

# **National Pharmaceutical Sector form**

Date: 19/7/04

Country: KENYA

Population: 30 MILLION

Rate of exchange (commercial "buy" rate) to US dollars on the first day of data collection: KSHS 78.5

Sources of information: PHARMACY AND POISONS BOARD, MINISTRY OF HEALTH, WORLD BANK, KENYA ASS'N OF PHARMACEUTICAL INDUSTRY

## General information on the pharmaceutical sector

- Is there a formal National Medicines Policy document covering both the public and private sectors?  **Yes**
- Is an Essential Medicines List (EML) available?  **Yes**
- If yes, state total number of medicines on national EML: **ABOUT 320**
- If yes, year of last revision: **2002**
- If yes, is it (tick all that apply):
- National**
  - Regional
  - Public sector only (AS A REQUIREMENT)**
  - Both public and private sectors
  - Other (please specify):
- If yes, is the EML being used (tick all that apply):
- For registration of medicines nationally
  - Public sector procurement only**
  - Insurance and/or reimbursement schemes
  - Private sector
  - Public sector**
- Is there a policy for generic prescribing or substitution?  **Yes**
- Are there incentives for generic prescribing or substitution?  **No**

## Public procurement<sup>1</sup>

- Is procurement in the public sector limited to a selection of essential medicines?  **Yes**
- If no, please specify if any other limitation is in force:
- Type of public sector procurement (tick all that apply):
- International, competitive tender**
  - Open**
  - Closed (restricted) ARVs AND INJECTABLE CONTRACEPTIVES**
  - National, competitive tender LOCAL MANUFACTURERS ONLY**
  - Open**
  - Closed (restricted)**
  - Negotiation/direct purchasing
- Are the products purchased all registered?  **No**

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<sup>1</sup> If there is a public procurement system, there is usually a limited list of items that can be procured. Products procured on international tenders are sometimes registered in the recipient country only by generic names. Import permits to named suppliers are issued based on the approved list of tender awards. An open tender is one that is publicly announced; a closed one is sent to a selection of approved suppliers.

Is there a local preference?<sup>2</sup> √ Yes

Are there public health programmes fully implemented by donor assistance which also provide medicines? √ Yes  
(e.g. TB, family planning, etc.)

If yes, please specify: FAMILY PLANNING, KEPI, TB, some ARVs, MALARIA

### **Distribution<sup>3</sup>**

Is there a public sector distribution centre/warehouse? √ Yes

If yes, specify levels: NATIONAL → REGIONAL (KEMSA)

Are there private not-for-profit distribution centres: √ Yes  
e.g. missions/nongovernmental organizations?

If yes, please specify: MEDS, RDF, CHMP, MSF

Number of licensed wholesalers: 130

### **Retail**

	<b>Urban</b>	<b>Rural</b>	<b>Overall</b>
Number of inhabitants per pharmacy (approx.)	<u>3000</u>	<u>10000</u>	<u>5000</u>
Number of inhabitants per qualified pharmacist (approx.)	<u>9000</u>	<u>120000</u>	<u>20000</u>
Number of pharmacies with qualified pharmacists	<u>600</u>	<u>0</u>	<u>600</u>
Number of medicine outlets with pharmacy technician	<u>400</u>	<u>600</u>	<u>1000</u>
Number of other licensed medicine outlets ( <u>KENYA</u> )	<u>100</u>	<u>1100</u>	<u>1200</u>
<u>NOTE: SUCH AS OUTLETS LICENSED TO NURSES OR CHWs; BAMAKO INITIATIVES; etc)</u>			

### **Private sector<sup>4</sup>**

Are there independent pharmacies? √ Yes Number: 1600

Are there chain pharmacies? √ Yes Number: 20

Do doctors dispense medicines?<sup>5</sup> √ Yes

If yes, approximate coverage or % of doctors who dispense: 95%

Are there pharmacies or medicine outlets in health facilities? √ Yes

<sup>2</sup> A local preference means that local companies will be preferred even if their prices are not the cheapest. Local preference is normally in the range of 10–20%.

<sup>3</sup> The public sector often has a central storage and distribution centre which may have at least one sublevel. The private not-for-profit sector may be dominated by one type of NGO (e.g. church missions), but may also comprise others such as Bamako Initiative type projects, Red Cross or Red Crescent Society, Médecins Sans Frontières.

<sup>4</sup> Retail outlets may be called pharmacies, medicine outlets, drug stores, chemists, etc. They may be run/owned by a qualified pharmacist (with diploma) or another category: e.g. pharmacy technician, or a lay person with short training.

<sup>5</sup> Many countries allow doctors to dispense and sell medicines.

## Financing

(Give approximate figures, converted to US dollars at current exchange rate: commercial “buy” rate on the first day of data collection)

Type of expenditure	Approximate annual budget (US dollars)
National public expenditure on medicines including government insurance, military, local purchases in past year	<b><u>25 MILLION</u></b>
Estimated total private medicine expenditure in past year (out of pocket, private insurance, NGO/mission)	<b><u>50 MILLION</u></b>
Total value of international medicine aid or donations in past year	<b><u>25 MILLION</u></b>
What percentage of medicines by value are imported?	<b><u>50%</u></b>

## Government price policy

Is there a medicines regulatory authority?	<b><u>√ Yes</u></b>
Is pricing regulated?	<b><u>√ No</u></b>
Is setting prices part of market authorization/registration?	<b><u>√ No</u></b>
Do registration fees differ between:	
■ Innovator brand and generic equivalents	<b><u>√ No</u></b>
■ Imported and locally produced medicines	<b><u>√ Yes</u></b>

## Public sector

Are there margins (mark-ups) in the distribution chain?	<b><u>√ No</u></b>
■ Central medical stores                      %	
■ Regional store                                %	
■ Other store (specify)                      %	
■ Public medicine outlet                    %	
Are there any other fees or levies?	<b><u>√ No</u></b>
If yes, please describe: <b><u>COST SHARING</u></b>	

**JUST COST RECOVERY**

## Private retail sector

Are there maximum profit margins?	<b><u>√ No</u></b>
If yes (if they vary, give maximum and minimum):	
■ Wholesale <b><u>NOT REGULATED</u></b>	
■ Retail <b><u>NOT REGULATED</u></b>	
Is there a maximum retail price (sales price)?	<b><u>√ No</u></b>

(If it varies, give maximum and minimum)

■ Maximum: **N/A**

■ Minimum: **N/A**

Do patients pay professional fees (e.g. dispensing fee)?  **Yes**

If yes, please describe: **NOT STANDARD OR COMPULSORY. NOT DECLARED; OFTEN JUST "ADDED" TO PRICE OF MEDICINE.**

### **"Other" sector**

Are there maximum profit margins?  **No**

If yes (if they vary, give maximum and minimum):

■ Wholesale %

■ Retail %

Is there a maximum sales price?  **No**

### **Insurance, risk-sharing or prepayment schemes**

Are there any health insurance, risk-sharing or prepayment schemes or revolving medicine funds?  **Yes**

If yes, please describe: **NHIF, RDF, AAR, public sector ARV program.**

Are all medicines covered? (PROGRAMS NOT UNIVERSAL)  **No**

If no, state which medicines are covered (e.g. EML, public health programmes):  
**ALL, EXCEPT GENERAL SALES MEDICINES ARE NOT COVERED (eg. OTC)**

Are some patients / groups of patients exempted, regardless of insurance coverage? (e.g. children < X yrs, war veterans)  **Yes**

If yes, please specify: **CHILDREN < 5yrs, TB PATIENTS**

Estimated percentage of population covered **6%**

Is it official policy to supply all medicines free at primary health care level? (**HEALTH CENTRES, DISPENSARIES FREE**)  **Yes**

If no, are some free?

If yes, tick 3 all that apply:

**Tuberculosis**

**Malaria**

**Oral rehydration salts**

**Family planning**

Others, please specify: **VACCINES, ALL MEDS AT PRIMARY HEALTH CARE LEVEL**

Are there official user charges/patient co-payments/fees? (**FROM DISTRICT HOSPITALS AND ALL LEVELS ABOVE THEM**)  **Yes**

Are all medicines supplied free at hospitals?  **No**

If no, are some free?  **Yes**

If yes, please specify: **TB, FAMILY PLANNING, KEPI**