The Role of the Industry in Health Reform

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- Large population, limited resources
- Multiple disease burdens
- Uncontrolled large private system of care
- High cost of drugs and health services
- Variations in access, quality, and costs of health care
The *Universal Health Care Agenda in the Social Contract: Inclusive Growth*

**SOCIETAL GOAL**

**Inclusive Growth and Poverty Reduction**

**SECTOR OUTCOME**

**Human Development and Poverty Reduction**

**Access to quality education, training & culture**

**Access to shelter security**

**Improved Health Status**

**Access to quality social protection**

**Access to asset reform**

**HEALTH SUB SECTOR**

**Health Status**

**Financial Risk Protection**

**Responsiveness**
Government budget for health
2008-2015

Budget in billion pesos

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget in billion pesos</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>24.65</td>
</tr>
<tr>
<td>2011</td>
<td>31.83</td>
</tr>
<tr>
<td>2012</td>
<td>42.08</td>
</tr>
<tr>
<td>2013</td>
<td>53.23</td>
</tr>
<tr>
<td>2014</td>
<td>83.7</td>
</tr>
<tr>
<td>2015</td>
<td>86.58</td>
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Increasing cost pressures from pharmaceuticals

- Pharmaceutical expenditures account for approximately 50% of total health care market and will likely accelerate in growth under UHC

- Emerging targeted therapies for cancer and other diseases at significant price premiums vs survival gains of few months (i.e. >$100,000 annually)
A country of expensive medicines

- Medicines prices in the Philippines have been historically high compared to other Asian countries and other countries of similar income status.

- 65% of total out-of-pocket expenditures goes to medicines putting more burden on the poorest quintile of the population (FIES, 2009).
Varying drug procurement prices of medicines in the public sector at different levels

Need to ensure access to medicines in public facilities

WHO-HAI, Public Procurement Prices of Medicines in the Philippines, 2008
High cost makes quality drugs inaccessible

<table>
<thead>
<tr>
<th>Drug / Indication</th>
<th>Cost per patient</th>
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<tbody>
<tr>
<td>Imatinib for CML and GIST</td>
<td>$38,804 per year</td>
</tr>
<tr>
<td>Trastuzumab for Her2+ breast cancer</td>
<td>$65,801 per year</td>
</tr>
<tr>
<td>Erythropoeitin for anemia in CKD (dialysis patients)</td>
<td>$8,057 per year*</td>
</tr>
<tr>
<td>Imiglucerase for Gaucher’s disease</td>
<td>$111,907 per year (lifetime)</td>
</tr>
<tr>
<td>Sofosbuvir for Hepatitis C</td>
<td>$82,722 for 12 weeks treatment</td>
</tr>
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</table>
Innovative pricing schemes for patented medicines

The DOH’s National HIV/STI Prevention Program has a budget of about $11 million, 60% of which goes to the provision of ARVs to people living with HIV/AIDS.
THE BOTTOM LINE

Important role of the industry to widen access to essential drugs and technologies with high clinical value while ensuring affordability and sustainability of the health system.
WHO Six-Point Policy Package to Combat Antimicrobial Resistance

Policy Areas

1. Committing to develop a master plan to combat antimicrobial resistance
2. Strengthening surveillance and laboratory capacity
3. Ensuring uninterrupted access to essential medicines of assured quality
4. Promoting rational use of medicines in patient care and animal husbandry
5. Enhancing infection prevention and control
6. Fostering innovations and research to develop new tools and drugs

During the 62nd WHO regional Committee Meeting in October 2011, the Philippines committed to implementing the six-point policy agenda to combat AMR
Lack of consistent, reliable accessible source of independent and non-promotional information in the Philippines

Need to align codes of practice with The Mexico City Principles for Voluntary Codes of Business Ethics in the Pharmaceutical Industry (APEC, Nov 2011)

Biopharmaceutical and medical device companies must have a united front in committing to ethical codes of practice to fight corruption in the healthcare sector and work effectively in the best interest of patients.
The Industry Contributions

PARTNERING FOR NATION BUILDING:
Contributions of the Philippine Pharmaceutical Industry to Health and Economy

- Saving Lives, Empowering Patients
- Contributing to Economic Growth
- Partnering for Better Health
“The path to achieving inclusive economy starts with a healthy, productive citizenry able to reach its full potentials”
Thank you!