

Medicine Prices in Kuwait



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Introduction

- Medicine prices increasing more rapidly than prices of other consumer goods.
- Unaffordable medicines a major barrier to adequate health care for 1/3 of population.
- Little is known about the prices that people pay for medicines and how prices are set.
- Reliable pricing information needed by health care providers and policy-makers.

Background

- The World Health Organization (WHO) and Health Action International (HAI) initiated an international project to survey prices of widely used medicines in 2003.
- The WHO/HAI methodology allows international comparisons of prices of brand and generic medicines, affordability of common treatments.



Aim

- Public concern has been growing in Kuwait about medicine prices.
- How efficient is the public sector medicine procurement system in terms of obtaining medicines at low cost for the country?
- How do the prices of retail brand and generic products compare locally and internationally?

Kuwait

- Population 2.3 million – 45% expatriates
- Oil, oil, oil – GDP \$16,240 (PPP) p.c.
- Public health system with national health insurance
- Private retail pharmacies and health centres
- Medicine price regulations



Method

- www.haiweb.org/medicineprices
- A total of 35 'defined' medicines selected - 21 'core' and 14 'supplementary' to the WHO/HAI method.
- Clustered, random sampling was used to select a total 25 retail pharmacies.
- Availability and price of brand and generic versions recorded on the day.
- Procurement prices from Central Medical Stores, medicines 'free' in public sector.

Medicine list

Acetylsalicylic acid	Ciprofloxacin	Indapamide *
Aciclovir	Co-trimoxazole	Lisinopril *
Amitriptyline	Diazepam	Loratadine
Amoxicillin	Diclofenac	Metformin
Atenolol	Fluconazole *	Nifedipine Retard
Beclometasone	Fluoxetine *	Omeprazole *
Captopril	Gemfibrozil *	Paracetamol
Carbamazepine	Glibenclamide	Phenytoin
Carvedilol *	Gliclazide *	Ranitidine
Ceftriaxone	Human insulin neutral	Salbutamol
Cephalexin	Hydrochlorothiazide	Simvastatin *
Chlorpromazine	Ibuprofen	

Each of defined dose, dosage form and preferred pack size

*Only available to GCC citizens in public sector at time of study

Analysis

- Unit price per tab/cap/ml/dose calculated
- International reference prices:
 - MSH (international tender prices); PBS (Australia)
- Median price ratios (MPR) determined:
 - $MPR = \text{Median unit price} / \text{Reference unit price}$**
 - MPR = 2 indicates a price twice that of the reference price
- Affordability of model treatments calculated based on lowest paid unskilled government worker.

Public procurement prices

- Generic medicines purchase prices were similar to MSH prices (MPR=1.2)
- Brand medicines cost about 5 times more than MSH prices (MPR=5)

- Efficient public procurement
- Some unnecessary brands
- Some high price generics

Medicine	MPR
Ranitidine	0.1
Ciprofloxacin	0.8
Omeprazole	1.2
ASA	9.1
Diazepam	22.2
HCT (brand)	32.9

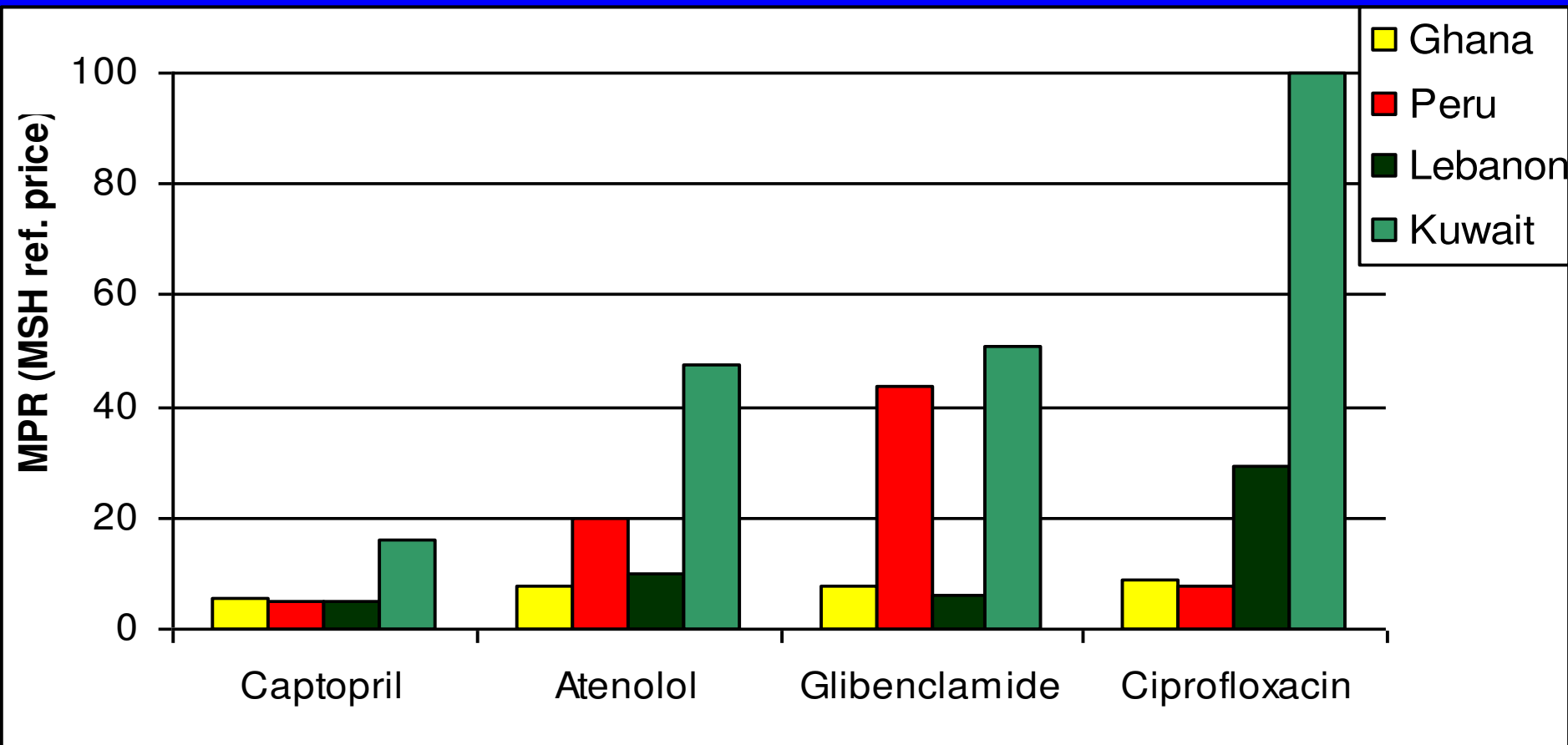
Private retail prices

- Compared to PBS prices:
 - Generic MPR = 1.9 (0.5 – 3.8) [n=13]
 - Brand MPR = 1.7 (0.6 – 5.0) [n=28]
- In general *procured* at 10 x public sector price
- Median availability = 84%; generic 0%
- Generic/brand price = 87%

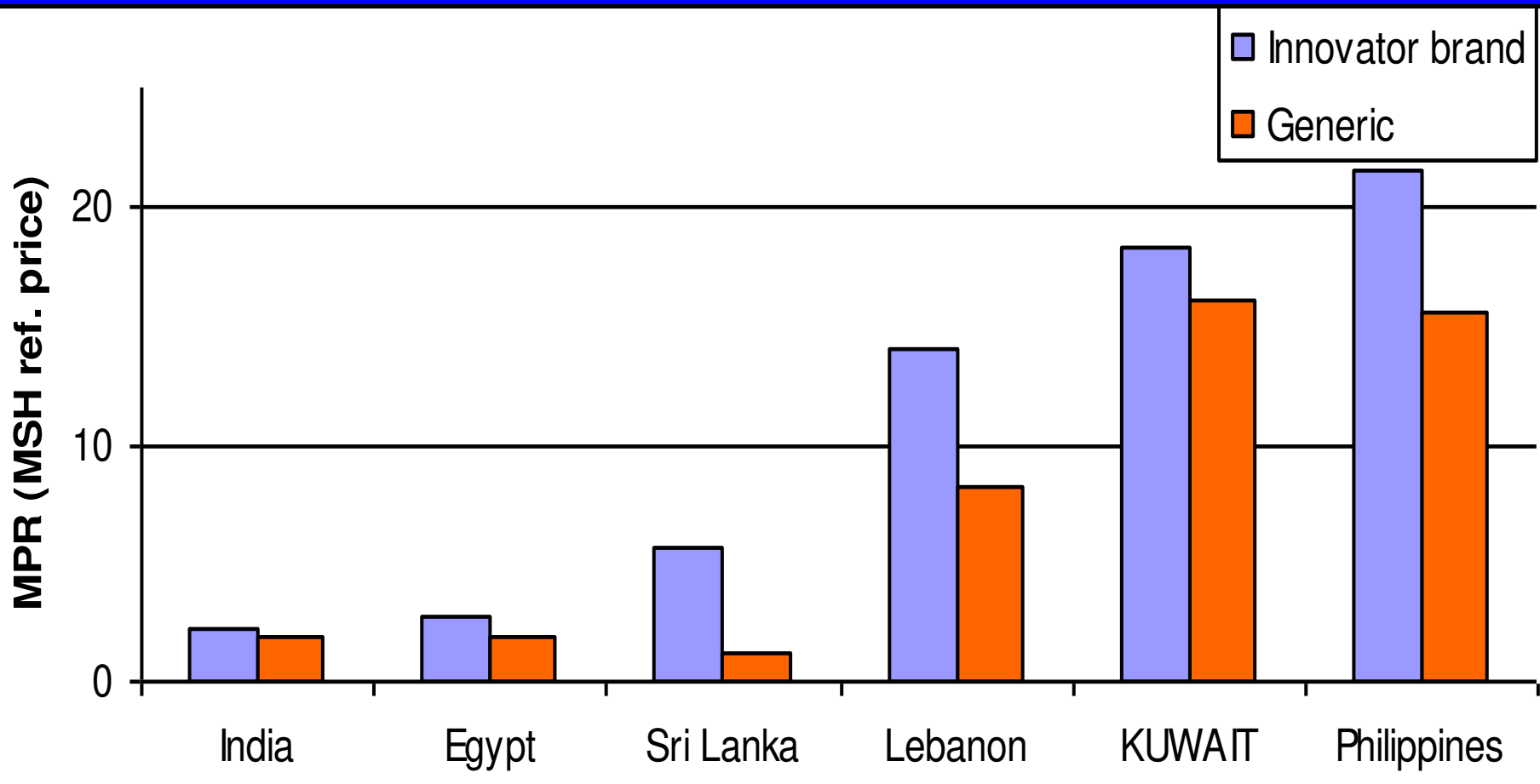
- Prices higher than necessary
- Low generic penetration
- Small generic price differential

Medicine	Brand	Generic
Loratadine	0.57	0.51
Metformin	0.84	0.77
Ciprofloxacin	1.19	1.08
Ceftriaxone inj.	2.65	2.32
Omeprazole	2.93	2.57
Diclofenac	3.95	2.65

International comparison – private retail prices of selected generic medicines



International comparison – private retail prices: summary MPR



Affordability –

lowest paid non-Kuwaiti government worker

- Calculated as no. of days wages needed to purchase model treatment
- >1 day = ‘unaffordable’
- Note: Kuwait has free public health services

Condition	Medicine	Rx	Brand	Generic
Arthritis	Diclofenac	25mg bid x 30 d	5.2	3.5
Hyperlipidemia	Simvastatin*	10mg d x 30 d	10.8	-
ARI (adult)	Amoxicillin	250mg tid x 7 d	2.4	-
Ulcer (peptic)	Ranitidine	150mg bid x 30 d	17.8	13.3
Ulcer (duodenal)	Omeprazole*	20mg d x 30 d	22.0	19.3

Conclusions

- Public sector procurement is efficient
 - wider use of generics advocated
- Limited generic penetration of retail market
 - some medicines unaffordable to low-paid workers
- Generic price 10-15% below brand price
 - lack of competition and pricing regulation system
- If CMS purchases made available to private pharmacies could dramatically reduce prices.

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