

CMA takes swift action in bipolar drug investigation

The Competition and Markets Authority (CMA) [launched a competition law investigation](#) into Essential Pharma last month because of suspicions that the firm may have abused its dominant position by proposing to withdraw the supply of bipolar drug, Priadel, to UK patients. If Priadel was withdrawn, this would require patients to switch to alternative, more expensive treatments such as Camcolit, which is also owned by Essential Pharma.

Following the opening of the CMA's investigation, Essential Pharma paused the withdrawal of Priadel and entered into price negotiations with the Department for Health and Social Care (DHSC). This has resulted in a recent agreement with the DHSC on a revised price for Priadel that is still lower than alternative bipolar drugs.

Essential Pharma has now also offered formal commitments to the CMA to address competition concerns regarding its strategy in relation to Priadel. These proposed commitments would last for 5 years and include continuing to supply Priadel on terms agreed with the DHSC. It would mean that the company cannot threaten to withdraw Priadel in order to increase the price without good reason.

The CMA's preliminary view is that the proposed commitments meet its competition concerns and is now seeking views from others before accepting them formally. If accepted, the commitments will bring the investigation to an end.

Medical bodies and charities had voiced significant concerns over patients having to switch bipolar medication, which can be a lengthy and complicated process and can ultimately lead to serious health implications. The proposed withdrawal would have also seen the NHS' costs increase significantly, at a time when it faces unprecedented pressure due to the coronavirus (COVID-19) pandemic.

Ann Pope, the CMA's Senior Director of Antitrust, said:

Since the CMA intervened just last month, Essential Pharma has agreed to carry on supplying Priadel at a price agreed with the DHSC, which we hope will give peace of mind to the thousands of patients who rely on it.

We will carefully consider any responses to the consultation on the proposed commitments offered by Essential Pharma before reaching our final decision, with the best protection for patients in mind.

The CMA is inviting stakeholders to submit any comments on the commitments by

9 December 2020, before it reaches its final decision on whether or not to accept them.

The investigation by the CMA is ongoing and no decision has been made as to whether the law has been broken. However, if the commitments are accepted by the CMA, they will become legally binding, which means Essential Pharma cannot choose to retract them.

More information can be found on the CMA's [investigation into supply of lithium-based medication case page](#).

Notes to editors

1. The CMA opened the investigation as it has reasonable grounds for suspecting that Essential Pharma may have infringed the Chapter II prohibition of the Competition Act 1998/Article 102 of the TFEU.
2. The Chapter II prohibition of the Competition Act 1998 /Article 102 of the TFEU prohibit the abuse of a dominant position by one or more undertakings which may affect trade within the UK/EU or a part of it.
3. The prices agreed on by Essential Pharma and DHSC for Priadel are £7.50 for 200mg tablets per pack and £8.50 for 400mg tablets per pack. This is significantly less than the price of Camcolit, which is £48.18 per pack of 400mg tablets.
4. A business under investigation by the CMA may offer commitments to address the CMA's competition concerns. If the CMA accepts the proposed commitments to solve its competition concerns, it will not make finding as to whether that business breached the competition law or impose a fine.
5. If the CMA does not accept the proposed commitments, the investigation will revert to the CMA's standard procedure, which may lead to the CMA issuing a statement of objections in due course and imposing a financial penalty on a company if it is found to have infringed competition law.
6. Various medical bodies and charities signed the following letter to Matt Hancock: [letter to Matt Hancock, Secretary of State for Health and Social Care, on the proposed withdrawal of Priadel](#)
7. For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk.