



Measuring medicine prices, availability, affordability and price components

2ND EDITION



World Health
Organization



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CD-ROM

Please refer to the accompanying CD-ROM for the full text of the manual in .pdf format, the automated data workbooks and other survey tools, resources and background materials.

Abbreviations

ATC	Artemesinin-Based Combination Treatment
AIDS	Acquired Immunodeficiency Syndrome
ARVs	Antiretrovirals
CIF	Cost, Insurance and Freight
CMS	Central Medical Stores
CPI	Consumer Price Index
CSO	Civil Society Organization
DDU	Delivered Duty Unpaid
DFID	Department for International Development (UK)
EML	Essential Medicines List
EXW	Ex-Works
FOB	Free on Board
GDP	Gross Domestic Product
GST	Goods and Services Tax
HAI	Health Action International
HIV	Human Immunodeficiency Virus
ID	Identification
INF	Insurance and Freight
IUD	Intrauterine Device
INN	International Nonproprietary Name
IRP	International Reference Price
Km	Kilometre
LoC	Letter of Credit
LPG	Lowest-Priced Generic
MDGs	Millenium Development Goals
MPR	Median Price Ratio
MeTA	Medicines Transparency Alliance (UK)
MoH	Ministry of Health
MMV	Medicines for Malaria Venture
MRP	Maximum Retail Price
MSF	Médecins Sans Frontières
MSH	Management Sciences for Health
MSP	Manufacturer's Selling Price
NA	Not Available
NEML	National Essential Medicines List
NGO	Nongovernmental Organization
NMP	National Medicine Policy
OB	Originator Brand
OCP	Oral Contraceptive Pill
PBS	Pharmaceutical Benefits Scheme (Australia)
PHARMAC	Pharmaceutical Management Agency (New Zealand)

PPP	Purchasing Power Parity
THE	Total Health Expenditure
USD	U.S. Dollar
VAT	Value Added Tax
Vs	Versus
WHO	World Health Organization

Foreword

Access to essential medicines is part of the fulfilment of the right to the highest attainable standard of health (in short: the right to health). So why do millions of people across the globe go without the treatments they need? The reasons are now becoming clearer – and the price and availability of medicines to those who need them are crucial factors. Prices for poor people are simply too high and products are often not available. This may not be news to the sick and poor, but it has been news for those whose responsibility it is to ensure the health of citizens.

In 2001, the World Health Assembly passed resolution 54.11 which requested the Director-General “*to explore the feasibility and effectiveness of implementing, in collaboration with nongovernmental organizations and other concerned partners, systems for voluntary monitoring drug prices and reporting global drug prices with a view to improving equity in access to essential drugs in health systems, and to provide support to Member States in that regard.*”

The first edition of *Medicine prices – a new approach to measurement* was published in 2003 as a working draft for field-testing and subsequent revision. Since then, more than 50 medicine price and availability surveys have been conducted in all regions of the world, using the recommended standard method. The results have exposed many problems of poor access to medicines, for example, people having to work 15 days or more to afford one month’s treatment for a chronic disease; important medicines simply not being available locally to patients; governments not passing on low procurement prices to their citizens; excessive mark-ups in the private sector, and taxes and duties being applied to essential medicines. From the evidence that has resulted from use of the WHO/HAI survey tool, medicine affordability and availability issues show no boundaries. Crucially, it is the poor who are really paying the price – both economically and with their health.

The wealth of experience gained from four years of use of the WHO/HAI survey tool has led to a number of improvements in this second edition of the manual. We believe that the method is rigorous, facilitating reliable data collection and valid analysis. With the publication of the new edition, we encourage countries and organizations to not only undertake surveys, but also to implement systems for the regular monitoring of medicine prices, availability and affordability.

Gathering evidence is, of course, only the first step – data alone cannot improve access to treatment. That takes commitment – from governments, civil society, international organizations, health professionals, industry and many others, all working together to overcome the barriers. The work of the WHO/HAI Project on Medicine Prices and Availability and the survey teams across the globe has generated an extensive network of advocates, policy-makers, academics and others who are now focusing world attention on improving medicine affordability and availability.

Producing this manual is the latest activity in the implementation of the 2001 World Health Assembly resolution. The work that has been done has resulted from the

joint efforts of the World Health Organization and Health Action International with their many partners. We hope the new edition of the manual will further encourage others to tackle this challenge of ensuring universal access to affordable medicines.

Equitable access to essential medicines is the goal – it is the people’s right.

Dr Hans Hogerzeil

Director
Medicines Policy and Standards/
Acting Director
Technical Cooperation for Essential
Drugs and Traditional Medicine
World Health Organization
Geneva

Dr Tim Reed

Director
Health Action International Global
Amsterdam

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WHO/HAI Project on Medicine Prices and Availability

Project Management Group

Margaret Ewen, HAI Global, the Netherlands; Richard Laing, Medicines Policy and Standards/Technical Cooperation for Essential Drugs and Traditional Medicine (PSM/TCM), WHO, Switzerland; Alexandra Cameron, PSM/TCM, WHO, Switzerland.

Advocacy: Akke-Jeanne Klerk, HAI Global, the Netherlands.

Country support: Gilles Forte, PSM/TCM, WHO, Switzerland.

Project Advisory Group

Martin Auton, South Africa; Kumaraiah Balasubramaniam, HAI Asia Pacific, Sri Lanka; Douglas Ball, Philippines; Jorge Bermudez, UNITAID, Switzerland; Andrew Chetley, Healthlink Global, UK; Dennis Ross-Degnan, Harvard Medical School, USA; Jérôme Dumoulin, University of Grenoble, France; Yves-Antoine Flori (In Memoriam); Claudia Habl, ÖBIG, Austria; Lorraine Hawkins, London, UK; David Henry, University of Toronto, Canada; Panos Kavanos, London School of Economics, UK; Jeanne Madden, Harvard Medical School, USA; Barbara McPake, UK; Elias Mossialos, London School of Economics, UK; Kirsten Myhr, Ullevål University Hospital, Norway; Aarti Patel, University of Otago, New Zealand; Carmen Perez-Casas, Médecins Sans Frontières, Canary Islands; Anthony So, Duke University, USA; Klara Tisocki, Philippines; Brenda Waning, Boston University, USA.

Project Steering Group

Daphne Fresle, formerly with WHO; Ellen t'Hoën, Médecins Sans Frontières, France; Zafar Mirza, WHO Eastern Mediterranean Regional Office, Egypt; Lander van Ommen, the Netherlands; Raffaella Ravinetto, Médecins Sans Frontières; Harry van Schooten, the Netherlands; Mohga Kamal-Yanni, Oxfam, UK.

Consultants

Rania Bader, Jordan; Simona Chorliet, Burkina Faso; Andrew Creese (also former project co-ordinator), France; Pierrick Gonnet, France; Anita Kotwani, India; Libby Levison, USA; Patrick Mubangizi, Kenya.

Pricing Policy Group

Dennis Ross-Degnan, USA; Jaime Espin, Spain; Claudia Habl, Austria; Lorraine Hawkins, UK; David Henry, Canada; Catherine Hodgkin, the Netherlands; Kees de Joncheere, Denmark; Panos Kavanos, UK; Zafar Mirza, Egypt; Andy Oxman, Norway; Anban Pillay, South Africa; Joan Rovira, Spain; Brenda Waning, USA; Krisantha Weerasuriya, India.

Global Advocacy Group

Andrew Chetley, UK; Ellen t'Hoen, France; Ravi Narayan, India.

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Lisa Greenough, PSM/TCM, WHO, Switzerland; Rose de Groot, HAI Europe, the Netherlands; Patricia Stimpson, PSM/TCM, WHO, Switzerland.

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