

# Medicines price information exchange

## Medicines price information exchange and universal health coverage

Access to affordable quality medicines is a critical component of universal health coverage (UHC). However, pharmaceutical prices are often high for innovative medicines and even for generic medicines, and there is high price variation across sectors and health facilities.

Member States of the WHO South-East Asia Region committed to collaborate on procurement and pricing information sharing to advance access to affordable medicines. The sharing of medicine prices was identified as a key component of strategic procurement, and this was endorsed by the Member States during the Seventieth session of the WHO Regional Committee for South-East Asia in Maldives in September 2017. In 2019, the World Health Assembly endorsed a resolution on promoting transparency in the prices of medicines, vaccines and other healthcare products (resolution WHA72.8(5)). This resolution called for greater cooperation among countries to facilitate the exchange of information on the net prices of healthcare products.

Medicines price information exchange refers to the collection, sharing and dissemination of information on the prices of medicines, with the aim of promoting transparency, affordability, and access to medicines. This can include the collection and reporting of price data by governments, nongovernmental organizations, and other stakeholders, as well as the development of platforms and tools for sharing this information<sup>1</sup>. The primary goal of price information exchange is to increase transparency in the pharmaceutical market, which can help reduce the information asymmetry that often exists between buyers and sellers. By providing buyers with better information, they are equipped better to make informed purchasing decisions, negotiate lower prices with manufacturers and distributors, and monitor market dynamics. Achieving lower prices will increase affordability and ultimately improve availability and reduce wastage.

Despite the potential benefits of price information exchange, there are challenges associated with its implementation. One of the main challenges is the lack of reliable and up-to-date price information. And while not very common in the South-East Asia Region, there is limited transparency in markets around the world due to non-disclosure agreements that prevent information about the real prices. Price information may be reported using different units of measurement or may be reported in aggregate form, making it difficult to compare prices across different markets and regions<sup>1</sup>. Furthermore, there is limited participation. Price information exchange is only effective if a wide range of stakeholders and countries are involved. Hence limited participation can reduce the effectiveness of price information exchange.

There are several price information exchange platforms focusing on specific range of products or regions.

### Products

- The Market Information for Access to Vaccines/V3P contains information on vaccine prices, volumes, manufacturers, procurement modalities, contract length and more as reported by over 150 countries through the WHO/UNICEF Joint Reporting Form. The database contains information on vaccine purchases up to 2021 and is updated on a quarterly basis.

<sup>1</sup> WHO. (2015). WHO technical report series: Access to medicines: Making market forces serve the poor. Geneva, Switzerland: World Health Organization.

- WHO GPRM (Global Price Reporting Mechanism) on HIV/AIDS, TB, hepatitis and malaria medicines and diagnostics.
- Global Fund PQR (Price and Quality Reporting) database on antiretrovirals (ARVs), anti-malarial, anti-tuberculosis and anti-hepatitis pharmaceutical products, among others. Procurement transaction data includes supplier or manufacturer data, dosage, unit cost, packaging information, shipping or other related costs and total cost of the transaction.

## Regions

- EURIPID: European Integrated Price Information Database.
- The “Price Information Exchange for Medicines” (PIEMEDS) facility of the WHO Western Pacific Region.
- EONMED: Regional platform on Innovation, access and pharmaceutical policies of the Pan American Health Organization (PAHO).
- AFRO Essential Medicines Price Indicator.

However, there is no global database that would focus on prices of essential medicines from various countries across the world. Despite some initiatives being available, the adoption of medicine price information exchange in the Region has not been very successful due to various challenges faced by countries such as lack of political will, inadequate resources and concerns about data confidentiality.

This policy brief provides an overview of the current medicine procurement processes in the Region, with a focus on the availability of information on medicine procurement prices. The primary objective of this brief is to lay the foundation for the development of a medicine price exchange platform for South-East Asia Member States. The benefits of medicine price information sharing platforms are highlighted, including through the improvement of transparency, informed procurement decisions, and increased access to affordable medicines. The challenges and opportunities associated with sharing such information are also discussed. It is imperative for countries to overcome these challenges and establish effective medicine price information exchange platforms to enhance access to medicines and attain universal health coverage.

## Medicines price information in the South-East Asia Region

A regional survey was conducted in 2022 and seven Member States responded on questions regarding pharmaceutical systems, availability of data on price components, and data sources, to understand the price and explore price information exchange in a standard format. Results are enumerated below.

It was observed that most countries in the Region adopt centralized and, to a certain level, decentralized systems for medicine procurement, except for Bhutan and Timor-Leste where procurement is completely centralized. All countries use pooled procurement and a national Essential Medicines List (EML) as the basis of procurement across all health-care levels, except for Maldives. Tendering is used for procurement by all countries, except Indonesia and Maldives. It is worth noting that Thailand has confidential rebates offered by pharmaceutical companies, while other countries do not have such practices. Several Member States, namely India, Indonesia, Sri Lanka and Thailand, provide information on procurement prices of medicines on official websites.

The regional survey showed that Bhutan and Maldives do not have price components available as delivery is either at the Central Medical Store or at the point of delivery. Nepal charges import duty, while Sri Lanka and Timor-Leste charge clearance charges at the port and transportation costs, as well as taxes in the case of Timor-Leste. Thailand and Indonesia have a few add-ons to CIF (Cost, Insurance, Freight), including import tariffs, VAT, handling fees, and local freight. In Sri Lanka, the procurement agency charges fees based on the cost & freight value, and in Timor-Leste, local delivery within the country incurs additional costs such as fuel and vehicle maintenance charges.

**Table 1. Summary of pharmaceutical systems in select Member States of the South-East Asia Region**

Country	Public sector procurement	EML as a basis for public procurement	Procurement through tendering	Availability of tender document in public domain	Procurement based on prequalification of suppliers	Confidential rebate offered by the pharmaceutical companies	Confidential agreement signed for high-priced medicines/patent medicines
Bhutan	Centralized	Yes	Yes	Yes	Yes	No	No
Indonesia	Centralized & decentralized	Yes	e-purchasing	Yes	Yes	No	No
Maldives	Insurance	Yes	Reimbursement	No	No	No	Yes
Nepal	Centralized & decentralized	Yes	Yes	Yes	No	No	No
Sri Lanka	Centralized & decentralized	Yes	Yes	Yes	Yes	No	No
Thailand	Centralized & decentralized	Yes	Yes	Yes	Yes	Yes	No
Timor-Leste	Centralized	Yes	Yes	Yes	Yes	No	No

**Table 2. Summary of price components in the final price and public information**

Country	CIF (Cost, insurance, freight)	Import duty	Clearance charges	Transport cost	Taxes/VAT	Handling charges	Operational cost	Distribution/local transport cost	Margin/fees	Procurement prices publicly available
Bhutan	+									No
Indonesia	+					+	+	+	+	www.lkpp.go.id
Maldives	+									No
Nepal	+	5%								No
Sri Lanka	+		+	+					+	<a href="https://www.spc.lk/awarded-tenders.php">https://www.spc.lk/awarded-tenders.php</a>
Thailand	+	+			7%	+		+	+	Yes
Timor-Leste	+		+	+	+			+		No

**Table 3. Data sources for medicines price (a preliminary listing)**

Country	Data sources
Bhutan	Electronic Bhutan Medical Supplies Inventory System (e-BMSIS) is in the nascent stage
Indonesia	Medicines purchased through e-catalogue system are automatically registered in the National Public Procurement Agency's database
Maldives	Government public accounting software, SAP
Nepal	e-LMIS
Sri Lanka	e-LMIS
Thailand	Electronic system
Timor-Leste	mSupply, e-LMIS

**Table 4. Availability of product and price information**

Country	Unique ID	Product name and package description						Price – Manufacturer's price/net and gross price to the agency	Details of price components for each type of	Volume (total quantity) procured
		Name (brand & INN)	Strength	Dosage form	Pack size	Name of Manufacturer	Market authorization holder			
Bhutan	No	Yes	Yes	Yes	No	Yes	No	No	Yes	
Indonesia	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	
Maldives	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	
Nepal	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	
Sri Lanka	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Thailand	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Timor-Leste	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	

In summary, most of the essential data elements required for medicines price information exchange is available from the Member States. Information such as unique ID for the medicines (except Bhutan), name of the medicine, strength, dosage form, pack size, manufacturers' name and volume or total quantity of each product procured are available from the country database.

## Recommendations

Price information sharing is a key component in promoting transparency and this could assist in informing procurement decisions, including negotiations with manufacturers and distributors.

Establishing a platform for sharing medicines price information will facilitate opportunities for countries to gain access to reliable and up-to-date information on medicines pricing. . Furthermore, regional cooperation through this exchange can foster the sharing of best practices, development of common standards, and enhance gains in procurement efficiency in order to achieve better prices and improve the affordability of essential medicines.

### For Member States

- Promote transparency in medicines pricing by encouraging manufacturers and distributors to provide accurate and up-to-date price information, and by ensuring that this information is made available to purchasers and the public.
- Address anti-competitive behaviours with strong regulatory frameworks in place to prevent such behaviours, such as collusion among market actors to fix prices or divide markets. This can include monitoring and enforcement of competition laws, as well as the development of codes of conduct for market actors.
- Use price information to inform procurement decisions including negotiations with manufacturers and distributors. This can help ensure that affordable medicines are procured, and that public resources are used efficiently and effectively.

### For WHO

- Explore collaboration with existing medicines price information exchange platforms or develop a global platform focusing on essential medicines and encourage wide participation from the Member States.
- Support the development of a standardized system for reporting procurement prices to ensure consistency and accuracy in reporting. This system should be designed to capture information about the name of the medicine, its strength and dosage, the quantity purchased, and the price paid.
- Explore opportunities for regional and international cooperation through price information exchange and sharing of data and best practices, as well as the development of common standards and guidelines for data collection and reporting.
- Ensure wide participation as price information exchange is most effective when a wider range of the relevant stakeholders participate.