

EphMRA/PBIRG CLASSIFICATION COMMITTEE

**WHO WE ARE
WHAT WE DO**

2004



PBIRG

Pharmaceutical Business
Intelligence & Research Group

www.pbirg.com

EphMRA

www.ephmra.org

Classification Committee

Background

Pharmaceutical products are grouped into categories in the sales, medical, and promotional audits according to the EphMRA/PBIRG Anatomical Classification System. Virtually all pharmaceutical audits around the world are based on this system. IMS has adopted this system. Local suppliers have also adopted it.

The Anatomical Classification brings order and standardization to the pharmaceutical market. This classification enables the market researcher to analyze therapeutic markets and to compare similar products. Responsibility for maintaining the integrity of the system, for modifying it to meet the demands of the evolving pharmaceutical market, and for classifying the individual products lies with the Classification Committee. The World Health Organization (WHO) adapted the system to its own needs (see section on **Harmonization with WHO**).

Pharmaceutical sales audits were introduced in the 1950s. Most audits were based on similar classification systems, although they varied. Development of the Anatomical Classification began in 1968 and was formally introduced in 1974. It was developed by market researchers of many Europe-based international pharmaceutical companies. Market researchers from the international pharmaceutical companies in Europe and USA participated in translating the old system into the Anatomical System. Today, the only countries not on the Anatomical Classification are USA and Canada. However, USA and Canada data are available in the Anatomical Classification via the IMS electronic database, MIDAS.

Anatomical Classification System

The Anatomical Classification System is based on a cascade: the 2nd level gives details of the 1st, the 3rd of the 2nd, and the 4th of the 3rd. Products are grouped by anatomical site of action, indication, or composition.

An important point to note about the system is that products are classified, not molecules. “Product” is defined as a pack or unit that can be dispensed, prescribed, etc. The products are classified according to their main therapeutic indication. Each product is assigned to one category. There is no apportionment of sales by usage, such as Diagnosis Value.

In order to create a new category within the system, there must be a compelling need for a new category and a product with an approved indication launched in one country, and a second or similar substance is in pre-registration and therefore expected to be launched soon after. A one-product class will never be created. Classes can be approved in anticipation of the criteria being fulfilled at the time of implementation of the new class. New classes can be suggested by EphMRA/PBIRG members, non-EphMRA/PBIRG members, or the Committee. The proposals should be clearly stated and the impact of the change to the system should be outlined. The proposal is carefully reviewed by the entire Committee, which consults with appropriate member companies and sometimes with medical opinion leaders. The responsible Committee member finalizes the proposal. The finalized proposal with background information is sent out to the full EphMRA/PBIRG membership for voting in the Spring.

(See section **Rules of Classification** further in this brochure for more detailed information.)

Voting Requirements

- Only full members may vote
- Each member company is entitled to one vote. Only one vote will be counted for each company.
- The company can choose to vote with either EphMRA or PBIRG.
- A “company” is defined as a corporate entity. In other words, one vote per corporation, regardless of the number of affiliates or subsidiaries (unless any are separate corporate entities).
- The proposals need the approval of a 2/3 majority of the voting companies to pass
- If a 2/3 majority is not reached, a second count is made of interested companies
- If 2/3 of the actively involved companies approve, the class is approved

If the proposal is accepted, a Committee member is assigned to reclassify each pack of each product. The change is implemented in the first audit of the New Year.

Committee Membership

The Anatomical Classification Committee consists of market researchers in EphMRA-member companies in Europe plus one member from PBIRG. The PBIRG representative is the Chair of the PBIRG Classification Committee, alternatively, the Vice-President of Secondary Research. IMS is also represented on the Committee as a non-voting member. A member from Asia/Japan would also be welcome. The primary qualifications for membership are knowledge of the international pharmaceutical market and experience with the databases. Each member has the primary responsibility for one or more therapeutic categories. The most important goal is to have a specialist for each therapeutic area. Another goal is to have different countries represented on the Committee.

Members are notified of the classes of product launches in their assigned categories, and these must be reviewed for correctness. Each member also has the primary responsibility for any restructuring of the assigned categories. All requests for change of individual products must be reviewed by the entire Committee in order to approve the change.

The Committee meets four times each year for approximately two days. Since a different member of the Committee hosts each meeting, the location of the meeting rotates around member countries. It is the responsibility of the hosting Committee member to organize a venue and the logistics, and to provide a meeting room. EphMRA does not fund Committee members. Representatives of pharmaceutical companies and data suppliers may come to present their issues at our working sessions.

Please contact your local country member, if available, or the Chairperson of the Committee for any requests for change of classification. See Appendix for directory of Committee members.

Rules of Classification

A. Structure of the Anatomical Classification System

In the Anatomical Classification System, products are divided into different groups according to anatomical site of action, their indications, therapeutic use, composition, mode of action, etc. Products are classified in groups at 4 different levels. There are main groups (1st level), and then 2nd, 3rd, and 4th levels. The 2nd, 3rd, and 4th levels are used to identify pharmacological subgroups if that is considered more appropriate than a therapeutic subgroup.

The following scheme illustrates the complete classification of a product:

C Cardiovascular System
(1st level, anatomical main group)

C10 HYPOLIPIDAEMICS/ANTI-ATHEROMA PREPARATIONS
(2nd level, therapeutic main group)

C10A CHOLESTEROL & TRIGLYCERIDE REDUCTION PREPARATIONS
(3rd level, pharmacological/therapeutic subgroup)

C10A1 HMG-CoA reductase inhibitors
(4th level, chemical/pharmacological/therapeutic subgroup)

For the purpose of the Anatomical Classification, a product represents a discrete pharmacological pack or unit that can be dispensed, prescribed, purchased, etc. So, the 10mg 90-tablet pack of LIPITOR is per definition a product. The 2nd level is used to regroup several classes together, in order to classify according to:

- a) indication (e.g., B1 antithrombotics)
- b) therapeutic substance group (e.g., J1 antibiotics)
- c) anatomical system (e.g., S1 ophthalmologicals)

The **2nd level** should enable the creation of the cascade classification. Therefore, before creating a new second level, all existing possibilities of classification should be analyzed. There could be cases where it is necessary to create a 2nd level without a cascade to 3rd or 4th level. However, these cases should be kept to the minimal extent possible.

The **3rd level** describes a specific group of products within the 2nd level. This specification can be a chemical structure (J1D cephalosporins) or it can describe an indication (N2C antimigraine) or a method of action (A3F gastroprokinetics).

The **4th level** gives more details of the 3rd level (formulation, chemical description, mode of action, etc.)

B. Main Principles of Classification

The basic principle is that there is only one Anatomical Classification code allocated to a product/pack.

The guiding principle is to achieve consistent classification for products so that a product is classified in the same category in all countries. However, there are occasions where it would not be appropriate to follow this principle. For example, a product in one country can consist of the same substance and have the same brand name as a product in another country but with different indications or substantially different use. Therefore, the class assigned to one of these products could be different from that assigned to the product with the same name in another country.

If one looks at substances, the same substance can be in several products that have a variety of Anatomical Classification codes. For example, naproxen can be classified in N2B (analgesic), M1A (antirheumatic), G2X9 (for gynaecological conditions) or S1R (ophthalmologic use). In other words, these products have different formulations and/or specific strengths with different indications and are clearly different products. These products may have different brand names.

Another example of how a substance will be classified in different classes is provided as follows: It is clear that if a class is called “nitrites and nitrates”, then this is mainly a substance-based class. However, if this is a subclass in the cardiovascular system, a product that is a nitrite but not for use on the cardiovascular system, will not, under normal circumstances, be allocated the code for “nitrites and nitrates.”

Note that some Guideline class descriptions specify some substances as inclusions, e.g, “This group includes...”. This does not mean that the class excludes all other products, unless it is clearly stated as such.

C. Classification of Products

C1 Plain products

Products containing one active substance are defined as plain. Products containing two or more components belonging to the same therapeutic class are defined as plain. For example, if there are two corticoids in one product from the same class, it will be considered as plain.

Products containing auxiliary substances intended to:

- reduce pain at the site of injection (e.g., antibiotics plus local anaesthetic)
- reduce gastro-intestinal discomfort with the active substance (e.g., acetylsalicylic acid plus glycerine)
- modify untoward effects of a substance (paracetamol plus cysteine)
- increase the stability of the product

are also considered as plain products.

C2 Classification of combination products

Products containing two or more active ingredients from different classes are regarded as combination products. Products containing two or more components of the same therapeutic class are classified as plain.

Separate Anatomical Classification System 3rd or 4th levels have been assigned for some important combination groups, e.g., C9B2 ACE inhibitors/Betablocker combinations.

If there is no specific code for a certain combination of substances, then the indications and use take priority in the normal case. In cases where one or more classes would be possible, the default is to the higher level of the Anatomical hierarchy, unless specified otherwise.

Products sold as kits/combination packs include different tablets or forms with different ingredients. Fixed dose products contain the ingredients in one dosage form.

Products sold as kits containing either separate products or different formulations are classified according to the predominant usage. Generally, systemic formulations take priority over topical. However, each kit must be judged on its own merit.

D. Classification of new products

The Classification Committee decides if a product can be classified in a class that already exists. If not, then new groups/classes need to be designed to cater for new markets for which these products are indicated. The new product is classified in the most suitable existing class until another new class is agreed upon. If there is a problem with the classification, e.g., companies object, then the Classification Committee should address this issue.

E. Principles of Anatomical Classification System alterations

E1 General

Conditions

A 2nd, 3rd, or 4th level **new class** can be created when the following conditions are fulfilled when a new substance with an approved indication is launched in one country and a second or similar substance is in pre-registration. This information can be seen in internationally recognized sources like *R&D Focus*, *Pharma Project*, etc. A one-product class will never be created. *See Implementation section next.*

Reasons to Create a new Class

New classes may be created when a current class at 2nd, 3rd, or 4th level needs to be split up as over time new families of products have been introduced, to recognize emerging markets, to reconcile anomalies in the market, or to harmonize with the WHO system.

E2 Procedure

Proposals for new classes (1st, 2nd, 3rd, or 4th level) are presented to the Anatomical Classification Committee by its members and by non-members, or are recommended by the Committee if it sees the necessity for change because of emerging markets or anomalies in the existing system. If a change is requested, full definitions should be supplied. In addition, the Committee keeps in close contact with the WHO to review proposed changes to their ATC system so as to avoid divergence of the two systems.

Any proposed alteration should be supported by the personnel located in the official headquarter company.

The proposals are researched by the Committee and information is sent to the EphMRA and PBIRG members in the early part of the calendar year. The companies vote on these proposals. Special attention is given to those companies who actually have an interest in the new classes. Classes are proposed in anticipation of the criteria being fulfilled at the time of implementation of the new class.

E3 Implementation

The new classes come into effect in the first audit of the following year.

The classes will be created when the majority of the voting companies are in favour of the new proposed classes. If 2/3 of the voting members are in favour of the proposition, then it is fact. If less than 2/3 vote in favour of the new class, then the actively involved box on the voting ballot will be used to determine the outcome. Again, 2/3 of this group must be in favour for the new class to be accepted.

In order for a newly created class to be implemented, there must be two products either on the market or expected in all probability to be on the market within the year of implementation.

E4 Voter eligibility

Only full members of EphMRA and PBIRG are eligible to vote. Members have 6 weeks to return votes.

F. Changes of classification of existing products

Requests for changes to the classification of individual products are reviewed by the Committee at the quarterly meetings. Requests for change can be made at any time during the year to the local IMS country representative, to a country representative on the Committee, to the Committee member responsible for the target therapeutic class, or directly to Chairperson of the Committee.

Change of class because of new or changed indication should be supported by the requesting company with substantial documentation. A new brand name or a suffix can be used in order to indicate the new use of an existing product. An approved labeling indicating a new use can also be taken into consideration for change, if the product name has not been changed. If the change request is made by a local affiliate, the Committee may confirm the request with the headquarters company.

Assignments of a product's class can be changed at any point during the product's first twelve months of market life in that country. This time limit may be extended at the discretion of the Committee. Thereafter, requests for change can be made at any point during the year but are effected in the first audit of the year. The major reason for this is to provide audit users with consistent market definitions during the year. Occasionally international products may be changed immediately at the discretion of the committee. The committee will take into consideration the age of the product, the markets in which the product is active, and the classification level. Changes to the coding of new panels may be made during the first two years of the new panel.

Access to the EphMRA/PBIRG Guidelines

The Guidelines to the Anatomical Classification System describe the types of products included in each class. The Guidelines can be obtained through the PBIRG internet site ([www.pbirg.com/member services](http://www.pbirg.com/member_services)), the EphMRA internet site (www.ephmra.org) or by writing to the General Secretary of EphMRA or the Executive Director of PBIRG.

Bernadette Rogers
General Secretary, EphMRA
Minden House,
351 Mottram Road,
Stalybridge, Cheshire
SK15 2SS
UK
Telephone: [44] 161 304 8262
Fax: [44] 161 304 8104
Email: MrsBRogers@aol.com

Pamela Jackson
Executive Director of PBIRG
PO Box 755
Langhorne, PA 19047
USA
Telephone: [1] 215 337 9301
Fax: [1] 215 337 9303
Email: pjackson@pbirgexec.com

Harmonization with WHO

In the 1970s, WHO adapted the EphMRA system for its own needs. This became the system that the WHO calls the Anatomical Therapeutic Chemical system (ATC). At the present time, the two systems are similar but are designed to meet two different goals. The purpose of the WHO ATC is to meet the needs of teaching, clinical trials, health organizations, and governments. The EphMRA/PBIRG Anatomical Classification system must meet the needs of marketing research and marketing. The WHO ATC classifies substances while the EphMRA/PBIRG Anatomical Classification system classifies products.

In 1991, EphMRA approached WHO to harmonize the systems because of the increasing use of the WHO system by regulatory bodies. The EphMRA Committee and the WHO have been meeting annually since 1991 in order to align and improve the systems. A high level of harmonization has already been achieved.

Comparison of EphMRA/PBIRG Anatomical Classification with WHO ATC

WHO mainly classifies substances according to the therapeutic or pharmaceutical aspects and in one class only. Particular formulations or strengths can be given separate codes, e.g., clonidine in C2A as antihypertensive agent, N2C as anti-migraine product and S1E as ophthalmic product. EphMRA/PBIRG classifies products, as described earlier in this booklet.

The purposes of classification differ for EphMRA/PBIRG and WHO:

The main purpose of the WHO classification is for international drug utilization research and for adverse drug reaction monitoring. This classification is recommended by WHO for use in international drug research.

The objectives of the WHO system are to:

- develop use of the ATC/DDD system as an international standard for drug utilization studies
- stimulate and influence the practical use of the ATC system by co-operating with researchers in the drug utilization field
- establish DDDs for drugs that have been assigned an ATC code

The EphMRA/PBIRG classification has a primary objective to satisfy the marketing needs of the pharmaceutical companies. Therefore, a direct comparison is sometimes difficult due to the different nature and purpose of the two systems.

The aim of harmonization is to reach a “full” agreement of all mono substances in a given class as listed in the WHO ATC Index (1998), mainly at the 3rd level. Whenever this is not possible, or when harmonization of the 3rd level is too difficult, or when harmonization makes no sense (e.g., C2, R3), the second level will be taken as the reference class.

Harmonization is not a simple adaptation of the two systems. Harmonization is clearly an improvement of the existing systems.

In view of the increasing use of the WHO and EphMRA/PBIRG classification systems by national and international authorities and institutions with different objectives, it must be pointed out that markets can be defined in numerous different ways and the systems are not made and maintained for use outside their primary scope. Within this scope it would be opportune to have a harmonized classification. The main benefit would be that all parties involved in a given topic would use the same or comparable definitions

In order to help companies compare the two systems, Isidoro Rossi has prepared a document comparing the two systems to the 3rd level. Contact him for a copy of the document.

Appendix

Committee members

The current Committee members and their respective categories are:

André Boer	D, G
Alice Burstein	N3-N7, P
Nicola Frost	S
Danièle Garrigue	M
Mandy Ilić	C, J
Hans-Christer Kåhre (Chair)	A II-16, B, K, R, T
Isidoro Rossi	A 1-10, H, L
Stephan Stübner	N1, N2

Theresa Ormiston is the IMS representative

All members share the responsibility for V

The responsibilities listed by therapeutic classification are:

Code	Description	Responsible Person
	Classification Committee Chair	Hans-Christer Kåhre
A	Alimentary tract and metabolism	Isidoro Rossi A 1-10 Hans-Christer Kåhre A 11-16
B	Blood and blood forming organs	Hans-Christer Kåhre
C	Cardiovascular system	Mandy Ilić
D	Dermatologicals	André Boer
G	Genito-urinary system and sex hormones	André Boer
H	Systemic hormonal preparations (excluding sex hormones)	Isidoro Rossi
J	General anti-infectives systemic	Mandy Ilić
K	Hospital Solutions	Hans-Christer Kåhre
L	Antineoplastic and immunomodulating agents	Isidoro Rossi
M	Musculo-skeletal system	Danièle Garrigue
N1, N2	Anesthetics, Analgesics	Stephan Stübner
N3-N7	All Other Central Nervous System	Alice Burstein
P	Parasitology	Alice Burstein
R	Respiratory system	Hans-Christer Kåhre
S	Sensory organs	Nicola Frost
T	Diagnostic Agents	Hans-Christer Kåhre
V	Various	All members review

Name	Company	Mailing address	Phone/fax number	Email address
André Boer	Yamanouchi Europe B.V.	Elisabethhof 19 PO Box 108 2350 AC Leiderdorp The Netherlands	Tel: 31 71 545 57 53 Fax: 31 71 545 51 68	aboer.nl@yamanouchi-eu.com Member since 2000
Alice Burstein	Pfizer Pharmaceuticals Group	235 East 42 nd St., 10 th floor New York, NY 10017, USA	Tel: 1 212 573 7431 Fax: 1 212 499 4119	Bursta1@pfizer.com Member since 1995
Nicola Frost	Novartis Pharma AG BU Ophthalmics	WSJ-780.5.20 CH-4002 Basel, Switzerland	Tel: +41 616979849 Fax: +41 616979516	nicola.frost@pharma.novartis.com Member since: 2002
Danièle Garrigue	Laboratoire Cephalon	20 rue Charles Martigny F - 94701 Maisons Alfort France	Tel: +33 (1) 49 81 8113 Fax: +33 (1) 49 81 8202	dgarrigue@cephalon.fr Member since: 2002
Hans-Christer Kåhre Committee Chair	AstraZeneca	PS&L, B.411A, S-151 85 Södertälje Sweden	Tel: 46 8 553 283 10 Fax: 46 8 553 235 00	hans-christer.kahre@astrazeneca.com Member since: 1992
Mandy Ilič	Pfizer Limited	Walton Oaks Dorking Road Walton-on-the-Hill Surrey KT20 7NS England	Tel: 44 1737 330809 Fax: 44 1737 332516	Mandy.ilic@pfizer.com Member since 2002
Isidoro Rossi	Novartis Pharma AG	S-202, 130A Postfach CH-4002 Basle Switzerland	Tel: 41 61 324 6910 Fax: 41 61 324 7572	isidoro.rossi@pharma.novartis.com Member since 1979
Stephan Stübner	Bayer AG	Geschäftsbereich Consumer Care CC-Europa, Building C 151 Marketing/Marketing Research 51368 Leverkusen Germany	Tel: 49 214 30 273 12 Fax: 49 214 30 724 80	Stephan.stuebner.ss@bayer-ag.de Member .since 2003
Theresa Ormiston	IMS Health	IMS Data Services 7 Harewood Avenue London, NW1 6JB UK	Tel: 44 171 393 5428 Fax: 44 171 393 5900	Tormiston@uk.imshealth.com Member since: 1989
Carmen Vega	Mercados y Analysis	Pradillo 54, Madrid 2 Spain	Tel: 34 91 519 0429 Fax: 34 91 416 8496	Cvega@es.imshealth.com Member since 1978

May 14, 2004