Evaluation of medicine prices, availability, affordability and price structure in Malaysia

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Sampling

- Public Facilities (20, 5 in each region)
- Private Sector Retail Pharmacies (32, 8 in each region)
- Dispensing Doctors (20, 5 in each region)

Case Study

- University Hospitals (2)
- Private Hospitals (5)
<table>
<thead>
<tr>
<th>Drugs</th>
<th>Public Sector</th>
<th>PSRP</th>
<th>DDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovator Brands</td>
<td>2.41</td>
<td>16.35</td>
<td>15.40</td>
</tr>
<tr>
<td>Most Sold Generic</td>
<td>1.56</td>
<td>6.89</td>
<td>7.76</td>
</tr>
<tr>
<td>Lowest Price Generic</td>
<td>1.09</td>
<td>6.57</td>
<td>7.76</td>
</tr>
</tbody>
</table>
Public sector procurement prices

- Amlodipine
- Carbamazepine
- Co-trimoxazole Susp.
- Diazepam
- Enalapril
- Fluoxetine
- Itraconazole
- Loratidine
- Omeprazole
- Pyrimethamine-Sulfadoxine
- Ranitidine
- Simvastatin
- Zidovudine

Median Price Ratio

[Chart showing price ratios for various medications]
Private Retail Pharmacies

![Bar chart showing median price ratios for various medications.

- Acyclovir
- Atenolol
- Captopril
- Ciprofloxacin
- Diclofenac
- Furosemide
- Glibenclamide
- Metformin
- Nifedipine Retard
- Omeprazole
- Ranitidine
- Salbutamol Inhaler

Legend:
- Innovator Brand
- Most Sold Generic
- Lowest Price Generic

Median Price Ratio (MPR)
Dispensing doctors

![Bar graph showing Median Price Ratio (MPR) for various medications. The graph includes Amoxicillin+Clavulanic Acid, Atenolol, Co-trimoxazole, Ibuprofen, Isosorbide Dinitrate, Omeprazole, Ranitidine, and Simvastatin. Each medication is represented by different colors: Innovator Brand (blue), Most Sold Generic (purple), and Lowest Price Generic (yellow).]
Comparison of Medicine Availability

In the public sector when all 48 drugs (core and supplementary) were assessed the median availability was low, only 25% of the generic drugs were available in 20 facilities surveyed. However:

- There was 100% availability of generic furosemide, lovastatin and ranitidine.
- 90% or more of the facilities had generic propranolol, doxycycline, metformin and nevirapine and 80% had salbutamol inhaler.

In private pharmacies the median availability of all surveyed medicines was 43% for LPG, 18% for MSG and 39% for IB.

In dispensing doctor’s clinics, the availability was 45% for LPG, 15% for MSG and 10% for IBs.
Affordability of generics

Exhibit 3.14: Comparison of the affordability of generics to treat four conditions when purchased from private pharmacies (PSRP) and dispensing doctor clinics (DDS)
# Price Components - Comparison of Retail Mark-ups

<table>
<thead>
<tr>
<th>Medicine</th>
<th>Retail Pharmacy mark-up</th>
<th>Dispensing Doctor Mark-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic Atenolol 50 mg tab</td>
<td>100%</td>
<td>146%</td>
</tr>
<tr>
<td>IB Atenolol 50 mg tab</td>
<td>25%</td>
<td>76%</td>
</tr>
<tr>
<td>Generic omeprazole 20 mg caps</td>
<td>140%</td>
<td>317%</td>
</tr>
<tr>
<td>IB omeprazole 20 mg caps</td>
<td>38%</td>
<td>50%</td>
</tr>
</tbody>
</table>
Conclusions – excerpts

- Prices were generally high
  - in the private sector for both generics and IB
  - in the public sector for IB
- High availability of branded drugs and comparatively low availability of generic alternatives in the private sector
- Generally high mark-ups along the supply chain, which drives up the price and makes medicines less affordable to the people who need them.
- Profit margins and mark-ups are particularly high in dispensing doctors and private retail sectors for generics as compared to innovator brands.
Recommendations – excerpts

- There is a need for a pricing policy. i.e.
  - Establish maximum wholesale and retail mark-ups
  - Regulate prices of innovator products and generics.
- A price monitoring system is needed in Malaysia.
- Mark-ups must be reasonable and incentives be given such that generics are prescribed and dispensed.
- There should be an investigation as to why generics are expensive and why generic availability is poor.
- There is a need for a generic substitution policy.