

Law catches up with drug firms

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Drug companies will be prevented from imposing extortionate price rises after an investigation by *The Times* prompted a new law.

The legislation, which will receive royal assent today, gives the government the power to control the cost of medicines by imposing lower prices. It could save the NHS more than £1 billion over the next three years. Recently released figures showed that price increases for more than 70 drugs cost taxpayers' an extra £370 million last year for community prescriptions alone.

A long-running *Times* investigation exposed how drug companies exploited a loophole in NHS pricing rules to increase prices by up to 12,500 per cent. The companies were able to circumvent price limits by dropping an existing brand name and instead selling a medicine under its generic name.

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