

ARMENIA

PRICES AND AFFORDABILITY OF MEDICINES

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PROBLEM

Lack of access to medicines is an important challenge for the Armenian pharmaceutical policy. Due to lack of Government funding patents forced to purchase the majority of medicines out-of-pocket. Reimbursement system only covers some vulnerable groups (some social groups and patients with certain diseases). There are no legal or regulatory provisions affecting pricing of medicines. High prices are one of the main reasons of a low affordability of medicines and treatment.

Approximately one third of the Armenian households surveyed in 2008 did not get a recommended service after they contacted the health system, for medicines, 35% of those who did not get a recommended service failed to do so "because of finances". In August 2009, 21% of households reduced or stopped buying the medicine they required.

OBJECTIVES

- to measure and evaluate prices of some essential medicines,
- to assess the cost of treatment for some patients with wide-spread diseases (adult respiratory infection, hypertension, asthma and so forth).

METHODOLOGY

Survey, analysis, price comparisons. Data on prices for more than 50 medicines (all brands and generics available on the local pharmaceutical market were covered) were collected in June and December 2007- 2010 from 30 community pharmacies located in different regions of Yerevan (the capital of Armenia).

RESULTS

1. Medicines Prices

The prices of the great majority of products increased during the period of time from June 2007 by December 2010. Significant price increases were found for some medicines.

Figure 1: Prices of selected medicines, June 2007 – December 2010 (1)

Figure 2: Prices of selected medicines, June 2007 – December 2010 (2)

During this period of time fluctuations of prices with their high increase for certain observed dates were identified for some medicines.

Figure 3: Fluctuations of prices, June 2007 - December 2010

2. Affordability of originator brand products/brand name generics versus the lowest-priced generics

Very large differences in prices of the originator brand products (and brand name generics) and the lowest-priced generics lead to different affordability of these products.

Figure 4: Prices of originator brand name products/brand name generics versus the lowest-priced generics, 2010

The number of days the lowest-paid government worker needs to work in order to be able to pay for a standard course of treatment for some wide-spread diseases. For selected diseases results were the followings:

Asthma (salbutamol, one inhaler of 200 doses) - 2.8 days if originator brand product is used, and 0.85 day for the lowest-priced generic;

Arthritis (diclofenac, 50 mg capsule or tablet) - 10.8 days and 0.78 day, correspondingly;

Acute respiratory diseases (amoxicillin+clavulanic acid 625mg tablet) - 4.3 days and 3 days; correspondingly;

Depression (amitriptyline 25 mg capsule or tablet) - 1.7 day for the lowest-priced generic

* The originator brand product was not available.

Hypertension (perindopril 5mg tablet) - 3 days for originator brand product.

* The generic product was not available.

Figure 5: Affordability of therapy with selected medicines - originator brand name products/brand name generics versus the lowest-priced generics, 2010 (30 days supply expressed in days' wages of the lowest paid government worker)

Figure 1

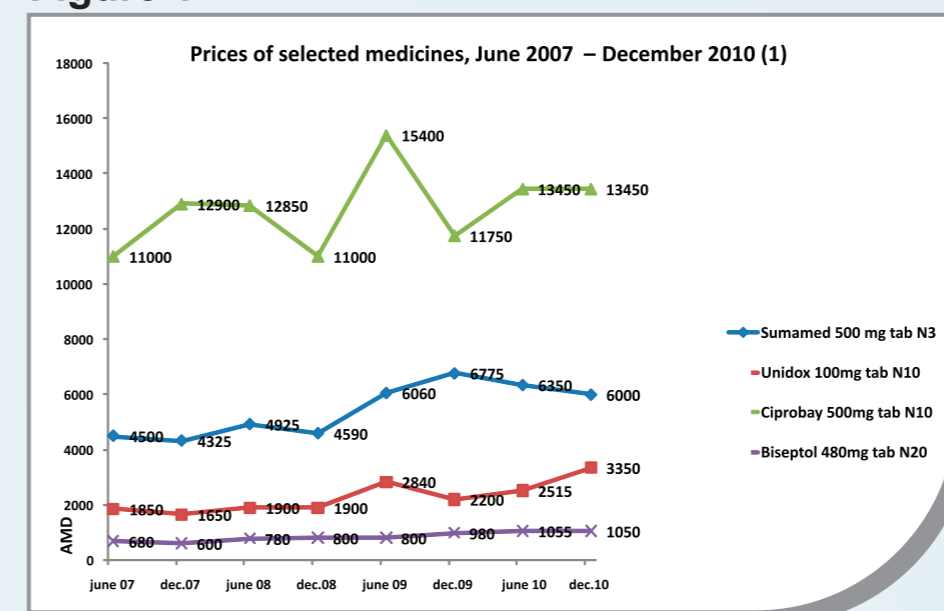


Figure 2

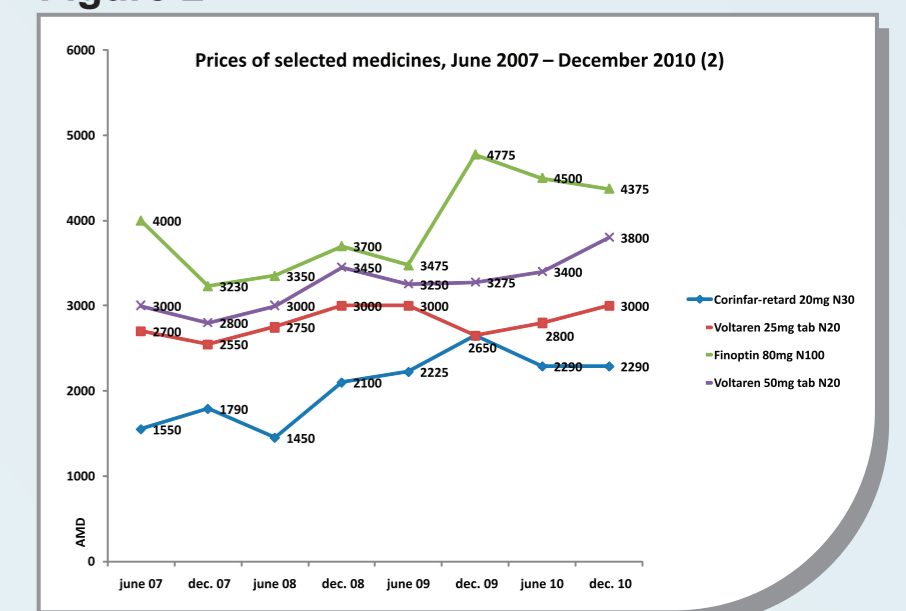


Figure 3

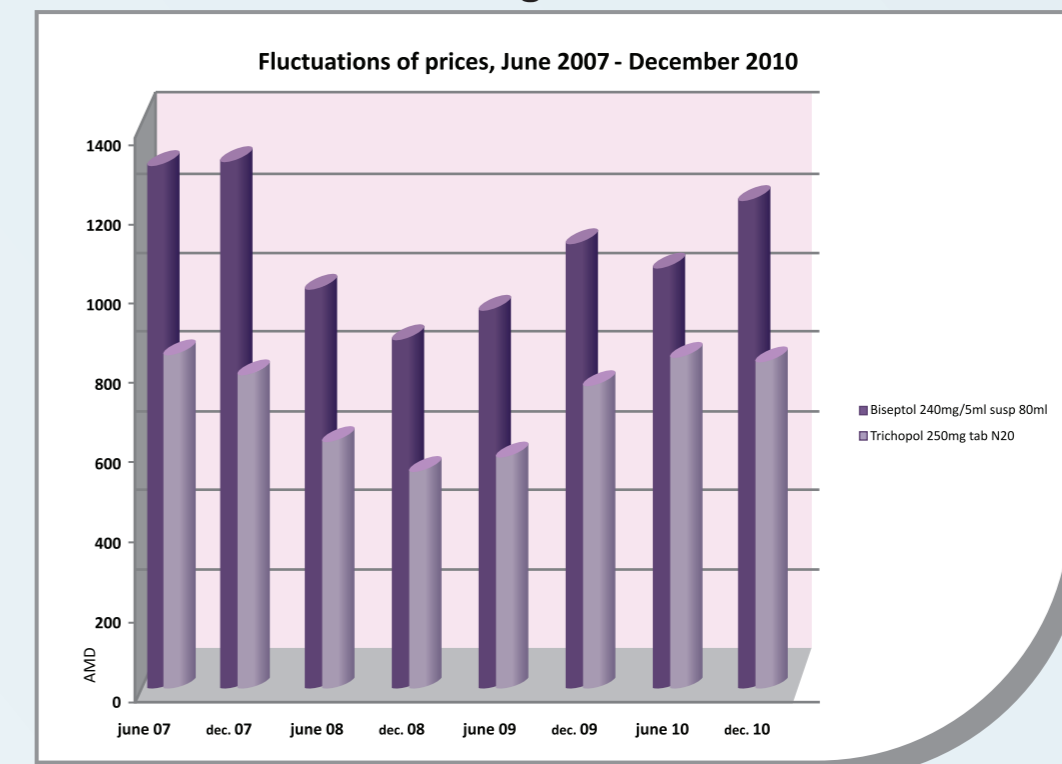


Figure 4

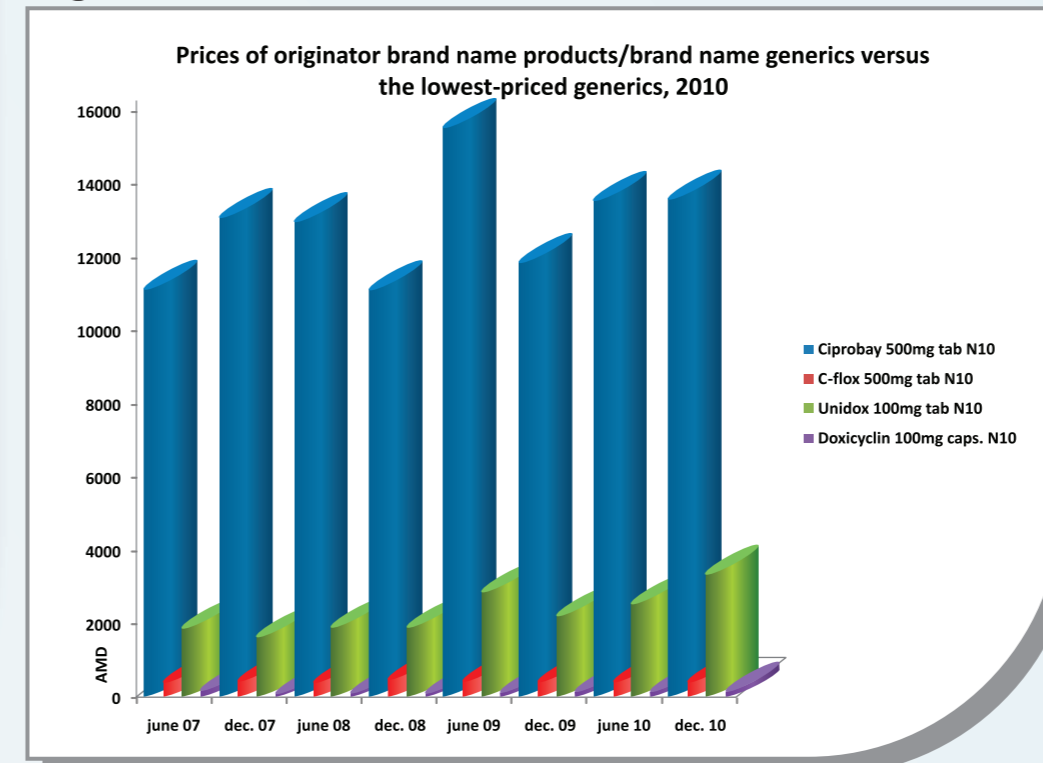
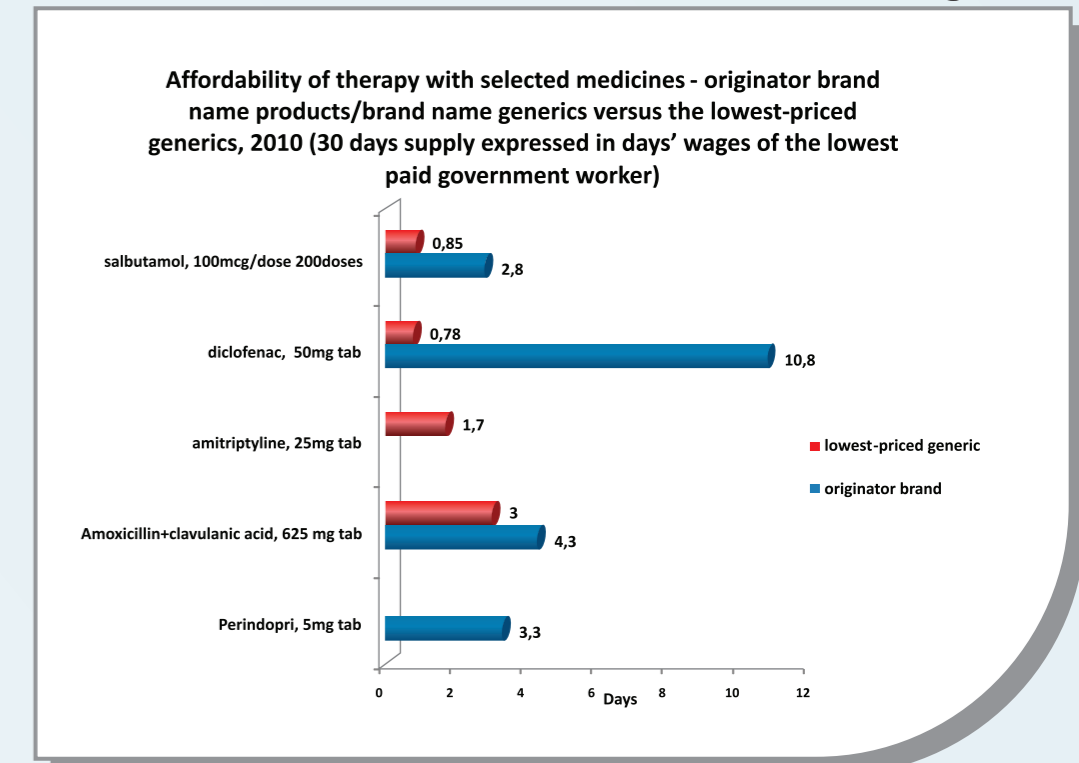


Figure 5



CONCLUSIONS AND RECOMMENDATIONS

There is a trend of medicines prices increase in Armenia for the period of time from June 2007 to September 2010. A lack of medicines affordability is clearly observed. There is a large differences in prices of the originator brand products (and brand name generics) and the lowest-priced generics.

Policy on medicines pricing should be reconsidered and appropriate strategies intended for reducing medicines prices should be introduced for improving the situation. Establishing a medicine pricing unit at the Ministry of Health would lead to creating the possibility for providing the constant attention to this issue, speeding the process of developing and introducing a new policy on price regulation and its evaluation.

The following strategies could be considered as leading to price control:

- regulating markups in the supply chain,
- regulating ex-factory prices for locally produced products,
- introducing Drug and Therapeutic Committees at Medical establishments,
- developing and introducing Clinical guidelines which could allow to increase affordability of treatment.
- training in the area of rational medicines use at post-graduate level could be very beneficial.