

Drug Pricing Fact Sheet

NAMENDA

Namenda is used to treat the confusion associated with Alzheimer's Disease. An estimated 5.8 million Americans suffer from Alzheimer's.

Patent Abuse

Forest Laboratories faced generic competition starting in 2015 for Namenda. Forest responded by changing its formulation of Namenda from a twice a day pill to a once a day pill and forced its patients to change to this new version. Forest also patented the new version, with protections extending to 2029.

Product Hopping

Internal documents from Forest Laboratories revealed that the company specifically changed the formulation of Namenda from a twice a day pill to a once a day pill to avoid impending generic competition.

Though pharmaceutical companies frequently bill small changes to drugs as "innovation," in this case, the change was a clear example of product hopping to game the patent system.

Competition

The company was successfully sued by the State of New York for attempting to block patients from having a choice between the twice a day pill and the once a day pill. All six patents on the once a day version of the drug were also invalidated, so patients can now purchase a generic version.



Namenda By The Numbers



The generic twice a day version of Namenda costs \$12.60, while the branded once a day costs \$415.



Forest's revenues for Namenda were \$1.6 billion in 2014.



If the company had discontinued sale of its older Namenda pill and switched patients toward its newer version, the move would have cost Medicare Part D up to \$288 million during the last six months of 2015.



Due to the invalidation of patents on once a day Namenda, patients can purchase a generic version for \$92.

"New York Files an Antitrust Suit Against the Maker of an Alzheimer's Drug"

– September 15, 2014

"Drugmakers Play The Patent Game To Lock In Prices, Block Competitors"

– October 2, 2018