Improving Access to Essential Medicines for Mental, Neurological and Substance Use Disorders in Sub-Saharan Africa

Challenge 4: Pricing and Financing

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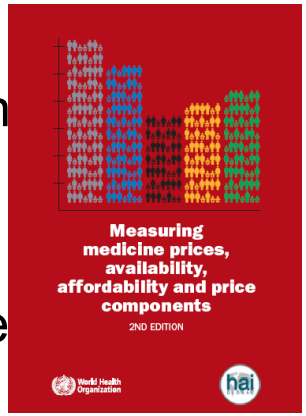
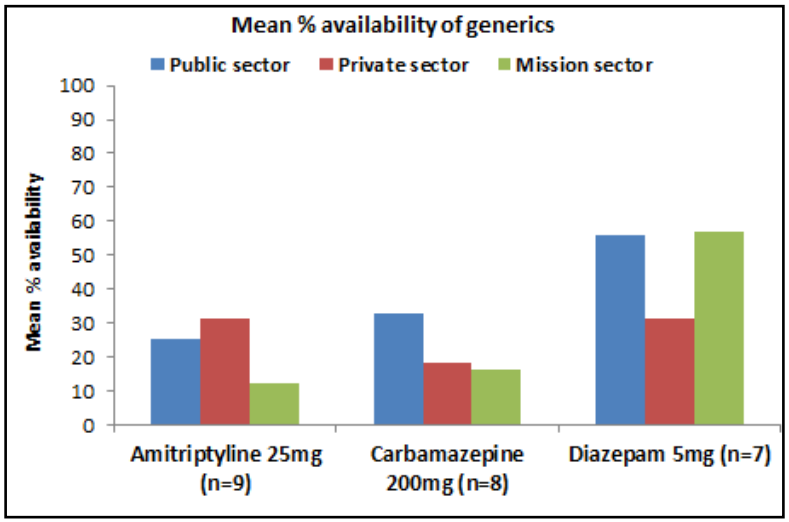
Key challenges: medicine availability, prices, affordability and price components

- We have the methodology to measure this but little is known in Sub-Saharan Africa (and elsewhere)
- Most medicines have been off patent for many years
- Generics available on the international market, often at lowe prices



Availability in outlets

Generally poor, in the public sector and other sectors

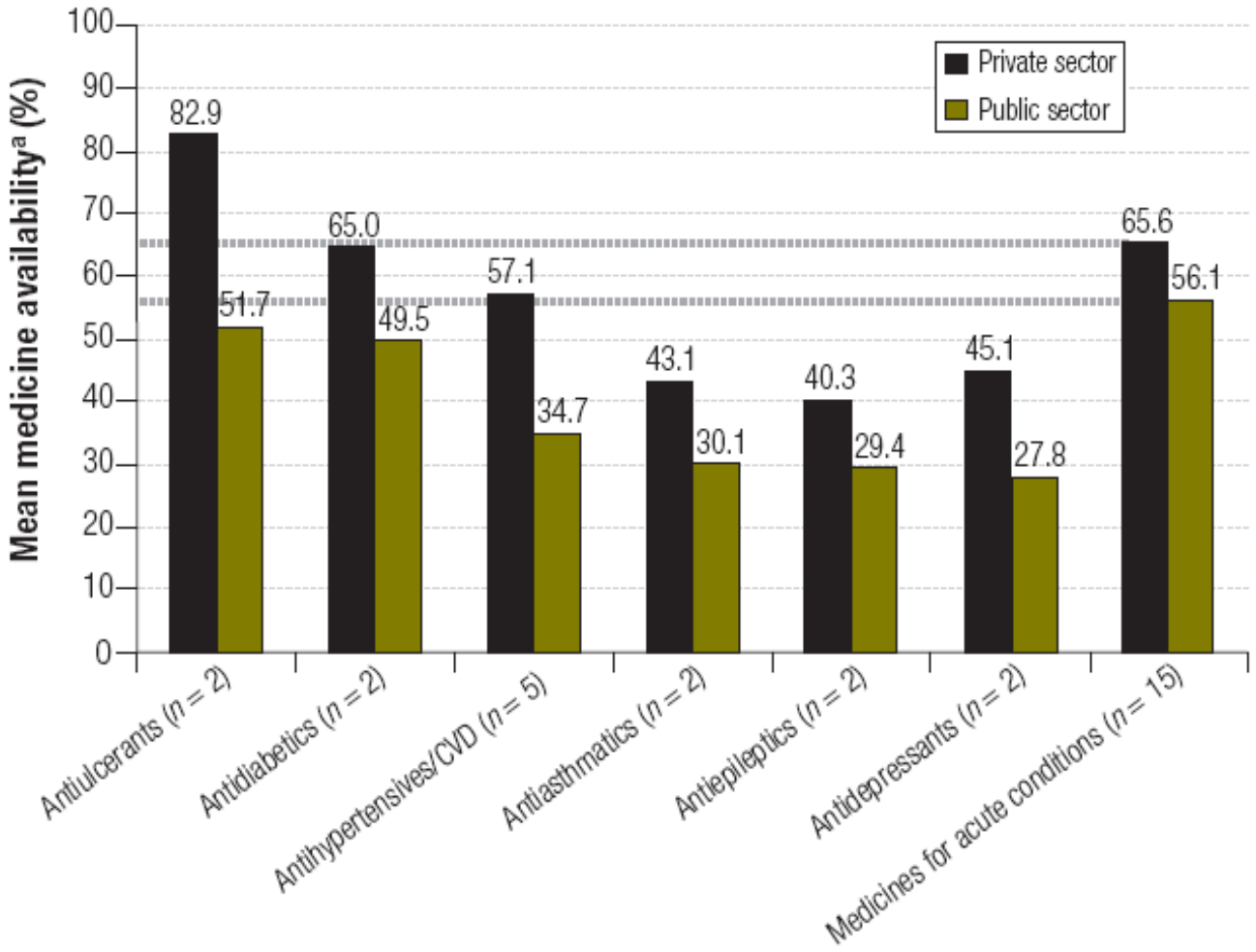


Source: WHO/HAI price and availability database http://www.haiweb.org/MedPriceDatabase/; surveys 2007-2013

Availability

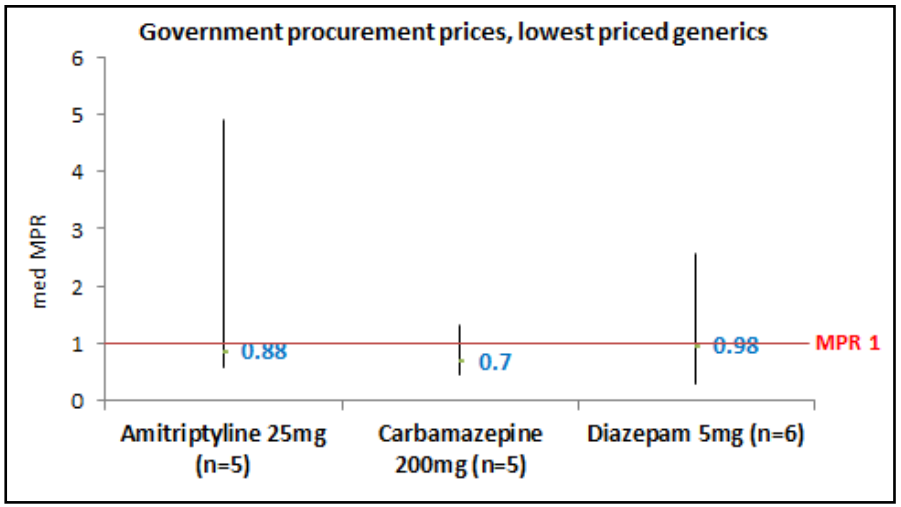
(comparison between acute and chronic conditions across 40 developing countries)

(Source: Cameron et al, *WHO Bulletin* 2011)



Government procurement prices Reasonable for generics but…

- not in all countries
- a few countries buy high-priced originator brands

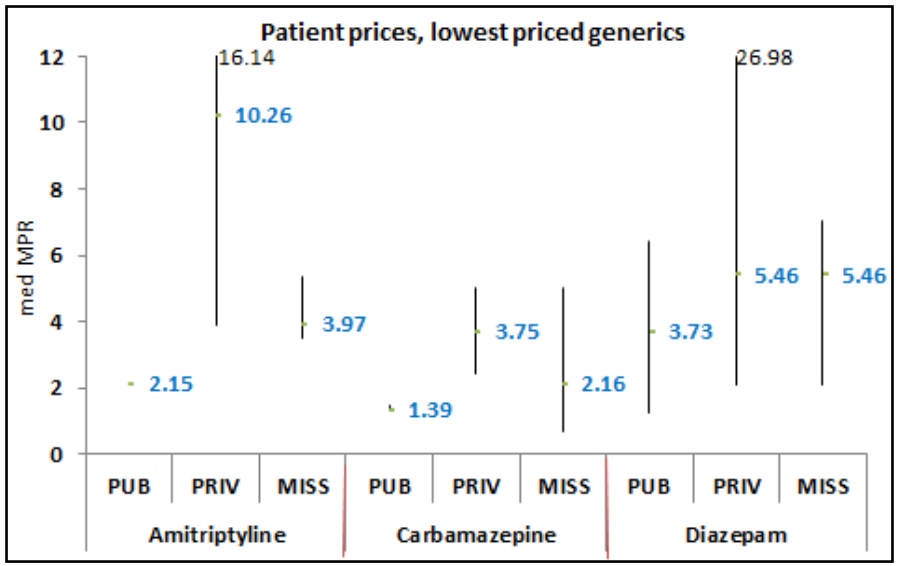


Patient prices

Can be high, even for lowest-priced generics.

Originator brands even higher priced e.g. carbamazepine, private sector, OB 3.2 times the LPG price

Governments do not necessarily pass on low procurements prices to patients - examples of governments charging patients 80-330% more than the procurement price



Affordability

- May be affordable in the public sector but availability is poor, thereby forcing people to the private sector where prices unaffordable

Number of days the lowest paid unskilled govt. worker needs to work to purchase 30 days treatment (90 tab) carbamazepine tab, lowest priced generics:

	Public sector % availability	Public sector affordability	Private sector affordability
Tanzania	38%	0.4 days	1.6 days
DRCongo	5.6%		5.2 days
Burkina Faso	0%		6.4 days originator brand

Price components

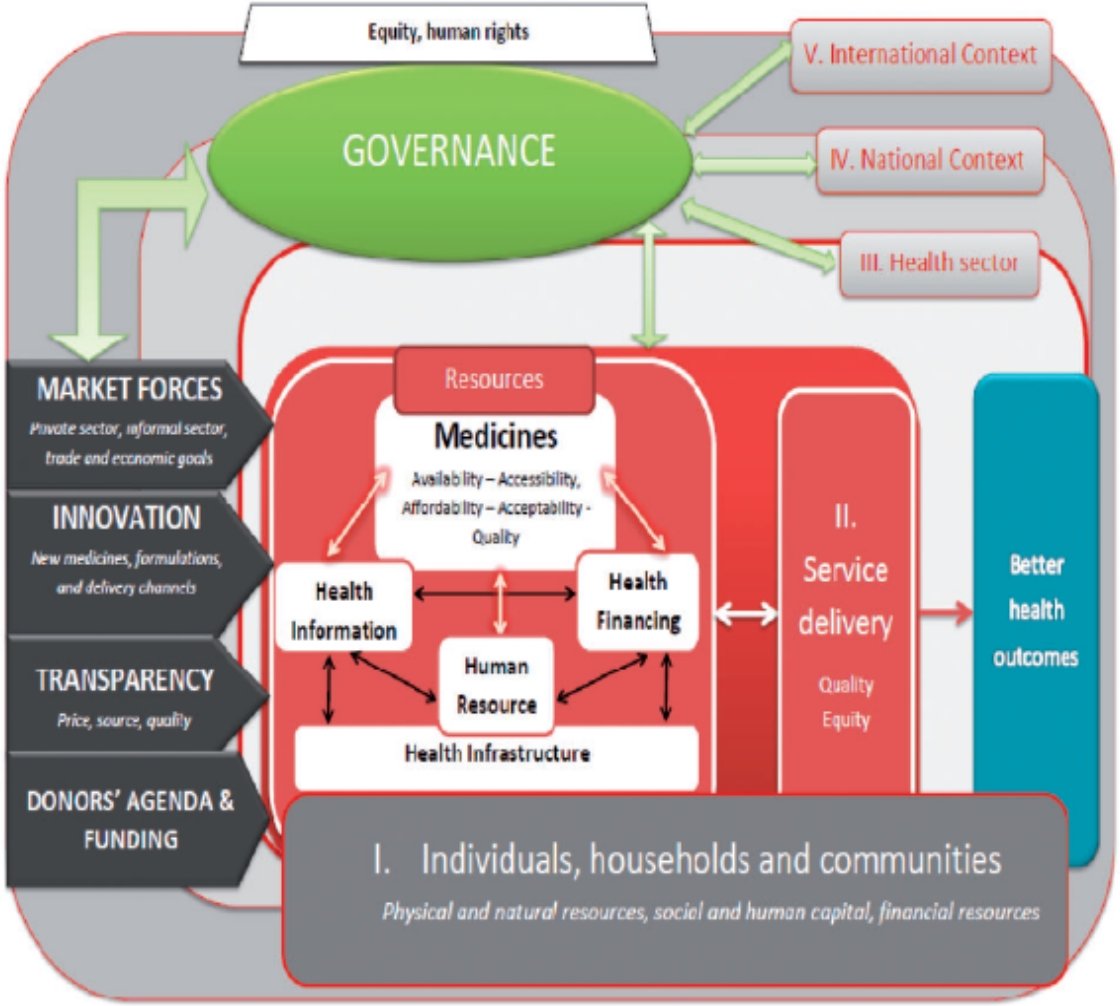
- Virtually no data in SSA countries for medicines for mental/neurological disorders. For medicines in general:
  - Mark-ups: often unregulated and can double the manufacturers selling price. The greatest contribution to the final patient price varies. Tend to be a fixed % so no incentive to dispense lower-priced products.
  - Taxes (VAT, GST): often applied to medicines, can significantly increase prices, regressive, and can reduce utilization particularly by the poor
  - Import duties: can be applied to raw ingredients and finished medicinal products which pushes prices up

From pricing concerns to financing questions

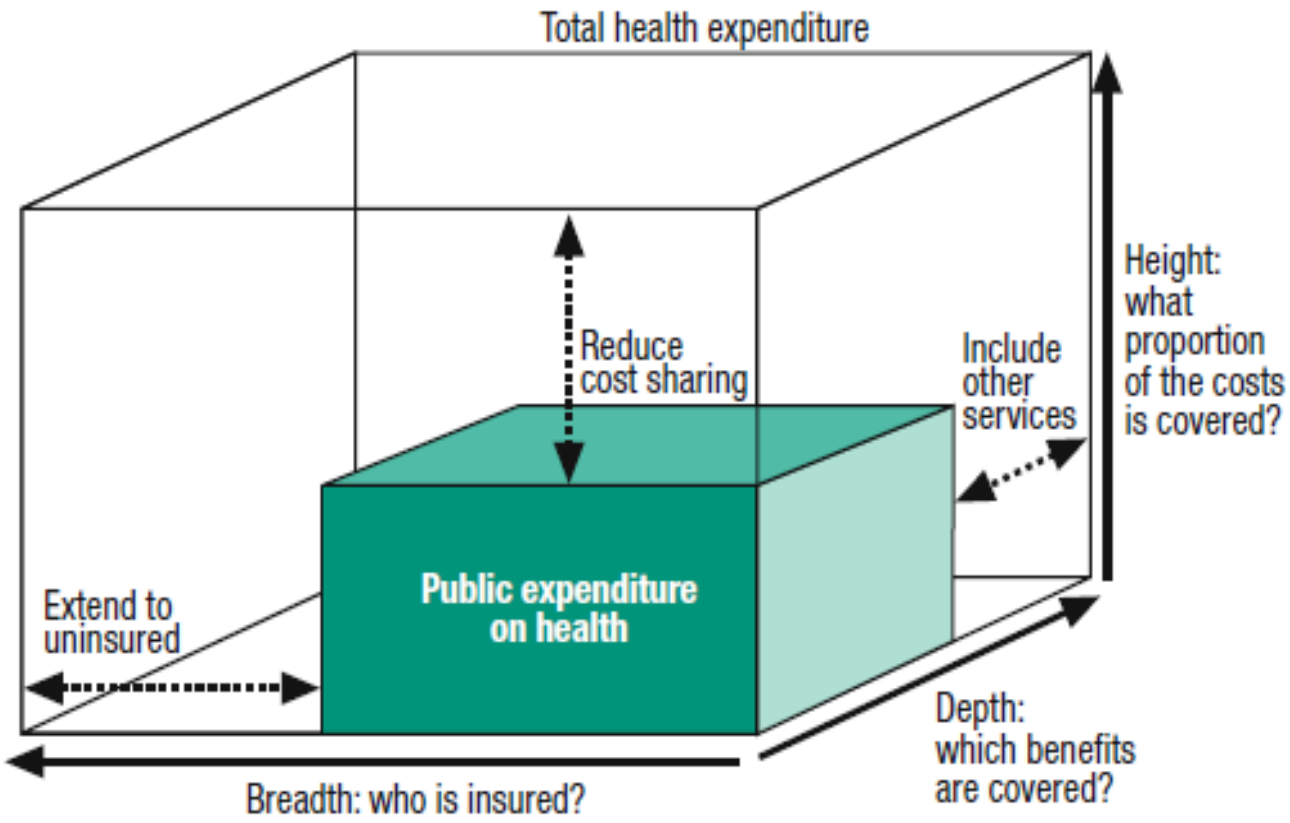
- Pricing – what is the cost of acquiring essential medicines for MNS disorders?
- Financing – how are the costs of these essential medicines paid for (and by whom)?

Framework(s) for access to essential medicines

(Sources: WHO, 2004; Bigdeli et al, *Health Policy and Planning* 2012)



Equitable access and financial protection: pathways to universal health coverage



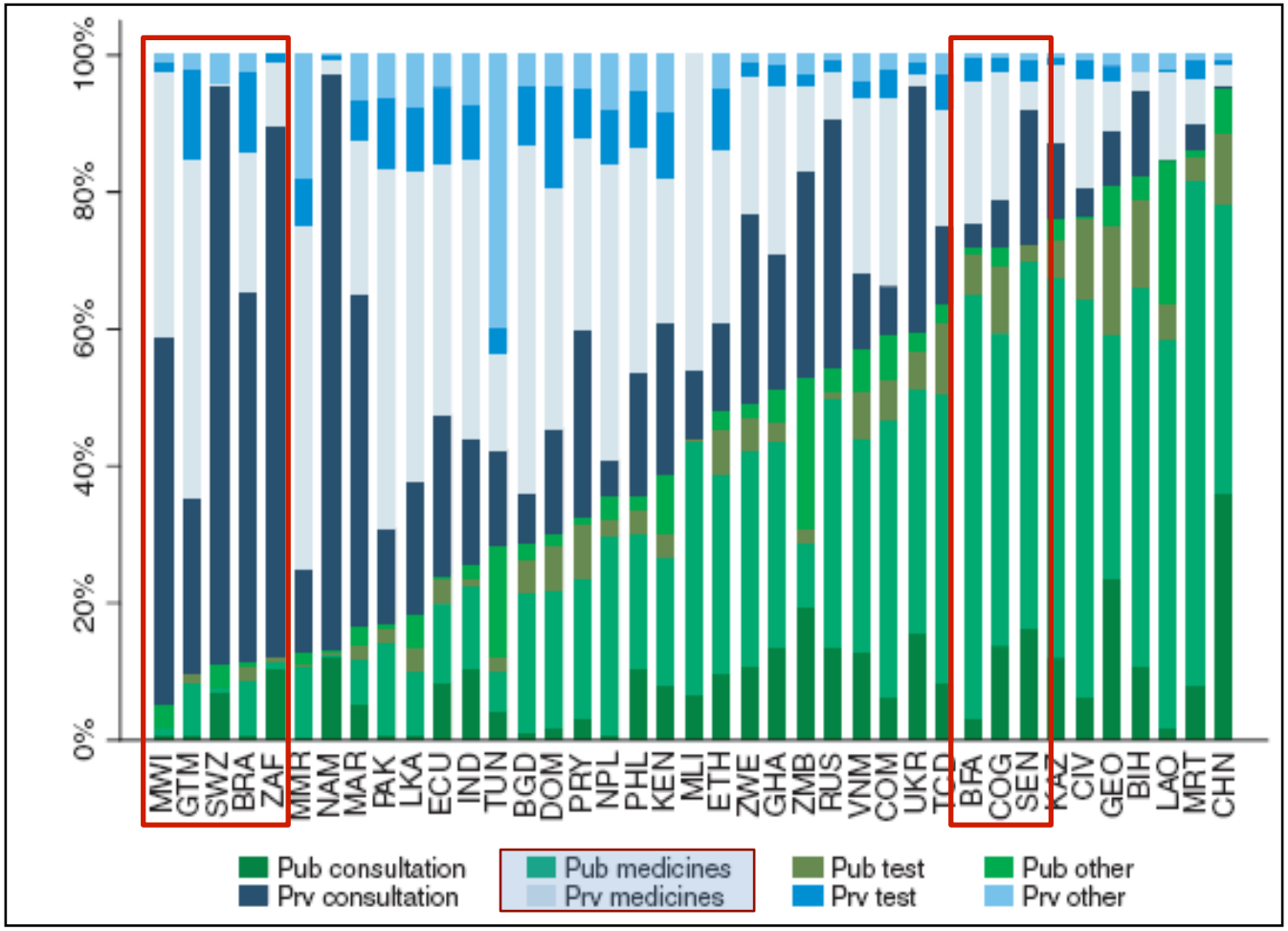
- **The dark-shaded box illustrates what might be the current situation in a country;**
- **The perforated arrows show different ways of moving towards universal coverage.**
- **In reality, moving along one particular dimension is likely to restrict opportunities to move along others**
- **Consequent need for careful consideration of the trade-offs in equity and efficiency implied by a policy decision.**

Source: World Health Report, 2010

Out of pocket spending

(Components of total outpatient OOP, by providers and type of service)

(Source: Saksena et al, *TMIH 2012*)



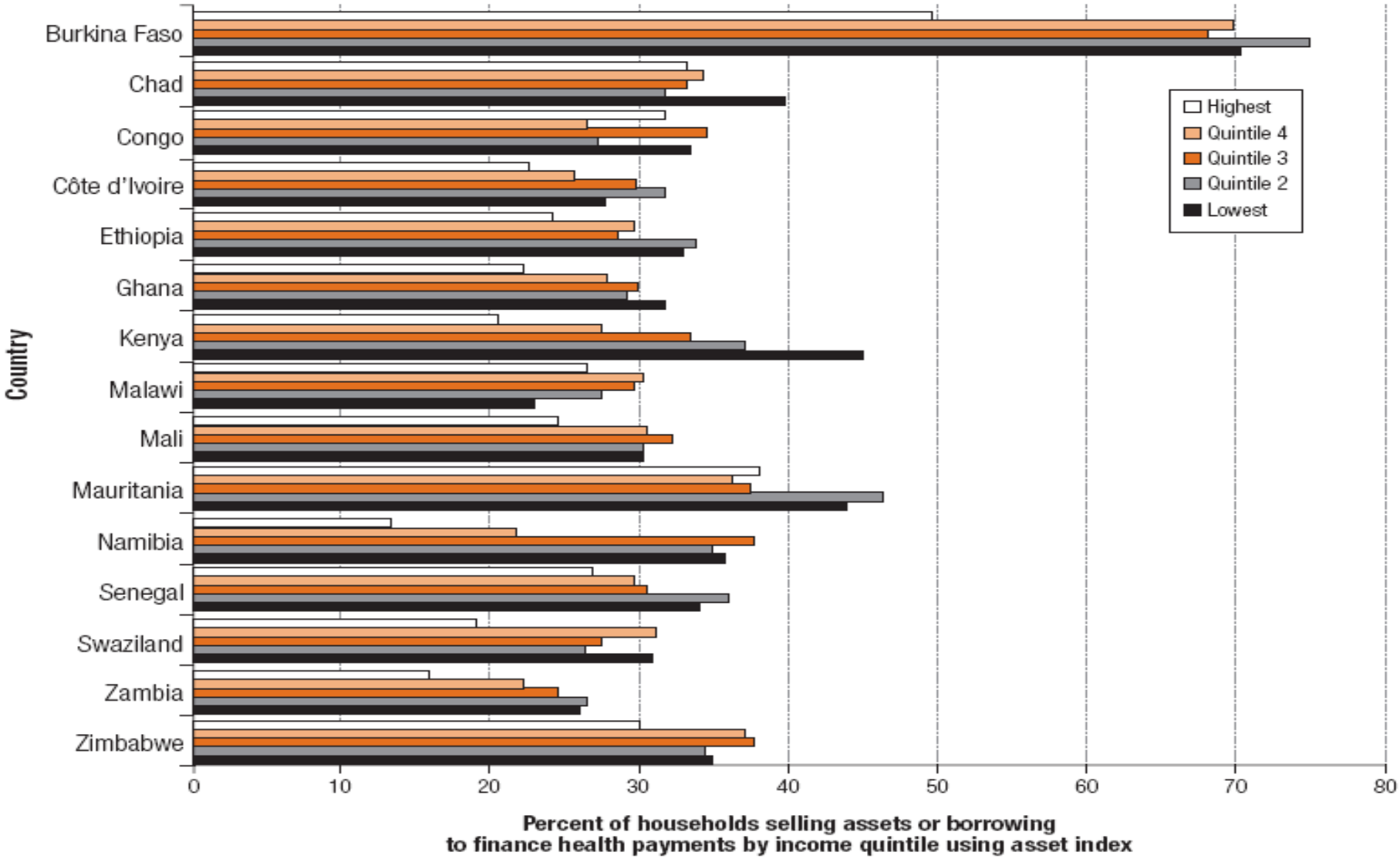
MWI Malawi
SWZ Swaziland
ZAF Zambia

BFA Burkina
COG Congo
SEN Senegal

Out of pocket spending

(Coping with health care expenditure through selling assets and borrowing, by household income level, in 15 African countries)

(Source: Lieve and Xu, *WHO Bulletin* 2008)



Critical challenges and potential solutions

Challenge	Potential solution(s)
Unclear policy, planning and budgeting	• Employ rational selection / prioritisation procedures • Promote / enhance task-shifting approach to treatment • Build on / integrate with existing programmes (HIV, MCH, NCD) • Forecast future medicine (and HR) needs / costs
Inadequate regulation	• Carry out regular quality control and assurance • Assess and react to key cost drivers
Inefficient procurement, supply & distribution	• Monitor availability • Establish drug facility (as done for asthma)?
High prices	• Promote / prioritise low-cost generics (esp. private sector) • Reduce (or remove) tariffs, taxes and mark-ups • Establish reference prices for reimbursement
High OOPs / Inadequate financial protection	• Include essential MNS medicines in reimbursement / insurance schemes / international financing mechanisms • Lower charges or co-payments (esp. for generics)

Conclusion

- Essential psychotropic medicines for psychosis, depression and epilepsy **should be** (i.e. intrinsically are) cheap and should make up only a small proportion of the total cost of treatment

- The fact that in many SSA countries prevailing prices are actually quite high (and unaffordable to many as a result) is down to a mixture of factors including inefficient procurement, inadequate regulation, excessive mark-ups /taxes and waste/corruption.

- Efforts to lower prices and improve affordability need to take a systems approach, starting with better governance, regulation and policy, but also extending to more efficient procurement and distribution as well as the establishment of financial protection measure for the poor and vulnerable.