or education. Why should this trend be reversed in healthcare? Will patients accept the new norms?

So instead of depriving Indians of branded generics, the policymakers should empower patients by giving them a choice. Patients can make their own decisions depending on their needs and priorities.

Branded generics exist for a reason in India and several other developing countries. We would throw the baby out with the bath water if we eliminated branded generics from the country.

Gauri Chaudhari, Healthcare Marketing and Branding Expert