Medicine Prices Matter

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• Measures medicine
  - prices
  - availability
  - affordability
  - component costs

• Revision based on the experiences of 55+ surveys undertaken in all regions of the world
Methodology – what’s new....

**Sectors**: public, private and 2 other sectors

**Sampling**: capital + 5 regions

5 facilities / sector / region

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

**Types**: originator brand & lowest-priced generic equivalent

**Price components**: new guidance on data collection & analysis
New guidance: international comparisons, policy options, advocacy and regular monitoring

CD ROM: expanded workbook & new resources e.g. training material, survey report template

Regional workshops on new manual & tools, and policy issues arising from the surveys

• September 2008: Anglophone Africa
• Other regions in 2008 / 2009

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

**Availability** calculated as number of facilities having that product on the day of data collection

**Price** calculated as Median Price Ratio (MPR) local price compared to MSH *International Drug Price Indicator Guide* price, world market generic procurement price.

*Data charts*: 43 surveys, 15 medicines found in at least 80% of these surveys, prices adjusted for MSH price & inflation/deflation
Public sector patient prices

• Many countries medicines free but availability often very poor

• Where patient pays, even cheapest generics can be expensive e.g. in the Western Pacific Region the median price was about 12x international reference prices

• Good procurement prices are not always passed on to patients e.g. Khartoum State 500%, Chad 300%

• In some countries, public sector prices similar to private sector prices e.g. Shanghai
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
Price components

• Largest contribution to the final patient price varies across countries, sectors and medicines (imported or locally produced, originator brand or generic)

• Price components - cumulative effect from manufacturer’s selling price

• 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
Challenge: evidence to policy change

WHO/HAI and international pricing policy experts

Developing guidelines on options for policies affecting medicine prices and their impact in various settings:
- map current policies & interventions
- commission policy review papers
- draft policy briefs
- identify research needs
Work in progress

• Measuring affordability
• Total costs for treating chronic diseases
• Data analyses: region, therapeutic group
• Pilot regular monitoring of prices, availability and affordability
• Develop database and website….