

# FACT SHEET



## Prices and availability affect access to medicines

### Introduction

Access to medicines is affected by many factors, of which price is one of the most important. The price people and governments pay for medicines has major implications on accessibility to healthcare. Often, for poor individuals, price determines whether a patient obtains a full course of therapy, an incomplete course, or no medicines at all.

### Price and availability surveys

- **How much do people in your country pay for the medicines they need?**
- **Can everyone afford them?**
- **Are people in your country paying more for medicines compared to consumers in other countries?**
- **Can anything be done about price and availability of medicines?**

In 2004, medicine prices surveys were conducted to answer these questions. The surveys were carried out using a methodology developed by the World Health Organization (WHO) and Health Action International (HAI).<sup>1</sup>

The surveys studied two sets of medicines: (i) a core list of medicines identified by WHO as being “essential” on the basis of the global burden of disease, and (ii) an additional number of medicines commonly used to address the country’s public health needs.

Information about the prices of medicines was collected from government health facilities, private pharmacies, mission health facilities and /or dispensing doctors in different regions of each country. The medicine prices were compared against international reference prices (IRP)<sup>2</sup> and also against the daily wages of the lowest paid government worker to establish if the prices were affordable to a typical wage-earning citizen.

The surveys provide reliable and comprehensive information on the prices that people and governments pay for medicines and on the various add-ons and mark-ups that contribute to the final cost of a medicine.

### Summary of survey findings

- 1. Most people cannot afford medicines.** In the surveyed countries, many people live on less than \$1 a day. Treatments for common illnesses such as asthma, HIV, malaria, diabetes or hypertension are found to cost a significant portion of a typical citizen’s wage. The burden is particularly significant for families needing treatment for several conditions. For example, in Uganda it takes at least six days’ wages to pay for medicines for a household with members diagnosed with asthma, hypertension, and peptic ulcer.
- 2. Availability is low in public sector.** In Uganda, the median availability of all medicines surveyed is 55% in the public sector, while in Kenya public sector availability is 65%. All country surveys reveal that availability is higher in the private sector as compared to the other sectors.
- 3. Prices are high and variable in the private sector.** For example, in Kenya, patient prices in the private sector are much higher than those in the public sector and innovator brand medicines are prescribed more often than generic alternatives.

### Campaign partners

**Kenya:**  
CIN Kenya  
Consumer Information Network  
KETAM  
Kenya Access Treatment Movement  
KEHPCA  
Kenya Hospices and Palliative Care  
Association  
EPN  
Ecumenical Pharmaceutical Network

**Malawi:**  
MHEN  
Malawi Health Equity Network

**Madagascar:**  
SISAL  
Sambatra Izay Salama

**Uganda:**  
AGHA  
Action Group for Health Human Rights and  
HIV/AIDS  
HEPS  
Coalition for Health Promotion and Social  
Development  
NAFOPHANU  
National Forum of PLHA Networks in Uganda

**Zambia:**  
NZIP+  
Network of Zambian People Living with  
HIV/AIDS

**TALC**  
Treatment Advocacy and Literacy  
Campaign

**Zimbabwe:**  
CWGH  
Community Working Group for  
Health

#### Regional /International partners:

OXFAM  
HAI Africa - Health Action International Africa

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4. **Public sector procurement agencies pay relatively low prices... but health facilities often procure medicines from more expensive sources.** The lower price achieved by the public sector is often not passed on to patients, who pay comparatively high prices (on average three times more) at the health facility.. This may be attributed to health facilities sourcing medicines from the private sector; for example, when the medicine is out-of-stock in the public sector procurement agency.
5. **Profit margins and mark-ups are high, and mark-up policies are not effective.** Most significant to the final patient price are the retail mark-ups. In Nigeria, for example, distributor and retailer mark-ups can be as high as 900% of the manufacturer's price.
6. **Price information is often not transparent.** Few countries have established the recommended systems to regularly monitor medicine prices or how they fluctuate. There is no routine sharing of price information among stakeholders, including procurement agencies and consumers.

## Strategies to ensure availability and affordability of medicines

- Develop and implement medicine pricing policies to achieve transparency, uniformity and predictability in the pricing of medicines
- Consider reference pricing for medicines in the private sector to prevent excessive prices
- Adopt generic substitution policies for essential medicines and promote prescribing and use of medicines by generic name
- Update national essential medicines lists
- Seek strategies to reduce the trade and distribution mark-ups of essential medicines
- Conduct independent, regular monitoring of medicines prices and availability.

### STOP STOCK-OUTS Campaign partners

#### Kenya:

CIN  
KETAM  
EPN  
KEHPCA

#### Madagascar:

SISAL

#### Malawi:

MHEN

#### Uganda:

HEPS Uganda  
AGHA  
NAFOPHANU

#### Zambia:

NZP+

#### Zimbabwe:

CWGH

#### Regional:

HAI Africa  
OXFAM

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<sup>1</sup> <http://www.haiweb.org/medicineprices>

<sup>2</sup> International Reference Prices (IRP) were taken from the *Management Sciences for Health Price Indicator Guide*, [www.msh.org](http://www.msh.org)