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PHARMACEUTICALS AND INTELLECTUAL PROPERTY TRAINING SEMINAR

14 March 2012
Pretoria, South Africa

Enhancing access to medicines – Is
access to medicines hampered by IP
protection?

Dr Monwabisi Gantsho
Registrar and CEO: Council for Medical Schemes

Pharmaceuticals and IP: Enhancing access to medicines – Is access to medicines hampered by IP protection?



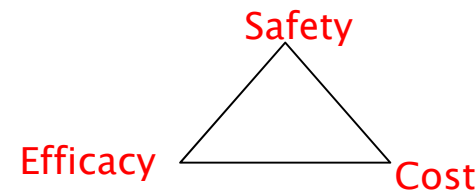
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- ❖ My experience as both a former service provider (medical practitioner), representative of a professional body (SAMA) and a regulator of healthcare funders (Council for Medical Schemes) has always been looking for solutions offering:

- Competitive
- Cost effectiveness



- ❖ The commonly targeted culprits in South Africa by many policy makers are service providers who have a wide range of cost drivers viz.:

- nurses salaries
- transport costs that differ by region
- rents
- leases and the
- price of consumables that varies
- health professionals who charge different rates
- HTA products (devices, biologicals, etc.)

Our focus is on Patients



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Our purpose is to care and cure.

We provide medicines to treat and prevent diseases, ease suffering and improve quality of life.



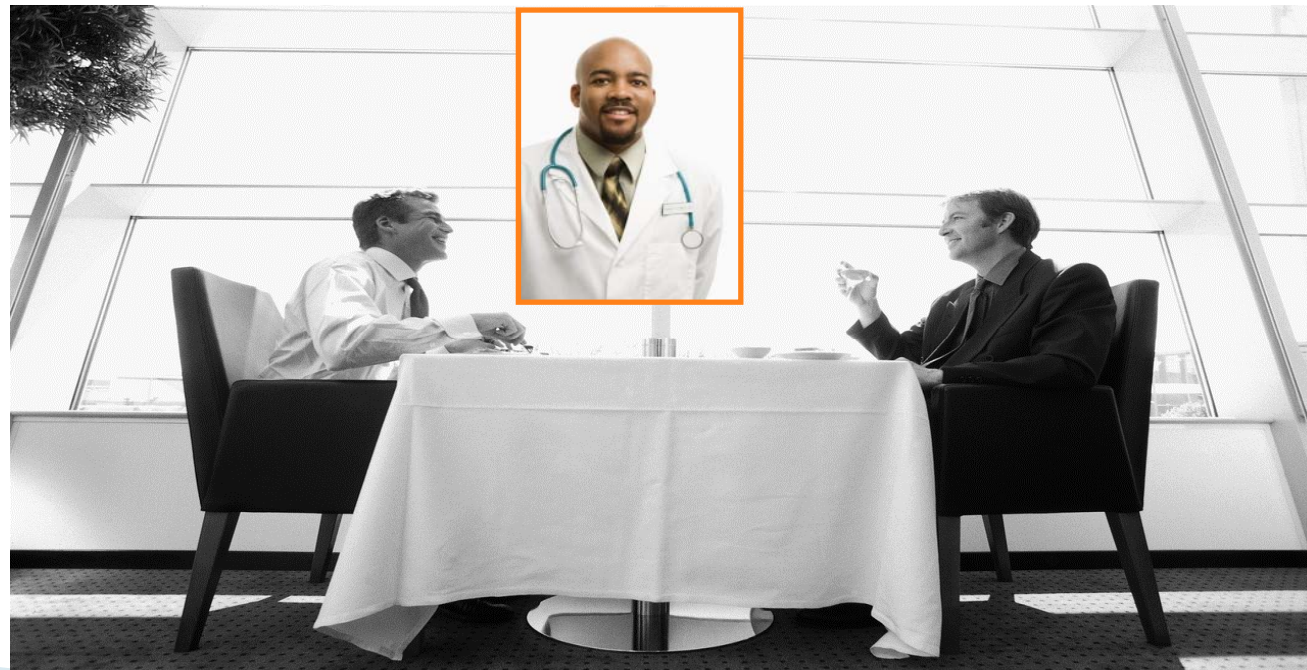
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Patient Need?

Dr Need?

Payer Needs?



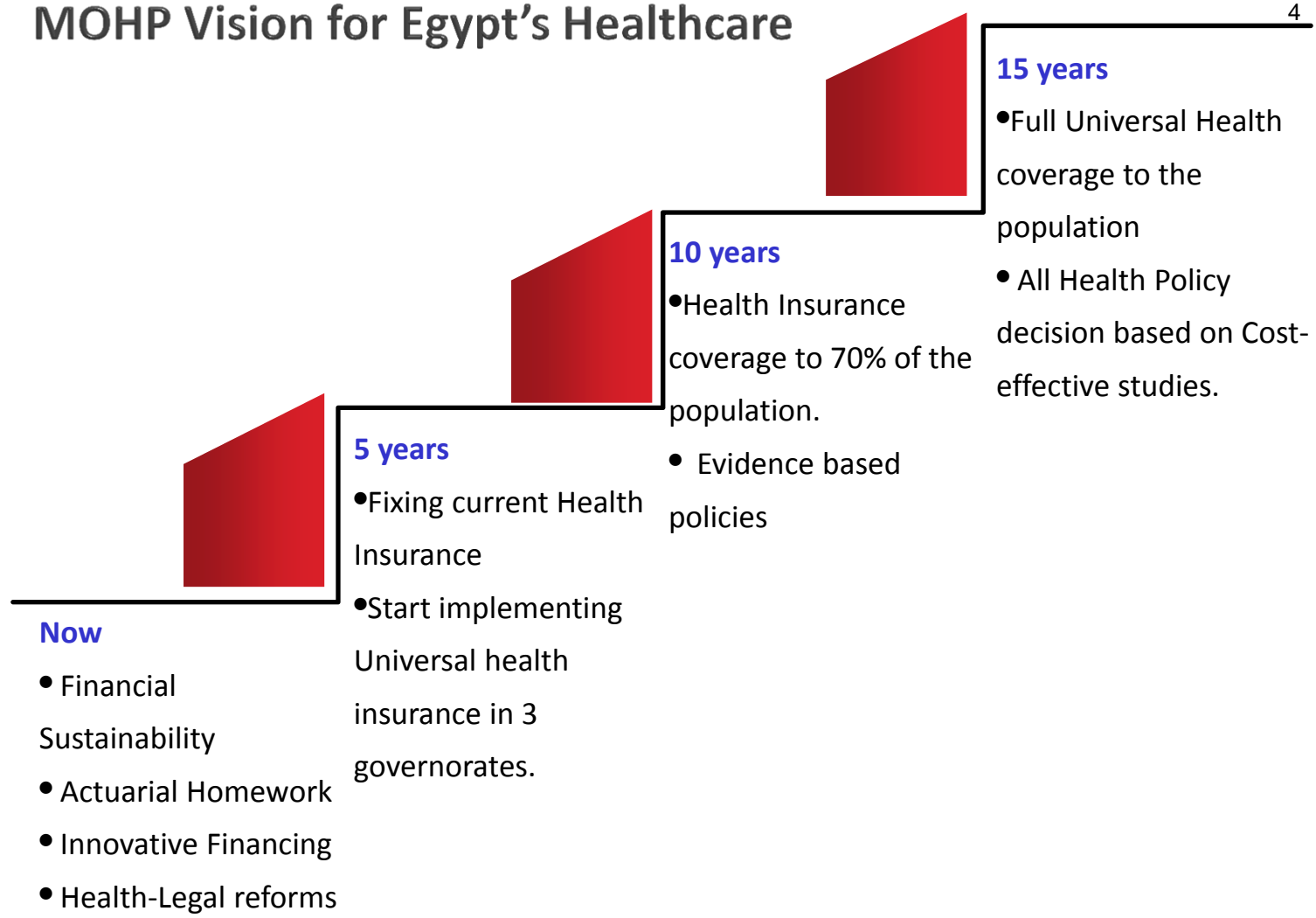


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MOHP Vision for Egypt's Healthcare



Perspective of the Payer



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Previous

patient

prescription

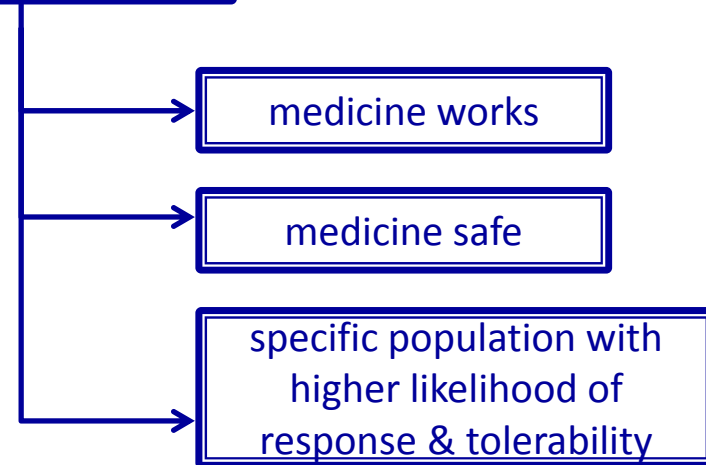
payment

Future

patient

prescription

outcome



=

payment based on performance

Pricing



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- ❑ Pharmaceutical, Biological products & Food supplements
- ❑ Some non-electronic Medical devices (e.g. Intra Uterine Devices,.....)
- ❑ Product Price readjustments.
 1. Licensing of manufacturing facilities.
 2. Registration of Pharmaceutical & non-Pharmaceutical products.
 3. Pricing of Pharmaceutical products.
 4. Control of Imported Pharmaceuticals and their raw materials.
 5. Inspection on the whole Pharmaceutical chain from production to distribution.
 6. Responsible for the Procurement of all governmental pharmaceuticals through a unified system
 - ❖ Hospital Pharmacy Administration
 - ❖ Pharmacovigilance



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- ❑ **Cost-Plus Model:** Which deals with cost of raw materials, industrial expenses, distribution expenses, company and pharmacy profits etc...
- ❑ **Price Referencing Model:**
 - Pricing of innovator (brand) products by:
Setting prices at 10% lower than the lowest price of a list of 36 countries.
 - Pricing of generic products by :
30 % below the public price of the brand product.

Managed Entry Agreements Patient Access Schemes



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- ❑ Optimal generic drug policy – vital importance
- ❑ New medicines:
 - ❖ Promise of differential value (real innovation)
 - ❖ Uncertainty related to some health outcomes
 - ❖ Price premium
 - ❖ Differential pricing for low and middle income countries?



New medicine is becoming increasingly targeted and there are more associated diagnostics to identify response



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Cerezyme
imiglucerase for injection



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How can payers handle uncertain health outcomes?



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- ❑ Delayed reimbursement listing because of uncertain health outcomes
 - delayed access
 - delayed return of innovation
 - + reduced uncertainty of AEs
 - + avoided drug costs

- ❑ Immediate reimbursement despite uncertain health outcomes
 - + early access of patients
 - increased drug budget
 - compromise evidence based health policy
 - uncertainty in health outcomes

- ❑ Risk sharing – performance based reimbursement



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- Optimal use of generic drugs is essential
 - ❖ provides access to majority of patients
 - ❖ has to be first-line therapy for most common diseases
 - ❖ key success factors:
 - drug quality and supply
 - price erosion (efficiency of drug purchasing)
 - compliance and persistence patients (efficiency of drug utilisation)

- Optimal use of innovative medicine is an indicator of health system efficiency
 - ❖ innovative pricing agreements can improve the accessibility of patients
 - ❖ local solutions are needed
 - ❖ innovative pricing has strong health economic elements (calculation of what is the value based price locally)
 - ❖ investment into health economics helps to make better decision



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THANK YOU

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