Pharmaceuticals Law Management: Assessment of Feasibility and Effectiveness of the Universally Accessible Cheaper Medicines Act of 2008

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ABSTRACT

The study aimed to assess if Republic Act No. 9502, otherwise known as Cheaper Medicines Act of 2008 has been adequately implemented in making cardiovascular medicines accessible and affordable in the Philippines. Sample respondents from the City of Manila, Makati City and Quezon were interviewed. These include pharmaceutical companies, pharmacists, cardiologists, internal medicine specialists, and out-patients from charity wards of selected public and private hospitals and drugstores were interviewed. Results of the study showed that after two years of the implementation of the Act, medicines are still expensive and branded medicines are still dispensed, prescribed and purchased more than generic medicines. Stakeholders have low level of perception of the Act resulting to non-compliance. They also believed that the Act is not strong enough to enforce generic prescription while patients are apprehensive of the effectiveness of generic medicines. Pharmaceutical companies experienced a decreased in the production output, thus, pharmaceutical companies were not encouraged to manufacture and offer for sale generic medicines.

Keywords: Accessible, affordable, generics
CHAPTER 1
INTRODUCTION

1.1 Background of the Problem

The 21st century witnessed a change in the pattern of mortality and morbidity in the Philippines with the change in the structure of the population. Today, Filipinos are exposed to risks that favor the spread of non-communicable diseases. These include cardiovascular diseases, cancer, chronic obstructive pulmonary disease and diabetes. Aside from the spread of non-communicable diseases, the Filipinos are experiencing the inability to afford medicines and health services due to poverty. Access to essential medicines is only 11 and 15 percent in the public and private sectors, respectively (WHO/HAI, 2006). This is aggravated by the high prices of medicines in the country which is three to 184 times the international reference table (Gonzales 2009).

Despite being one of the poorest countries in Asia, World Health Organizations (WHO) tags the country as having the most expensive pharmaceutical products in the ASEAN region and the second most expensive in Asia, next to Japan.¹ This is due to lack of pricing policy in the pharmaceutical market, patents and banning parallel importation which prohibits buying medicines from the cheapest source.²

WHO classified the country as one of the countries where only 30% of the population have regular access to essential medicines and where 40% never get the chance to be treated by a doctor in their entire lives.³ Thus, Republic Act 9502 or the Universally Accessible Cheaper and Quality Medicines Act of 2008 was implemented in order to promote and ensure access to affordable quality drugs and medicines for all. Under this Act, price of medicines are regulated by imposing the maximum drug retail prices (MDRP). It encompasses the Intellectual Property Code Amendment, Drug Price Regulation, Non-Discriminatory Clause, Generics Law Amendment and Pharmacy Law Amendment.

1.2 Research Problem

While every Filipino is entitled to health care as provided by the Constitution, in the country it is regarded more as a privilege than a right as poor Filipinos find it extremely difficult to avail of health care services. Basic health services as well as tertiary care for the majority of Filipinos are inadequate, fragmented, inefficient, and incomplete. Worst, for the lowest income groups these services are largely inaccessible and unaffordable. Public spending on health is so low that it has resulted in the over-dependence on out-of-pocket expenses. This penalized the poorer majority of the population.

Medicines are expensive in the Philippines in comparison to prices in neighboring countries such as Thailand, Malaysia and Indonesia. High price of medicines is attributed to international and local monopolistic pricing practices. The country is classified by WHO (World Health Organization) as among the countries where less than 30 percent of the population have regular access to essential drugs. For those with access, there is the problem of rational drug use with more than eleven thousand (11,000) pharmaceutical products sold under different brand names, doses and preparations. Medicines account for 20–60% of health spending in developing and transitional countries. Up to 90% of the populations in developing countries purchase medicines through out-of-pocket payments, making medicines the largest family expenditure after food. As a result, medicines are unaffordable for large sections of the population and are a major


burden to government budgets.

In response to the need to provide affordable medicines to all, Republic Act No. 9502 was implemented. But, the measure of its success depends on key players such as the pharmaceutical companies, physicians, pharmacists and patients/consumers. It would be considered effective if medicines become available, affordable, and accessible to the consumers. Therefore, evaluation of the Act should consider the consumers’ perception, preferences and level of consumption.

Physicians should be knowledgeable of the Act by prescribing more generic drugs/medicines. Pharmacists are in the frontline of the Act implementation, since they ensure that medicines are available to the consumers through dispensing (generic and branded medicines) in the drugstores/pharmacy. The knowledge and perception about the Act are important to ensure its strict compliance. Lastly, pharmaceutical companies could actively participate in the implementation by ensuring that it does not have any negative effect on its production volume, costs, and market distribution.

Thus, has Republic Act No. 9502 otherwise known as the Cheaper Medicine Act been effectively implemented? Was it successful in bringing down the prices of medicines in the Philippines? Specifically, (1) what is the awareness level of stakeholders on the existence of the Act?; (2) what are the perceptions of stakeholders regarding the effectiveness of the implementation of Act; (3) what are the perceptions of multinational pharmaceutical companies on the feasibility of the Act based on its effects on their business operations?; (4) what are the issues that arose in the implementation of the Act.

1.3 Research Objectives

1. To determine the efficiency of the Universally Accessible Cheaper Medicines Act of 2008) based on the knowledge level of the following stakeholders (pharmaceutical companies, physicians, pharmacists and patients).
2. To determine the availability, accessibility, affordability and rational use using cardiovascular medicine after the approval of the Act.
3. To assess the factors accounting for the efficiency of the Act implementation.
4. To arise at recommendations for the efficient implementation of the Act.

1.4 Significance of the Study

Health is considered both a means and an end to an individual’s well-being. Improved health care is an objective for development. When they have better health, the increased economic performance of the country is directly correlated to increased output and productivity. The utilization of health research in policymaking should eventually lead to desired outcomes, including health gains. Research can make a contribution in at least three phases of the policy-making process: agenda setting; policy formulation; and implementation.

Recognizing that access to basic health care is one of the obligations of the government to its people, and knowing that the health of its people is a contributing factor to the nation’s social and economic development, the understanding and implementation of the Act will be tangible and positive signs that the Philippine government is serious in improving the quality of life of the Filipino people. Through Act, the government hopes to make prices of medicines affordable to Filipinos. Bringing down the cost of medicines means better access to essential medicines especially among those who are suffering from chronic diseases such as cardiovascular conditions. Since the cost of medicines in the country has been consistently prohibitive, the poor has limited access to these essential goods, bringing a perpetual cycle of impoverishment and deaths.

Thus, assessment of how the implementation of the Act is perceived by the stakeholders is deemed important in evaluating the measures undertaken by government in promoting access to affordable and quality cardiovascular medicines. This study evaluates RA 9502 in terms of its implementations based on the drawn implementing guidelines. It could serve as a feedback mechanism, for improvement of the operations.

1.5 Scope and Delimitations
Since the Cheaper Medicines Act was implemented only in July 1, 2008, the study period was short term, i.e. two years at the most, from the time the Act became effective (June 6, 2008) until the inception of the study (December 20, 2010). Due to limited time and funding and since cardiovascular diseases are considered the leading cause of death in the county, the study focused on cardiovascular medicines only. Sample respondents were limited to patients with cardiovascular diseases, physicians (internist and cardiologist), pharmacists from leading drugstores such as Mercury and Watson’s small drugstores within the vicinity of the hospitals drawn from the National Capital Region (NCR) namely City of Manila, Makati City, and Quezon City.

CHAPTER II
CONCEPTUAL FRAMEWORK

Republic Act No. 9502 or popularly known as the Cheaper Medicine Act was passed in the hope that essential medicines will be accessible especially to the poor. Two years after the implementation of RA 9502 the question on accessibility and affordability of cardiovascular medicines still lingers. The successful implementation of the Act depends on the participation of its stakeholders such as the (pharmaceutical companies, physician, pharmacists and consumers/patients).

Knowledge and positive response to RA 9502 will convince physicians to prescribe more generic medicines. Since specific disease management requires specific pharmacologic agents for treatment and control. The physicians, through the Philippine Medical Association can assist the government in monitoring the implementation of RA 9502 by asking its members to report adverse reaction to drugs after switching from innovator to generic drugs. It can embark on epidemiologic studies on common chronic diseases and its complications and look into long term effects of usage of generic drugs and at the same time determine its efficacy and effectiveness by doing randomized trials with head on comparisons of specific drugs for specific diseases. Costs efficiency and effectiveness of generic medicines can be ascertained via the current one.

On the other hand, the pharmacists through its organization can make sure that all drugs being included in the hospital formulary are at par with the innovator. The final concern to be considered is the drug cost. They may request the company to lower the price of a drug being considered for hospital therapeutics approval. Also, those drugs that are already included in the hospital formulary may be deleted if there are new drugs that are found to show better results and are affordable. Hospitals have a Drug and Therapeutics Committee which is composed of (physicians, pharmacists, hospital administrators and other health professionals). Through this forum, a pharmacist can suggest a policy to lower prices of medicines its deletion from the hospital formulary. Furthermore, they can detect adverse drug reaction based on reports from hospital or clinics. Pharmacists are in the frontline of the implementation of the Act since they provide generic drugs and medicines through interface with the consumers; they can also offer information to patients regarding the availability of cheaper medicines where they can choose from a list. Through this, patients will be well informed about generic equivalent of the branded medicines as a cheaper but equally effective substitute.

If the Act would be able to achieve availability and affordability of safe, efficacious and quality medicines that enable a health system to achieve better health outcomes for Filipino people, then the Act is said to be effective.

CHAPTER IV
THEORETICAL FRAMEWORK

Public interest theory was presented by Arthur C. Pigou in “The Economics of Welfare.” He explained that market failures, such as natural monopolies, high transaction costs and externalities can be corrected by government intervention. Government needs to use its extensive power and influence to protect the naïve public against inevitable market failures. In any industry, free play of self-interest will cause an amount of resources to be invested in the interest of its citizens, thus public intervention. Moreover, the theory presumes that what is best for the citizenry is best for the government. This means several interventions through encouraging competition, providing information, and reducing harmful externalities or fatal phrase
“redistributing income in society.” This encompasses addressing market failures, in imperfect information “lack of transparency,” and breaking up monopolistic behaviors.

One product that can be provided both publically and privately and whose provision demonstrates how a market can fail is health care. The provision of health care has been a major issue for all governments within the last fifty years, with the arguments for private, as opposed to public provision remaining a major issue on the political agenda. Le grand (1992) believed that one of the major differences between health care and other commodities was the imbalance between the knowledge of the supplier and the knowledge available to the consumers which is termed imperfect information. Sax (1990) argued that consumers have little knowledge or information about the diagnostic and treatment processes involved, while providers held a large amount of knowledge. Le Grand (1992) argued that if market was to allocate health care, the market would fail, as consumers would seek to form long term relationships with providers. These relationships have the effect of limiting the requirement for competition between providers of health care, as consumers do not possess the information nor the incentive to 'shop around' for health care services.

As access to quality health services is a right of all individuals, the promotion of public health through effective health programs and access to affordable and quality drugs and medicines is one of government’s major obligations. And because health is a social right, government interventions in the drug markets could be justified. Accessibility to essential drugs is deemed possible through full competition in the supply and demand of affordable drugs and medicines.

The foundation of evaluation is rooted in accountability and social inquiry. Accounting for actions and resources is important in the conduct of government programs. On the other hand, social inquiry emanates from a concern for employing a systematic and justifiable set of methods for determining accountability. While accountability provides the rationale, social inquiry is the basis of evaluation models. Evaluation is guided by research methods which deal with obtaining generalizability, or “knowledge construction,” as Shadish, Cook, and Leviton (1991) refer to it. Another branch is called valuing which is initially inspired by the work of Michael Scriven (1967). It establishes the vital role of the evaluator in valuing. Those involve in valuing maintain that placing value on data is perhaps the most essential component of the evaluator’s work. Some subsequent theorists extend the evaluator’s role to include systematically facilitating the placing of value by others (e.g., Guba & Lincoln, 1989). Finally, the third component is use which, with the pioneering work of Daniel Stufflebeam (initially with Egon Guba) and the work of Joseph Wholey, originally focused on an orientation toward evaluation and decision making. The work done by theorists expresses a concern for the way in which evaluation information will be used and focuses on those who will use the information.

Accountability refers to the process of “giving an account” or being answerable or capable of being accounted for. Wagner (1989) indicates that there are several dimensions to accountability. The first of these is “reporting,” in which description is provided. A second phase of accountability is a “justifying analysis” or explanation. Accountability is not reflected in evaluation rather evaluation provides the information for “being answerable.” Alkin (1972) refers to goal accountability, process accountability, and outcome accountability. Goal accountability examines whether reasonable and appropriate goals have been established. Governing boards and upper levels of management are the responsible entities for this kind of accountability. Process accountability reflects whether reasonable and appropriate procedures for accomplishing those goals have been established and implemented. Typically, management and program operators bear responsibility for process accountability. Outcome accountability refers to the extent to which established goals have been achieved. As in process accountability, management and program operators are to be held accountable for outcomes. Concern for the evaluator’s role in valuing goals is evident in Michael Scriven’s work. Program accountability is prominent in the “process” section of Daniel Stufflebeam’s CIPP model. Finally, outcome accountability, the provision of evaluation information for
examining the adequacy of outcomes, is the major thrust of most evaluation efforts.

CHAPTER V
REVIEW OF RELATED LITERATURE

2.1 Accessibility of Medicines and Patent

Kutyabami (n.d.) stated that accessibility to drugs is a combination of availability, affordability, and rational use. A common solution adopted by governments to make essential drugs accessible is through price regulation. Boseley (2006) stated that many people are dying and the reason is that drug companies and governments of developed countries are blocking the developing world from obtaining affordable medicines. According to Oprea & Braunack-Mayer (2009), neglected tropical diseases which are widespread in developing countries have remained untreated due to lack of effective and affordable treatments. Thus, Pogge and Hollis (2008) proposed to develop a global fund to reward global pharmaceutical research based on community health gains measured in terms of decreased morbidity and mortality. On the other hand, WIPO (2008) argued that patents play an important role in the development of essential drugs by giving incentives to invest in research and development.

Ferrera (n.d.) argued that the system of minimum standards enforced by the agreement on TRIPS limits access to medicines in developing countries because strict patent protection leads to increased drug prices. Nogues (1993) argued that more research are needed to make economically sound decisions concerning patents, the price of medicine and impact on the pharmaceutical industry. Flynn, Hollis and Palmmedo (2009) concluded in their study patents in developing countries create monopolies when the substitutes for the patented products are not available and such as when patent covers active ingredients for a certain medicine. Joseph (1979) concluded that in India, patents resulted to oligopolistic in the international pharmaceutical industry. Thus, unless reforms are made in patent system, the situation of irrational drug marketing will persist.

2.2. Availability and Parallel Importation

The interrelation of drug availability and affordability deals with issues such as compulsory licensing, parallel importation, and price regulation. Lehman (2003) showed that the problem lies in the continuing lack of patent protection for pharmaceutical products which makes it difficult to establish research-based industries in most developing countries. Arvind Subramanian (n.d.) reported trade-related aspects of intellectual property rights were identified to be one of the significant elements of international cooperation and treaty-making in the last decade. Ghosh (2003) mentioned that TRIPS Council agreed on legal changes that would allow poorer countries to make full use of the flexibilities in the WTO's intellectual property rules through the import of cheaper generics under compulsory licensing if they are unable to manufacture the medicines themselves. A study conducted by Lowenson (n.d.) concluded that the increased costs of patented drugs put a significant burden on public health budgets.

The study of Thiel (2003) concluded that the innovativeness through government support is needed to promote local research and development. Aoki, Yubo and Yamane (2009) found that the adoption of a series of coordinated policy instruments such as narrow patent scope, adequate patentability, and cross licensing provisions which has been shown effective by the Japanese’ experience were recommended. In India, Kiran and Mshra (2009) concluded that the new patent regime has encouraged innovation and greater investment in research and development of the Indian pharmaceutical industry. Dixit (2008) analyzed the role of the Indian government in the pharmaceutical industry and found that with prices being controlled, companies are left with insufficient funds for research and development. Greene (2007) found that Indian companies benefit from the public’s acceptance of generic drugs, local and imported; great pressure on health care providers to reduce cost; and looked at impending expiration of patents on drugs. In Mexico, Zuniga and Combe (2002) reported that the absence of patent protection for pharmaceuticals in Mexico has not prevented multinational firms from breaking into the market thus, ensuring an important market share.
2.3 Drug Affordability and Price Regulation

Mahmoud et al. (2006) stated that the costs of developing new medicines are due to both the technical complexities of product development and the costs related to regulatory approval which requires clinical trials to establish the safety and efficacy of the product. OECD (2004) reported that government of OECD countries relied heavily on government intervention rather than competition to set prices, thus, lowering drug prices through price controls. Hopkins (n.d.) reported that the United Kingdom (UK) does not negotiate the prices of individual drug with manufacturers, instead, drug companies in UK are allowed to establish their own prices for individual drugs. Daniel Kessler (n.d.) concluded that price regulation can affect medicines’ cost and quality by changing the incentives for pharmaceutical firms to engage in research and development (R&D) of new drugs, and by affecting the prices and use of existing drugs.

Troyer and Krasnikov (n.d.) examined the impact of the Medicaid Program and found that due to increase in research and development costs, increase in drug prices can be observed. The study made by Vernon (n.d.) runs counter with the perception that price controls are strongly opposed by the pharmaceutical industry. Supporters of pharmaceutical price controls argue that drug prices in the United States are excessive and that price controls would ensure affordable health care for all Americans. Subramanian (n.d.), argued that control of the market depends on innovative research and development, thus there is a need to encourage and support innovations and have them available to users at the least costs.

2.6 Research Gap

The crucial challenges facing the world today is the problem of global health and access to medicines. Foreign studies focused on the impact of TRIPS Agreement, restriction of international trade to make local drug companies competitive, narrow patent scope, adequate patentability and cross licensing provisions in relation to accessibility to medicines. They also looked into the effect of price regulation on the pharmaceutical industry. They concluded that price regulation reduced price of medicines in some countries. On the contrary, price regulation decreased efforts toward innovation of new medicines. Accessibility is also linked to patent which makes medicines expensive, and poverty. In addition, counterfeit drugs are also examined. To resolve these problems, the studies recommended government incentives and the use of generic and traditional medicines.

In the Philippines, studies on affordability and accessibility to medicines focused on the development of health programs, reforms, and incentives in support of public health protection and promotion. They also linked access to medicines on patents, generic products, price regulations, monopoly and poverty. Since the Cheaper Medicines Act has been implemented for only two years, no studies have been implemented to show how it contributed to affordability and accessibility of medicines in the country.

CHAPTER 3
METHODOLOGY

3.1 Area Selection

The three sites in the National Capital Region (NCR) were selected Manila, Makati and Quezon City. The data consisted of three categories of hospital classification such as by operation/maintenance/ownership, by service capability and by bed capacity.

3.2 Sampling Design

Due to limited time and budget, the study used a combination of convenience and purposive sampling. A total of five pharmaceutical companies, 87 physicians, 16 pharmacists and 189 patients were interviewed in December 2010. The five pharmaceutical companies are United Laboratories Inc., Pfizer Inc. Philippines, Novartis Healthcare Philippines Inc., Boehringer Ingelheim Philippines Inc., and Schering Plough Corporation. With regard to physicians, cardiologists and internists were interviewed. Other respondents include patients from charity wards of selected government and private hospitals, and pharmacists from Mercury, Watson and drug retail outlets within the immediate vicinity of the selected hospitals.
3.3 Data Analysis

To explain if the prices of pharmaceutical cardiovascular products have been reduced after the implementation of the Act using secondary data gathered from Medical Information Management System (MIMS), paired-samples t-test was used. It computes the differences between values of the two variables for each case and tests whether the average differs from zero.

CHAPTER V
RESULTS OF THE STUDY

The Cheaper Medicine Act was ratified in June 6, 2008 and its implementing rules and regulations (IRR) were approved in November 2008. Rule 1 of the Act states that it is the policy of the State to protect public health and, when the public interest or circumstances of extreme urgency so require, it shall adopt appropriate measures to promote and ensure access to affordable quality drugs and medicines for all. Pursuant to the attainment of this general policy, an effective competition policy in the supply and demand of quality affordable drugs and medicines is recognized by the State as a primary instrument. In the event that full competition is not effective, the State recognizes as a reserve instrument the regulation of prices of drugs and medicines as one of the means to also promote and ensure access to quality affordable medicines.

5.1 Awareness of the Enforcement of the Act (Level 1 Awareness)

Level 1 awareness means that respondents are conscious of the Act without necessarily implying understanding. Both government and private physicians have almost the same level of awareness on the existence of the Act. In fact, all 38 government physicians are conscious of the Act while 47 of patients have stated that they are conscious of the existence of the Act. Only two of the private respondents said that they never knew or heard of the said Act. In terms of professional status, 33.3% of cardiologists and 64.4% of internists said that they knew or heard of the said Act. In addition, 15% (93.75%) of pharmacist respondents, regardless of professional status and years in service are knowledgeable about the existence of the Act. On the part of the patients, majority of the respondents regardless of age, educational attainment and income level, knew the existence of the Act.

5.2 Knowledge Level of the Intent/Content and Provisions of the Act (Level 2 Awareness)

This level determines how much the physician; pharmacist and patient respondents are familiar with the content of the Act. If more than 90% of the respondents agreed to at least five of the statements in Question 3, respondents have a high level of awareness on the existence of the Act. The following are the indicators of the awareness level of the respondents: (a) 0 statement = very low awareness level; (b) 1 – 2 statements = low awareness level; (c) 3 – 4 statements = moderate awareness level; and (c) at least 5 statements = high awareness level.

Proper perception is important in ensuring the effective implementation of the Act because a positive perception about the Act will ensure higher level of compliance. The knowledge level of stakeholders on the content of CMA were measured based on the following: (a) making medicines in the Philippines affordable; (b) setting control on the prices of medicines in the Philippines; (c) requiring all health practitioners to prescribe generic medicines; (d) requiring all health practitioners to prescribe generic medicines; (e) making medicines in the Philippines easily available in the market; (f) requiring all pharmacies to carry and dispense generic medicines; (g) requiring hospitals and pharmacies to carry locally manufactured medicines; (h) requiring doctors to prioritize prescription of locally manufactured medicines; and (i) requiring multinational pharmaceutical companies to manufacture medicines in the Philippines.

In general, among the respondents, patients were most aware of the contents of the Act, followed by physicians while pharmacists were least aware of the content of the Act. All respondents knew that the Act aims to make the prices of medicines in the Philippines affordable through the regulation of market prices of essential drugs and by making generic medicines available in the market. With regard to making the medicines in the Philippines easily available in the market through the Act, patients were
most aware followed by physicians and pharmacists were least aware. Patients were most aware that the Act sets control of the prices of medicines followed by physicians and pharmacists were least aware. With regard to requiring hospitals and pharmacies to carry locally manufactured medicines, patients were most aware while pharmacists have nil knowledge about this aspect. As to requiring multinational pharmaceutical companies to manufacture medicines under the Act, patients were more knowledgeable of this provision while both physicians and pharmacists have the least knowledge on this aspect. In the aspect of generics only prescription, patients were most knowledgeable followed by physicians and pharmacists the least aware of this aspect. Finally, with regard to the provision of the Act requiring all pharmacies to carry and dispense generic medicines, patients were most knowledgeable followed by physicians and pharmacists.

Respondents knew that the Act is being implemented through government’s use of radio, television, newsprints and formal announcements (Executive Order, Administrative Order, and memorandum). Although the content of the EO and AO provided ample information and were disseminated to proper authorities, it is not clear whether they were strictly implemented. However, no monitoring report has been published yet.

Majority of the respondents, 80.46% of physicians, 50% of pharmacists and 35% of patients believed that the implementation of the Act made medicines cheaper or affordable because price of some medicines that they are buying is still the same. The Philippine Heart Association and Philippine Medical Association are both in favor of the Act because the Act is in line with their advocacy of better cardiovascular health for the Filipino people. They also believe that the Act will ensure that quality but cheaper medicine will be able to reach more people across the country, so that the Filipino people will be able to have continuous medications for chronic cardiovascular diseases, thus preventing the disabling sequel of complications such as stroke and heart attack. It is known that the morbidity and mortality of cardiovascular disease is related to non-compliance to intake of medications.

As to their understanding of the Act, the resource person stated that the Act is primarily made in order to allow all patients most specially the marginalized sectors of society access to cheaper and quality medicines. The Act is designed so that the patients who are in need of medications for chronic use or maintenance should be able to do so, even for those whose income is not enough. It is made to ensure that not only those that are in the lower income bracket of society will be able to access their chronic maintenance medications in order to prevent the complications that are associated with the discontinuation of medications.

5.4 Factors Influencing Physician’s Prescription of Medicines

The study also looked at the factors considered by physicians when making prescriptions. Results showed that physicians consider the medicines’ effectiveness above all else, followed by affordability and availability of medicine, purchasing capacity of patient, manufacturer of the medicine and industry reputation of manufacturer. Thus, it is important that patients are assured that generics are as effective branded medicines. Another factor that is 2nd in ranking is whether the medicine is
affordable to its patient. Affordability of medicines in general means having enough money to pay for the prescribed medications. However, physicians are willing to substitute the brand or recommend generics if the patient has requested a substitute for the prescribed brand because he/she cannot afford the prescribed medicine. Availability of the prescribed medicine in the market (Rank 3) is another factor considered in prescribing. Respondents stated that in some instances where prices are low in public sector facilities such as public hospital pharmacies, availability may also be low, forcing patients to go to high-cost private outlets to obtain their medicines, as is the case for some cardiovascular medicines. Aside from being out-of-stock, some drugstores may have preference to some brands of medicines such that the prescribed medicine is not available.

Other factors that are considered by physicians in prescribing medicines are the name of the manufacturer and the reputation of the manufacturer in the industry, and the experience of their patients regarding a particular brand. This means that RA 9502 is not strong enough to enforce generic prescription only because it was not mentioned by physicians as one of the factors they considered when prescribing medicines.

Feedbacks from patients are important to determine if medicines that are prescribed were bought by the patients. Results of the study showed that majority of patients give feedbacks to their physicians regarding the affordability and/or availability of the prescribed cardiovascular medicines. Information regarding price of medicines are relayed to physicians by medical representatives and patients.

5.5 Perceptions of Stakeholders on the Effects of the Act

Physicians are directly affected in terms of prescribing generic medicines as stipulated in RA 9502 under the generics law. On the other hand, pharmacists are directly affected in terms of informing consumers about any and all other drug products having the same generic name, as well as product prices, so as to widen the consumers option, and not to accept a physician’s prescription if the generic name is not indicated. Lastly, patients are directly affected in terms of purchasing medicines based on their purchasing capacity.

Pharmacists perceived that it is a good law because it brought down the cost of medicines in our country because it prevents large pharmaceutical companies from monopolizing the sale/distribution of medicines. It paves way to a better system to sell more affordable medicines for the majority of the Filipino people who cannot afford medicines because they cost more than what they earn for a day. They also thought it was effective because the Department of Health (DOH) was active in informing the public and the media about it when it was approved last 2008.

5.6 Branded vs. Generics

Majority of the respondents, 62.07% of physicians, 62.50% of pharmacists and 61.40% of patients are of the opinion that generic medicines can compete with branded ones in terms of quality and effectiveness. Although respondents believed that generics are as effective as branded medicines, branded medicines are more prescribed, dispensed and patronized. Among physician respondents, majority (79.30%) indicated that on the average, they mostly prescribe branded cardiovascular medicines, while 20.70% indicated that they prescribe local generic cardiovascular medicines. None of the respondents indicated prescribing imported generic cardiovascular medicines to their patients. Among consumer/patient respondents, 62.40% indicated that they purchase branded cardiovascular medicines while 37.60% indicated that they purchase generic cardiovascular medicines. On the part of pharmacists, they simply dispensed medicines being asked for by customers while patients maintained high degree of confidence on their physicians such that they purchase only what was prescribed. Furthermore, despite the government’s effort to promote generic medicines, some misconception about generics still persist such as switching to generic drug is risking treatment failure, generic drugs cost less because they are inferior to brand name drugs, there are quality problems with generic drug manufacturing, and brand name drugs are safer than generic drugs. However, these myths are disproved by FDA.
5.7 Price vs. Quality Medicines

Branded medicines are more expensive than generic medicines because branded medicines have to invest in research, clinical trials and marketing. Majority of physicians (82.76%) and patients (71.43%) believed that lowering prices of cardiovascular medicines will not mean lower quality of medicines. Many believed that government play a major role in the health care sector. Majority of the stakeholders (73.56 percent of physicians, 50 percent of pharmacists and 70.37 percent of patients) believed that the government can lower down the prices of medicines in the country through price regulation.

Key informant pharmacist stated that statistics show that more Filipinos are now better informed and are exercising their right to choose the medicines that worked for them and which they can afford. In terms of monitoring, key informant pharmacist believed that DOH must include monitoring and evaluation to ensure proper implementation as a major part in the accreditation of hospitals while FDA should be more stringent in giving licenses to drug companies.

5.8 Measures to Make Medicines Accessible in the Philippines

Majority of the respondents believed that the best way for government to make medicines affordable for the Filipinos is through dictating market prices of locally manufactured medicines. While 31% believed that the government should designate appropriate bodies to carry and dispense subsidized medicines for particular sectors of our society, almost equal percentage of respondents at 25.7 and 25.9% believed that the government should develop/initiate incentives for pharmaceutical companies and pharmacies to manufacture/carry/dispense affordable but quality medicines such as providing financial incentive for innovation, research and development. It can result to timely access to the medicines that people need at affordable price, provision of medicines meeting appropriate standards of quality, safety and efficacy, and maintaining a responsible and viable medicines industry.

The study also showed that complaints on the high prices of medicines prescribed has been made by 51.80% of the consumer/patient respondents, received by 100% of pharmacist respondents, and also received by 66.7% of physician respondents. Complaints on the non-availability of medicines prescribed have been made by 23.5% of consumer/patient respondents, received by 28.6% of pharmacist respondents and 17.2% of physician respondents. Approximately 24.7% of consumer/patient respondents reported satisfaction over the affordability of prescribed medicines, and 21.20% reported satisfaction over its availability. However, none of the pharmacist respondents’ indicated ever having received remarks of satisfaction from consumers/patients over the prescribed medicines’ affordability or availability. Among physician respondents, only 5.7% indicated receiving feedback on consumer/patient satisfaction over the affordability of the prescribed medicine, and 9.2% indicated receiving feedback over affordability of prescribed medicines. This means that the main consideration among the consumer/patient respondent when purchasing medicine is the price.

5.9 Analysis of Pharmaceutical Companies

Pharmaceutical company respondents are conscious on the implementation of the Act. Majority have good level of awareness regarding the content and guidelines of the Act. In compliance with the provisions of the Act, specifically on the application of the Maximum Drug Retail Price (MDRP), 80% of the pharmaceutical company respondents indicated that they reduced prices of medicines by 80%. Schering Plough indicated that they complied with Act requirements by communicating and coordinating with their sales counterparts on how to best implement the Act requirements without adversely affecting their sales and operations. Results of statistical t-test analysis showed that cardiovascular products of all pharmaceutical companies interviewed except United Laboratories showed significant decline in the price of their cardiovascular medicines.
CHAPTER VI
CONCLUSION AND RECOMMENDATIONS

Based on the data gathered from the four stakeholders, the study concludes the following:

a) There is lack of knowledge on the content/provisions of the Act. Respondents believed that the Act will make the medicines in the country affordable (Rank 1), that the Act will set control on the prices of medicines in the country (Rank 2), and that the Act will make medicines in the country easily available in the market (Rank 3).

b) Stakeholders have low level of awareness of stakeholders. This shows that education and information campaign programs of the government were not effective.

c) There is lack of enforcement due to the absence of monitoring and evaluation.

d) There is little improvement on price decrease. Although patients were satisfied with prescribed medicines, they complained about high prices and non-availability of medicines prescribed.

e) Branded medicines are more preferred, prescribed dispensed and patronized. On the part of pharmacists, they simply dispensed medicines being asked for by customers.

Based on the results of the study, the government could successfully implement Republic Act No. 9502 by:

1. Enforcement of government agencies to monitor and provide means of control in line with the proper execution of the law. The Office of the President and the Congress of the Philippines Oversight Committee should impose sanctions, remedial actions and other mechanisms designed to enforce all government agencies involved in the implementation of the Act to conducting monitoring and control activities. Monitoring and control of the Act should be one of the agencies’ mandate.

2. Creating uniform monitoring and linked databases. Monitoring and evaluation process will assist them in evaluating its performance and identify the factors which contribute to the outcome of the service that they provided. Furthermore, it will provide an evidence base for public resource allocation decisions and helps identify how challenges should be addressed and successes replicated. Finally, monitoring and evaluation should contain detailed knowledge both across and within sectors, and interactions between planning, budgeting and implementation.

3. Educating stakeholders. Stakeholders should be well informed by strengthening tri-media and creating education campaigns. Information of drugs with generic names as an alternative of equal efficacy to the more expensive branded drugs should be included in the curriculum of medical and allied medical professions. Implementers could also participate in community and professional organizations’ events to inform the public and health practitioners.

4. Mandating all potential generic companies who are going to market their drugs to submit (bioavailability & bioequivalence) tests of their drug in batches according to date of manufacture or importation of the drug in order that the public consumers be guaranteed quality generic medicines. Furthermore, DOH and BFAD should conduct physical and visual inspections and surveys of generic company’s manufacturing plant or repackaging and storage facilities to determine if they comply with good manufacturing, storage, quality and sanitation standards.

5. Reviewing all drugs that are for chronic diseases and require all of them to have mandatory maximum retail price imposed if not yet off patent. But if off patent, require them to bring in their own counterpart of generic drugs for sale at a much lower price to ease the burden of patients on chronic medications.

6. Establishing a strong relationship with physicians in order to gain the loyalty and support of the physicians. Government should create collaborative
partnership with physicians in the implementation of the Act. Physicians should be included in decision-making in addressing healthcare problems. Furthermore, since efficacy of medicines is the major concern of the physicians, they should be ensured of the quality of the generic medicines.

7. Implementing programs for drugstores and pharmaceutical companies. Generic companies may also adapt the multinational companies’ style of marketing. This includes extensive product range, well trained sales force, and continuous investment in image building. They could also form subsidiaries to market different products. Drugstores and hospitals’ pharmacy also play a big role in promoting generic medicines. This channel is highly influenced by image, support and skilled medical sales representative. Although, this channel entails high investment cost, it is considered to have a lasting effect. Finally, incentives should be provided by the government to manufacturers and drugstores in order to increase the supply of generic medicines in the market. In doing so, if more generic medicines will be manufactured by well-known pharmaceutical companies and sold by well-known drugstores, the level of confidence in using generic medicines will increase. As more generic medicines are purchased, manufacturers will produce more, thus enjoying economies of scale and at the end gain cost competitiveness.

BIBLIOGRAPHY


