

Government's reliance on free market economics makes essential drug prices too high for the poor

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Research in Malaysia, published in the latest *PLoS Medicine*, has established that drugs considered essential for adequate health care are often priced beyond the reach of the poorer members of society. It would cost, for example, three days wages for a low-paid government worker to buy a month's supply of a commonly prescribed stomach ulcer pill.

The researchers, from Malaysia and from France, looked at the cost of 48 key drugs across the country; 28 were part of a "core list" identified by the World Health Organization as "essential drugs" on the basis of the global burden of disease and 20 reflected health care needs in Malaysia itself. The costs of each medicine were collected from government hospitals, private pharmacies, and dispensing doctors.

The researchers noted both the prices of the "innovator brands" (made by the original patent holder) and of "generic" brands (an equivalent drug produced by a different company once the exclusive patent has expired). Prices were compared against international reference prices (IRP), which are the average prices offered by not-for-profit drug companies to developing countries. The researchers also compared the cost of the drugs with daily wages, in order to work out their "affordability."

Prices were on average up to 16 times higher than the IRP. The availability of medicines was also poor, with only 25% of generic medicines available through the public sector. One month's supply of ranitidine (a drug for stomach ulcers) was equivalent to around three days' wages for a low-paid government worker, and one month's supply of fluoxetine (an antidepressant) would cost around 26 days' wages.

The cost of medicines in Malaysia appears to be much higher than in India and Sri Lanka, where there are government regulations intended to make medicines affordable. In contrast, Malaysia allows market forces to determine drug prices. The researchers say that the Malaysian government should set up mechanisms to prevent drug manufacturers from increasing prices too much and thus ensure greater access to essential medicines. The research has implications for health policy in other parts of the world.

Source: Public Library of Science

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