Globally, medicine shortage is a big challenge for achieving Universal Health Coverage (UHC). In China, the lack of some generic medicines was typical due to price capping. To address this problem, the Chinese government issued a policy which limited daily dose cost rather than the retail price of some low-priced generics (known as low-priced medicine policy, hereafter short for LPMP) in 2015. Those low-priced medicines were traded at the negotiated prices between companies and hospitals as long as it below the maximum daily dosage cost (¥3 for chemical drugs and ¥5 for Chinese patent medicines).

Introduction

There was a total of 1497 medicines in the national low-priced medicine list. According to the records on CBP, only 373 of them were available in March 2015. After the two-year implementation of LPMP, the number of available low-priced medicines increased by 79.89% (n=671). This number showed a significantly increasing trend with a monthly growth rate of 4.46% on average (P<0.001). Between March 2014 and March 2015, the trend of monthly expenditures for low-priced medicines did not change obviously (RMB 22.1 million to 34.0 million, p=0.31). However, the expenditures increased rapidly with an increasing monthly rate of 8.91% (RMB 3.03 million/month to 3.03 million) from March 2015 to March 2017 (P<0.001).

Major Findings

This study aims to assess whether the LPMP promotes medicine supply in China.

Methodology

This study was conducted in Shandong, an eastern province of China with 100 million populations. Shandong began to implement LPMP in March 2015. In China, all public healthcare institutions procure medicines from the internet-based Provincial Drug Centralized Bidding Procurement System (CBP). From CBP, we collected purchasing records of all low-priced medicines between March 2014 and March 2017, including monthly expenditures and quantity of productions. This study used interrupted time series (ITS) analysis to measure the change of low-priced medicines supply and purchasing resulting from the policy intervention.

Conclusion

The LPMP promoted the supply of low-priced generics in public hospitals in Shandong and effective to medicine shortage, which is beneficial to UHC.

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