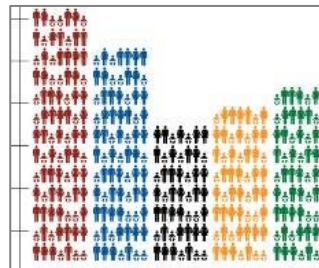
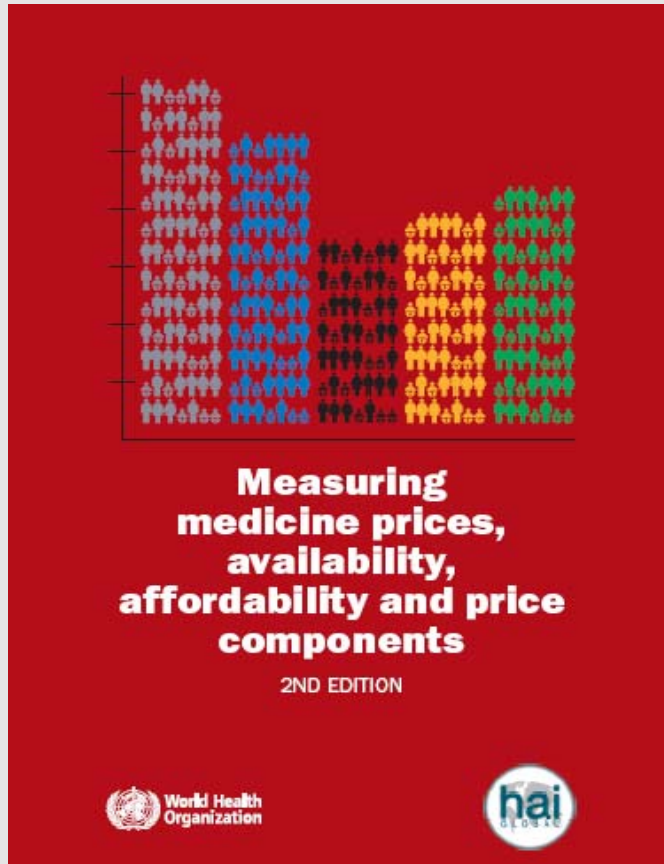


Medicine Prices, Availability and Affordability

Margaret Ewen
Health Action International



WHO/HAI price measurement manual



- Measures medicine
 - prices
 - availability
 - affordability of treatments
 - components in the supply chain
- 1st edition launched WHA 2003
- 55+ surveys undertaken globally
- 2nd edition launched WHA 2008

Survey tools and data: www.haiweb.org/medicineprices

Methodology

Sectors: public, private and others e.g. dispensing doctors, mission sector

Sampling: capital + 5 regions; min 5 facilities/sector/region

Medicines: 50 medicines: global list (14) regional list (16) & supplementary medicines (20).

Strength and dose-form specific, target pack sizes

Types: originator brand & lowest-priced generic equivalent

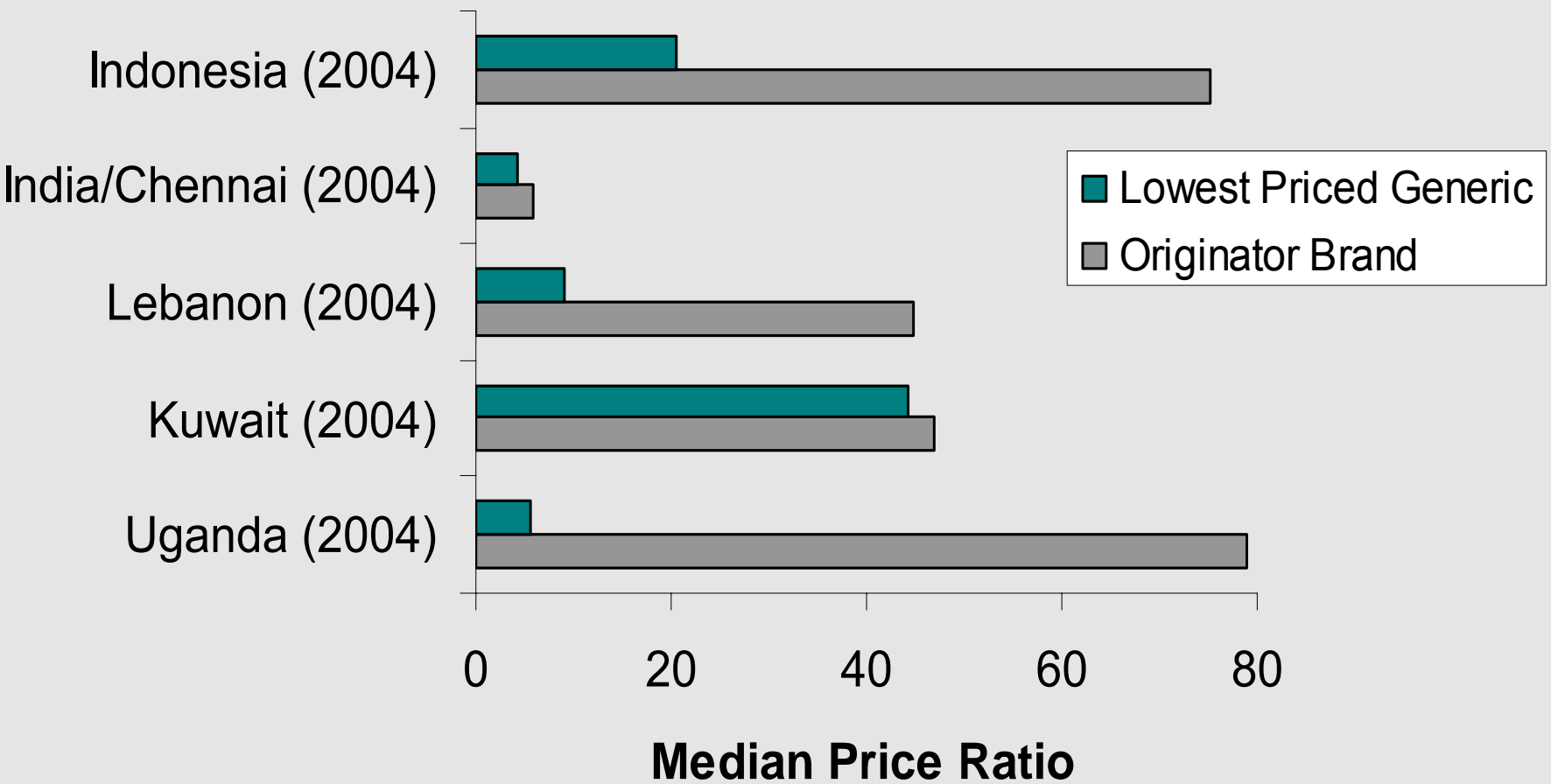
Price components: track charges back from final patient price to the manufacturer's selling price e.g. taxes, mark-ups

Median price ratios, captopril 25mg tab public sector

| | <i>Public sector Procurement price</i> | | <i>Public sector Patient price</i> | |
|---------------------------------|--|--------------|--|-------------|
| | Originator | Generic | Originator | Generic |
| Morocco (2004) | 37.65 | 12.80 | free | free |
| Pakistan (2004) | 3.51 | 0.31 | free | free |
| Indonesia (2004) | - | 1.35 | 21.80 | 1.69 |
| Mongolia (2004) | - | 1.58 | - | 2.89 |
| Tanzania (2004) | - | 0.83 | - | 3.16 |
| Shandong Province (2004) | - | 0.33 | - | 0.23 |

Median Price Ratio – local price compared to MSH *International Drug Price Indicator Guide* price, world market generic procurement price
Public sector: MPR \leq 1 is efficient

Median price ratios, atenolol 50mg tab, private retail pharmacies



I DON'T TAKE CHANCES I ONLY USE ORIGINALS



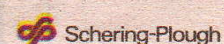
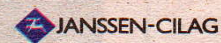
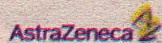
"Tengo *diabetes*,
si mi medicamento falla
podría sufrir *un coma diabético*."

YO NO ME LA JUEGO
uso sólo **ORIGINALES.**

Los medicamentos originales
cuentan con estudios que respaldan su calidad, eficacia y seguridad



Respete la receta médica. Pregunte a su médico o regente farmacéutico cuál es el medicamento original.



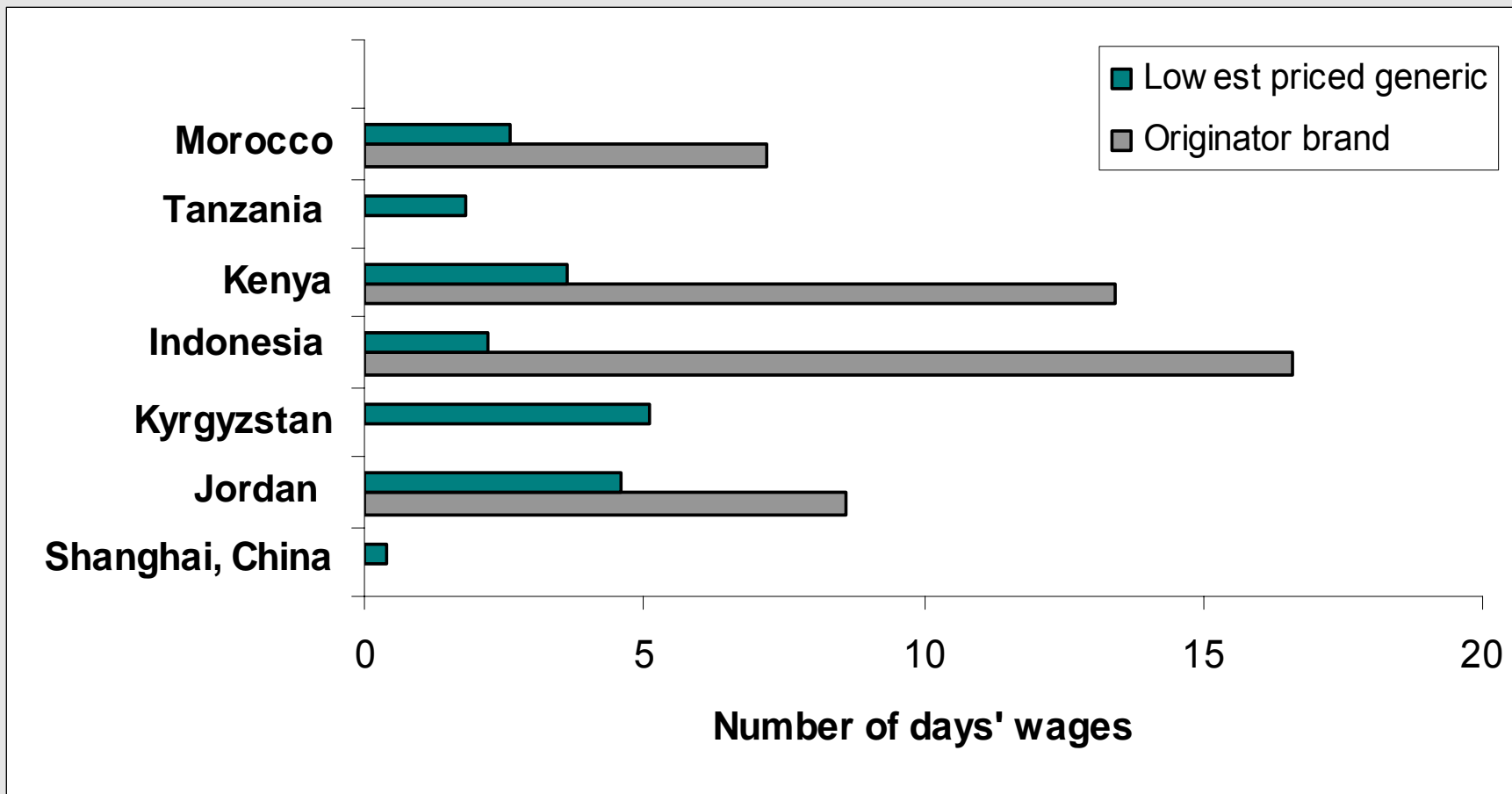
Laboratorios asociados a



Availability: beclometasone inhaler 50mcg/dose

| | <i>Public sector</i> | | <i>Private sector</i> | |
|---------------------------------|----------------------|----------------|-----------------------|----------------|
| | Originator | Generic | Originator | Generic |
| Chad (2004) | 4% | 0% | 18% | 0% |
| Maharashtra (2005) | 0% | 0% | 0% | 10% |
| Mongolia (2004) | 0% | 0% | 0% | 4% |
| Philippines (2005) | 4% | 0% | 2% | 0% |
| Indonesia (2004) | 0% | 0% | 2% | 0% |
| Shandong Province (2004) | 30% | 0% | 25% | 0% |
| Morocco (2004) | 25% | 65% | 5% | 50% |

Affordability: number of days needed by the lowest paid unskilled govt. worker to purchase 30 days treatment, ranitidine 150mg x2 tab/day, from private retail pharmacies



Price components

- Largest contribution to the final patient price varies across countries, sectors and medicines (imported or locally produced, originator brand or generic). In some cases it's the manufacturer's selling price; in others it's add-ons in the supply chain.
- Price components - cumulative effect from manufacturer's selling price. Range from 28% to over 700%
- Large mark-up on a low priced generic can result in a lower final patient price than a small mark-up on a high priced product
- Taxes and other government charges are often applied to medicines e.g.
 - Tajikistan 20% VAT
 - Sudan total government charges 20%; includes 10% customs duty, 1% Ministry of Defense duty, 1% pharmacy career fee & other charges

Policy options

- Purchase low priced quality generics for off-patent medicines and pass these prices on to patients
- Permit generic substitution and create incentives for their dispensing in the private sector
- Patented medicines – equitable prices, use the flexibilities of trade agreements to introduce generics while a patent is in force
- Aid generic competition eg fast-tracking, waive registration fees

Policy options

- Stop taxing essential medicines and control pharmacists remuneration – linked to service not value of medicine
- Where there is little competition, consider regulating prices - from manufacturers' selling price to margins in wholesale and retail.
- Educate doctors and consumers on the availability and acceptability of generics, and publicise the price of generics & the results of quality testing