

Universally Accessible Cheaper and Quality Medicines Act of 2008

Bringing Cheaper Medicines to Filipinos

Will the passage of Republic Act (RA) 9502 or the Universally Accessible Cheaper and Quality Medicines Act of 2008 be effective in bringing down the exorbitant prices of medicine and make these more accessible to most Filipinos?

Prices of drugs in the Philippines are among the highest in Asia, according to studies. Citing an Asean survey, the Philippine International Trading Corporation (PITC) says the retail prices of medicine in Indonesia, Malaysia and Thailand are 40 to 70 percent lower than in the Philippines. Moreover, five out of every nine medicines in the Philippines cost more than in Malaysia or Indonesia.

Through RA 9502, the government hopes to make prices of medicines affordable to Filipinos. "We all know about the importance of the Generics Law before, but it was incomplete. With the Universally Accessible Cheaper and Quality Medicines Act of 2008, we have completed our legislative reforms in bringing affordable medicines to our people," President Gloria Macapagal Arroyo said during the signing of the bill last June 6 in Sta Cruz, Laguna.

Reducing the cost of medicines especially those that are commonly bought by the poor, to half of their 2001 prices and making these available nationwide is one of the government's goals under the Medium-Term Philippine Development Plan (MTPDP) 2004-2010.

The Cheaper Medicines Bill

RA 9502 complements the Generics Act of 1998, for it also requires and ensures the production of an adequate supply, distribution, use and acceptance of drugs and medicines identified by their generic name.

The new law has four objectives:

- 1) Strengthen competition by amending the Intellectual Property Code to:
 - ◆ Allow the parallel importation of patented medicines from other countries where these are more affordable;
 - ◆ Prohibit the grant of new patents based only on newly-discovered uses of a known drug substance;

- ◆ Allow local generics firms to test, produce and register their generic versions of patented drugs; and
- ◆ Allow the government use of patented drugs when the public interest is at stake;

2) Give the President the power to set price ceilings on various drugs, upon the recommendation of the Secretary of Health. These drugs include those for chronic illnesses, for prevention of diseases, and those in the Philippine National Drug Formulary (PNDF) Essential Drug List;

3) Strengthen the Bureau of Food and Drugs (BFAD) to ensure the safety of medicines, by allowing it to retain its revenues to upgrade its facilities, equipment and human resources; and

4) Ensure the availability of affordable medicines by requiring drug outlets to carry a variety of brands for each drug including those sourced from parallel importation, to give consumers more choices.

Senator Mar Roxas, principal author of the bill, said that with the new law, all roadblocks and legal loopholes towards parallel importation of medicines had been removed. The next step is the drafting and implementation of the implementing rules and regulations (IRR).

GMA 50: Is It Working?

The World Health Organization (WHO) says that in 2004, only 66 percent of the Philippine population had access to essential medicines. However, efforts to bring down the cost of medicines from the 2001 price levels have slowly made headway during the





Unilab, a Philippine pharmaceutical firm, has joined in the efforts to make cheaper medicines, with its line of essential generic medicines called RiteMed. It is priced, on the average at 50 percent lower than prevailing market prices.

2010 MTPDP Targets

Reducing the cost of essential drugs by about 50 percent is one of the government's flagship program. Strategies to be pursued to attain this goal based on the MTPDP 2004-2010 include the following:

- Encourage greater use of generic products. This include social advocacy on the demand side and, local sourcing as well as production of generic medicine, on the supply side;
 - Make low cost medicine available in facilities and outlets of public sectors nationwide. These low-cost medicines can either be imported (from India and other countries) or locally sourced;
 - Encourage government partnership with the local pharmaceutical industry and encourage their participation towards provision of low cost medicines for government procurement or direct sale to the public;
 - Create a regulatory environment that ensures a level playing field and fair competition among the various pharmaceutical industry players. This includes increasing the effectiveness of the Intellectual Property Office (IPO) and the BFAD in resolving patent issues; and
 - Support community-based initiatives such as BnB and similar undertakings that increase the availability of over-the-counter medicine and home remedies.
- To regulate government's program on health specifically to assure access to quality and affordable medicines, the MTPDP shall adopt the following strategies:
- Enforcement of and compliance to national health legislation and standards, i.e., Generics Law;
 - Legislation of health-related laws at the local level; and
 - Improving access to low cost quality drugs and commodities. This include the expansion of BnBs as well as increasing the available medicines being sold by these BnBs.

last quarter of 2004. This can be attributed to government's *Gamot na Mabisa at Abot Kaya Program* (GMA 50) that include strategies such as the parallel importation of drugs as well as the establishment of *Botika ng Bayan* (BNB) and *Botika ng Barangay* (BnB).

The Department of Health (DoH) and Department of Trade and Industry (DTI) adopted the Parallel Drug Importation Program in 2000 which made available certain drugs at 60.9 percent lower than other medicines in 2004. Parallel drug imports (PDIs) are drug products manufactured in a third country and sold in the Philippines at a much lower price compared with the drugs being sold by local manufacturers here. As a result, the prices of essential medicines decreased by an average of 41 percent in 2006, according to the updated MTPDP 2004-2010.

The cheap imported drugs are distributed through the network of BnBs and BNBs to increase availability of and access to low-priced quality essential medicines. These Botikas are government-licensed drug outlets that sell cheaper medicines to the poor. Nationwide, the number of BnBs rose to 7,437 from 4,738 in 2005. The BNBs, on the other hand, increased its distribution network from 1,016 outlets in 2005 to 1,283 outlets in 2006.

With RA 9502, the DoH said it would boost government's efforts to add more BnB outlets. "Since the cost of medicines in the country has been consistently and continuously prohibitive, the poor has limited access to these essential goods, bringing a perpetual cycle of impoverishment, deaths, and diseases," Health Secretary Francisco Duque said. The DOH envisions to expand BnB drug outlets to 15,000 nationwide by 2010.

INDICATOR	TARGET	ACTUAL ACCOMPLISHMENTS		
		2004	2005	2006
Reduction of the cost of selected essential medicines	Prices of essential medicines to decrease by an average of 50 percent based on 2001 prices	Prices of essential medicines decreased by an average of 60.9 percent	Prices of essential medicines decreased by an average of 41 percent	Prices of essential medicines decreased by an average of 41 percent

*Based on the Updated MTPDP

Sources: *Updated Medium-Term Philippine Development Plan (MTPDP), Mid-Term Progress Report on the Millennium Development Goals (MDGs), Senate Office website, speech delivered by President Gloria Macapagal Arroyo during the signing of RA 9502, National Objectives for Health, 2005-2010 by the Department of Health (DOH).*