Pharmaceuticals are a major component of Total Health Expenditure

BRICS: Percentage of Total Pharmaceutical Expenditure of Total Health Expenditure Over Time

Source: NHA 1995-2010
Pharmaceutical Expenditures are Increasing at variable rates

BRICS: Total Pharmaceutical Expenditure Per Capita USD

Source NHA 1995-2010
Increase is occurring even correcting for Purchasing Power Parity

BRICS: Total Pharmaceutical Expenditure Per Capita PPP

Source NHA 1995-2010
Role of Private Sector in Pharmaceutical Expenditures (2010)

- Brazil 79%
- Russia 82%
- India 94%
- China 62%
- South Africa 82%

Source NHA 1995-2010
Other BRICS countries spend between 1% and 2% of GDP on pharmaceuticals.
Lessons from BRICS Experiences with Universal Access to Medicines

• China
  – Long process requiring involvement of politicians, many Ministries and Commissions
  – Eventually decision made that this national health reform should be coordinated by the National Development and Reform Commission a supra cabinet body that also regulated medicine prices
  – Key elements of reform were universal financing through health insurance AND Essential Medicines at national and province level
  – Considerable use of large scale field tests and evaluation activities
  – Initial results impressive at PHC level and in Essential Medicines Lists BUT hospitals still remain a challenge for next phase
Lessons from Brazil

• Recent constitution provides a Right to Health
• History of treating all AIDS patients with a UHC approach is well known
• Less well known is the Farmacia Populares programme that provides INN Generic medicines to all chronic disease patients including diabetes, heart disease, epilepsy and depression for free through public and private sector facilities.
• Actively promote INN generics
Farmacia Populares

- Marketed in street by private pharmacy
- Patients with NCD prescriptions do not pay
- Pharmacies reimbursed at profitable rate
INN Generics receive pride of place in private pharmacies
Young pharmacist strongly supported INN Generics and Farmacia Populares
Even at the Brasilia Airport Generics are promoted
Generic penetration varies across world

Source: IMS Health, MIDAS, Market Segmentation, MAT Dec 2010, Rx only. *Market Segmentation universe
WHO's Position on Generic Medicines

• "WHO not only supports generic products. We aggressively promote them, whether through guidelines for conducting bioequivalence studies or through the prequalification programme.
• Generic products serve public health in multiple ways. In terms of improving access to medicines, price and quality go hand in hand.
• Generic products are considerably less expensive than originator products, and competition among generic manufacturers reduces prices even further.
• Generics serve the logic of the pocket. An affordable price encourages good patient compliance, which improves treatment outcome and also protects against the emergence of drug resistance."

Dr Margaret Chan
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