

Background

- In the South East Asian region, more than 60 million people are pushed into poverty because of health related out-of-pocket spending
- The highest contributor of out-of-pocket health spending in this region are medicines in all countries except Sri Lanka
- The percentage of households out-of-pocket spending out of current health expenditure is: India 62%, Sri Lanka 50%, Indonesia 35%, Thailand 11%
- Public spending in medicines in the region is low
- In many of the region' countries, people get the majority of their medicines in the private retail sector
- There is little understanding of which medicines drive out-of-pocket spending

Objective

- This study examines retail expenditure on medicines in India, Indonesia, Sri Lanka and Thailand

Methods

- Pharmaceutical retail sales data were used to compare expenditure (in United States dollars) on medicines in each country during 2016
- The top 100 medicines by expenditure in each country were compared against the national and World Health Organization essential medicines list (EML)
- Expenditure on antibiotics, cardiovascular, diabetes, mental health, pain and musculoskeletal, and respiratory medicines was compared across countries
- Expenditure on antibiotics and respiratory medicines was examined in further detail to identify the proportion spent on medicines not intended for first-line use (antibiotics), and cough and cold preparations, antihistamines and herbal preparations (respiratory)

Results

There was wide variation in the number of products sold in each country: India 8,774; Indonesia 2,556; Sri Lanka 926; Thailand 2,081.

More than half of the top 100 medicines by expenditure were not on essential.

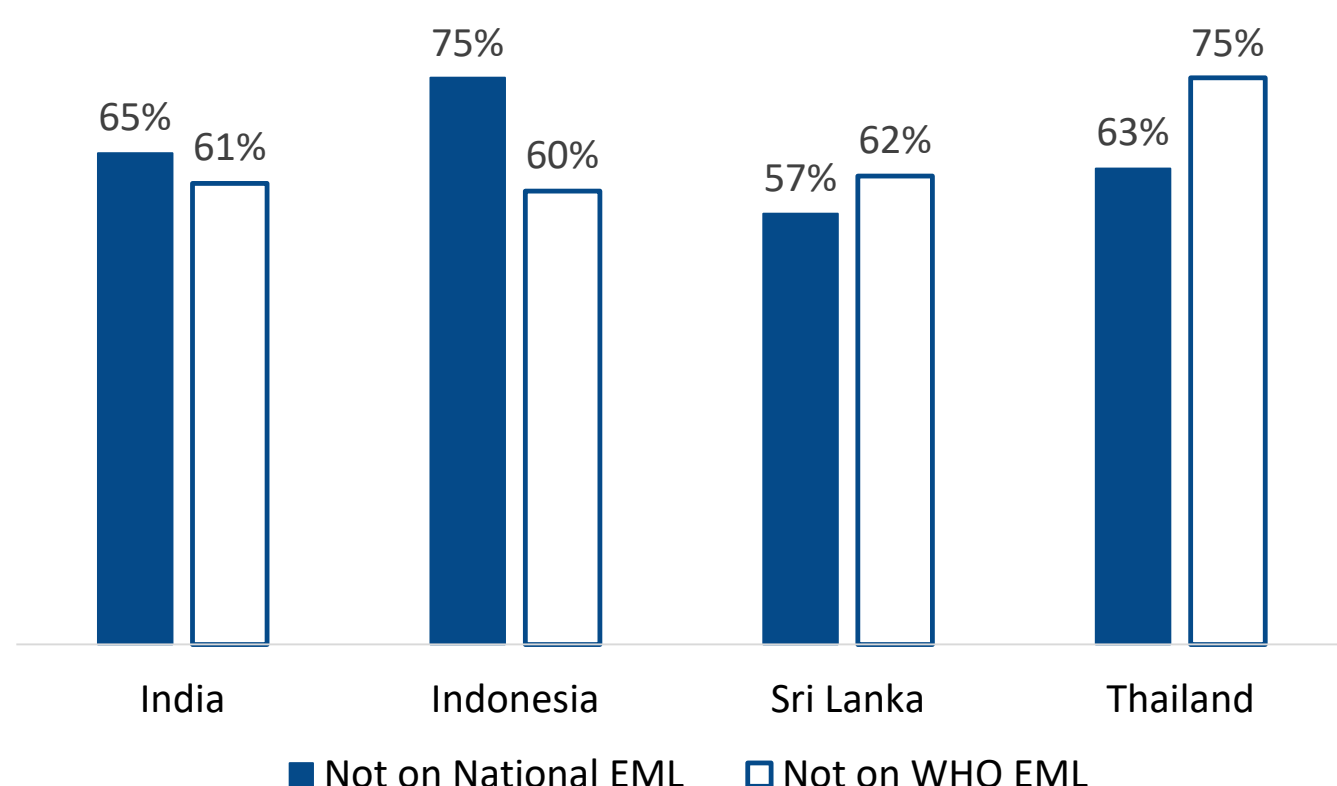


Figure 1: Proportion of top 100 medicines (by expenditure) in 2016 which are not listed on the National Essential Medicines List and World Health Organization's Essential Medicines List 2017, by country.

The major medicines categories we examined accounted for only half of all expenditure.

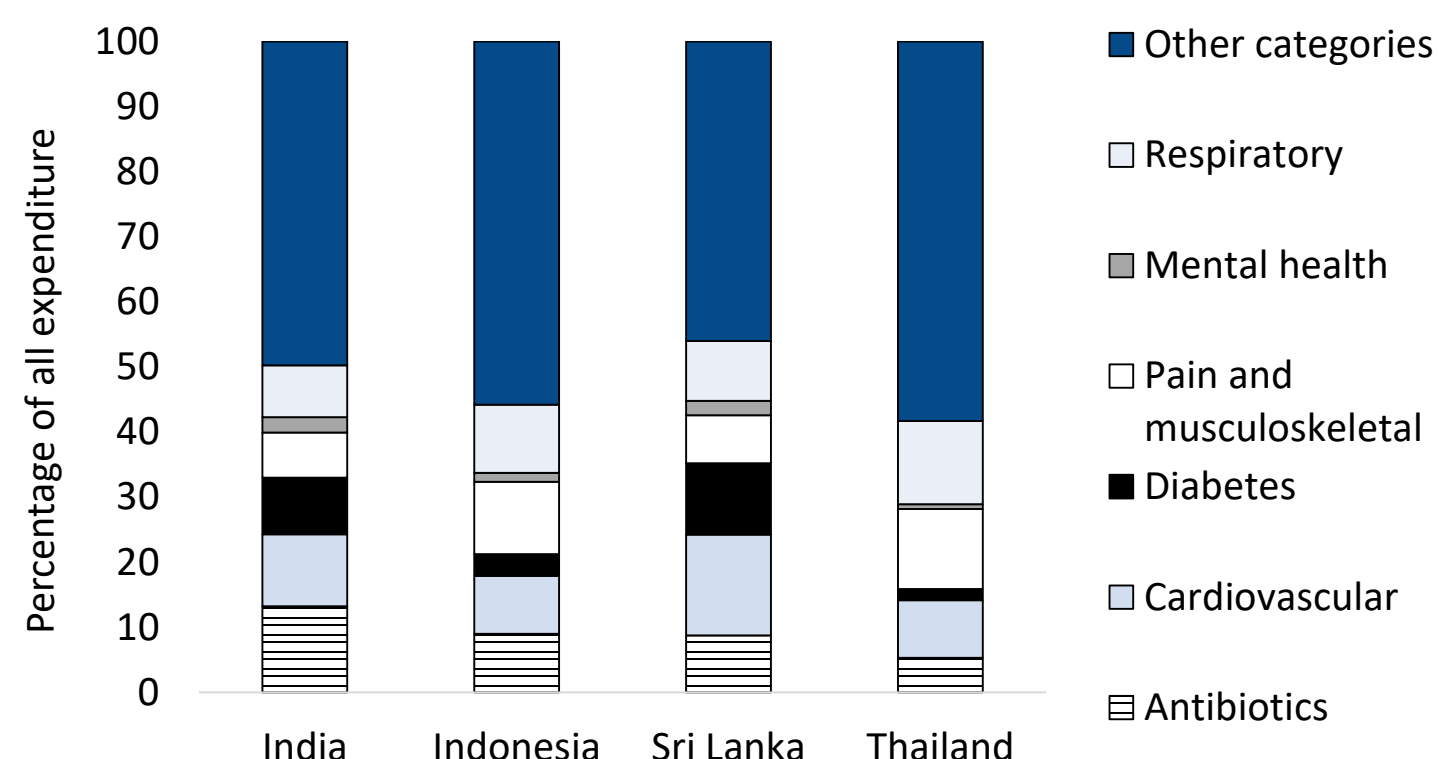


Figure 2: Proportion of all expenditure in 2016, by therapeutic area and country.

Many of the purchased medicines might be either unnecessary and/or inadequate

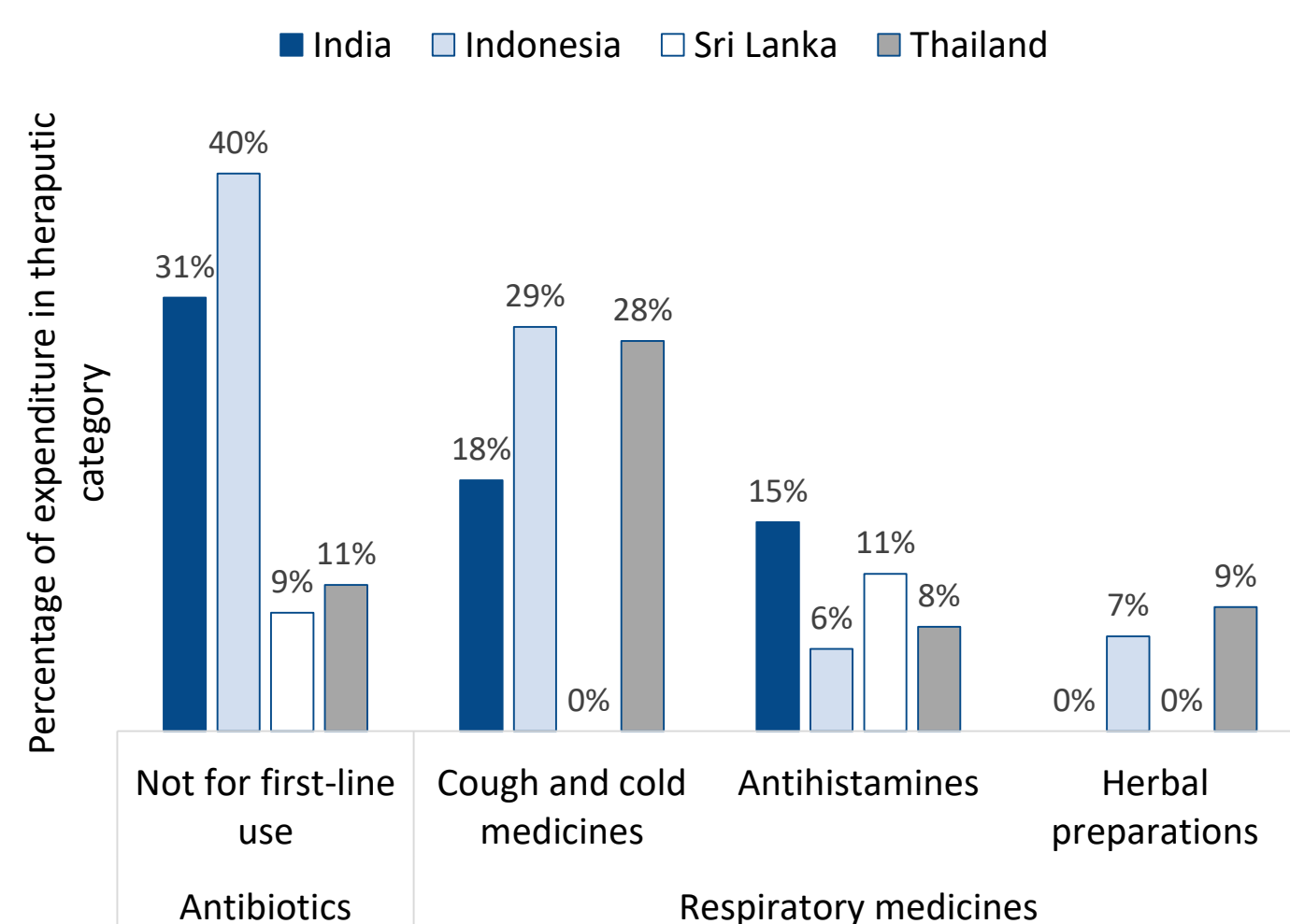


Figure 3: Proportion of all expenditure on antibiotics and respiratory medicines used for potentially inappropriate or low-value medicines, by country

Conclusions

- High concentration of spending in top selling medicines, which should help targeting policies
- The findings indicate inefficient expenditure on medicines in these countries
- Substantial expenditure is being directed to:
 - non-essential medicines
 - medicines not recommended for first-line use
 - low-value medicines
- People are not getting essential (necessary + cost/effective) medicines in retail pharmacies
- This inefficiency hampers progress toward universal health care

Recommendations

- Continue tracking medicine spending, including this metric in the performance evaluation of access to medicines policies
- Increase access to medicines through public facilities
- Consider reimbursements of medicines to private retailers
- Increase regulation of the retail sector