


The background of this slide is a glowing blue circuit board pattern. A dark blue rectangular box is overlaid on the left side, containing the following text:

**ACCOUNTABILITY
AND TRANSPARENCY
IN PHARMA SUPPLY
CHAIN**

**Presentation to UN 2018 Public
Service Forum**

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Enabling trust

SICPA: GLOBAL ROLE

Protection of **85+%** world currency
(more than 140 B banknotes in circulation)
and value documents using security inks



Products authentication and tracking
(more than **80 B** product units are
serialized annually)



CONTINUOUS INVESTMENT IN R&D



Access challenges

Availability	<ul style="list-style-type: none"> ▪ Certain essential drugs are unprofitable ▪ Public sector rationing (funding, management issues) ▪ Pressure to introduce and finance new, expensive drugs
Purchasing	<ul style="list-style-type: none"> ▪ How to get the best price for quality generics? ▪ Private pharmacy prices/margins difficult to regulate ▪ How to introduce expensive drugs?
Financing	<ul style="list-style-type: none"> ▪ What is the right level of spending for drugs? ▪ Preventing catastrophic expenditure in OOP payments ▪ How to structure co-payments?

Source:  **WORLD BANK GROUP**

5

Rational use challenges

Polypharmacy	<ul style="list-style-type: none"> ▪ Too many drugs at once ▪ Too many antibiotics ▪ Too many injections
Product mix	<ul style="list-style-type: none"> ▪ Preference for more expensive drugs? ▪ Incentives in the supply chain may antagonize efforts for cost-effective treatment
Under-treatment	<ul style="list-style-type: none"> ▪ NCDs underdiagnosed and/or undertreated ▪ Chronic patients may only get short term treatment (affordability) ▪ Health and economic benefits of adequate treatment not realized

Availability and pricing - three “buckets”

Low volume generic	High volume generic	Innovator brand
<ul style="list-style-type: none"> ▪ Availability is key concern ▪ Price needs to be high enough to attract sellers ▪ Active policy needed to ensure supplies (including regulatory side) 	<ul style="list-style-type: none"> ▪ Quality and price are key concern ▪ Many competitors in the market ▪ For public sector, better procurement is key ▪ For outpatient drugs, HIF holds key through reimbursement policy 	<ul style="list-style-type: none"> ▪ Pressure on budget growing ▪ Priority setting, transparent decision making needed ▪ Active deal making with manufacturers (EU experience)

7

On average, as GDP/capita increases...

- Health spending as % GDP **increases**
- Per capita pharmaceutical spending **increases**
- % of total health spending for pharmaceuticals **decreases, typically...**
 - 30%-50% of THE in low-income countries
 - 20%-30% in middle-income countries
 - 10%-20% in OECD
- % private, OOP pharmaceutical spending **decreases**
- % pharmaceutical spending for high-cost, patented drugs **increases**
- ***But lots of variation => policies matter!***

Rationale for Price Regulation

- Protecting consumers (vulnerability in the case of illness)
- Staying within limited budget
- Getting more value/volume for the money
- Improving access for the poor

Enforcement of pricing regulation

- Controls and inspections can create opportunity for corruption



Electronic transaction system (for tax collection, reimbursement, tracking of products) makes monitoring of compliance with pricing rules easy

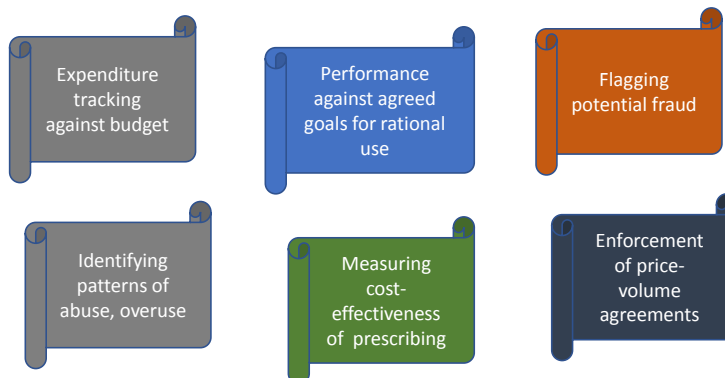
Investing into data collection

- Provider and patient level data on utilization are needed to manage the main cost drivers

Patient	Product	Service Provider
Unique identifier	Unique identifier	Unique identifier
Diagnosis (code)	Dosage form, dosage	Date of transaction
Eligibility criteria (example age, gender)	Units dispensed	Units prescribed

Using data to monitor rational use, adjust rules and inform policy

(Examples)



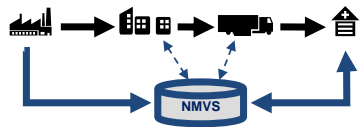


Europe: Responsibilities of the Supply Chain Partners

Serialization by MAH
 Risk based verification by Wholesalers
 Verification and check-out at point of dispense

Safety features:
 Code ('unique identifier')
 +
 Tamper evidence

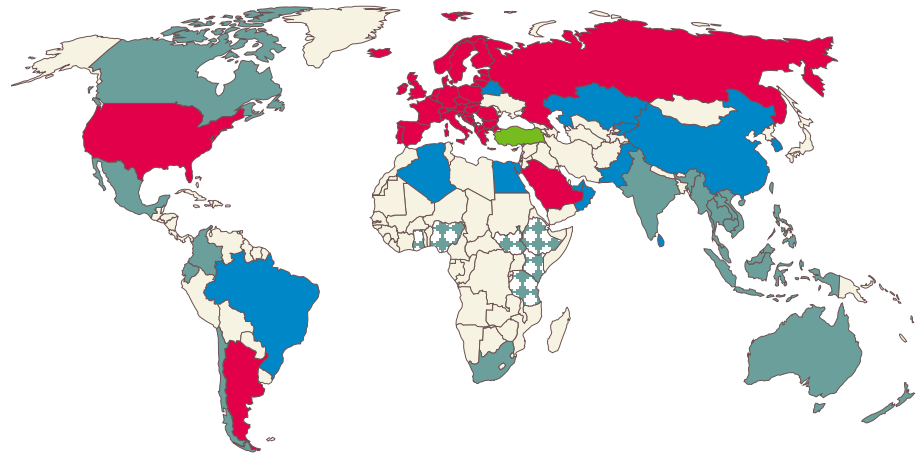
System set up and Governance by MAH together with other stakeholders
 Oversight by competent authorities



Product #:	09876543210982	
S/N:	12345AZRQF1234567890	
Batch:	A1C2E3G4I5	
Expiry:	140531	

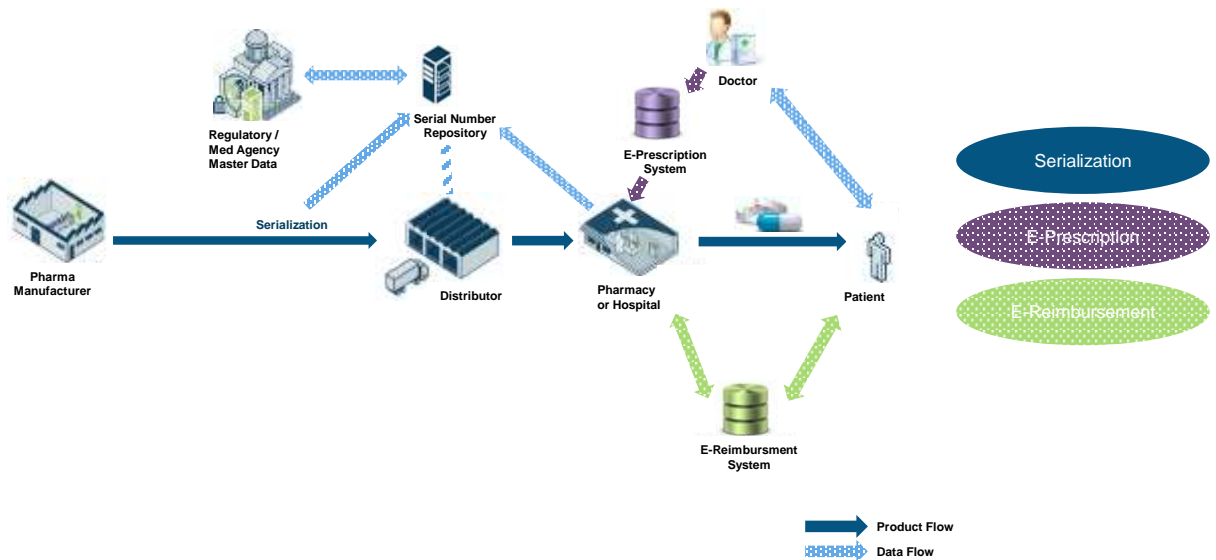


PHARMA SERIALIZATION



- In place
- Under way
- Decided: Details missing
- Decision expected
- Non-government more likely

SEE THE SYSTEM

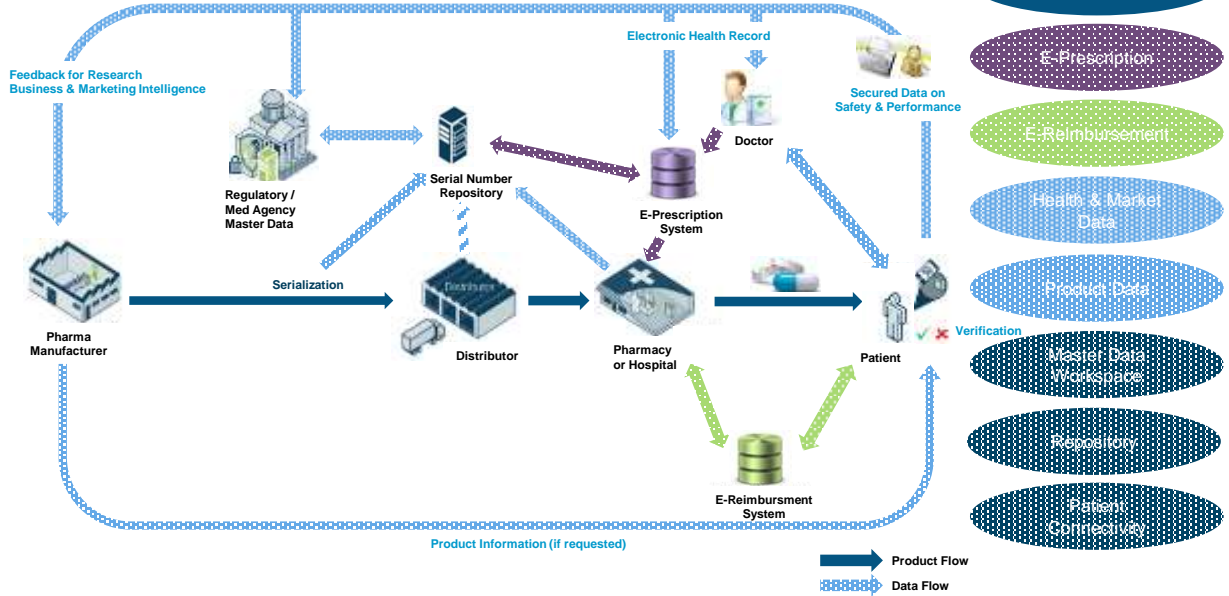


DIFFERENT OBJECTIVES

Counterfeits	<ul style="list-style-type: none"> ▪ Serialisation by producers, or third parties ▪ Repository (database) of serial numbers ▪ Spot checks by officials ▪ E-verification by pharmacies (and patients?)
Tax revenues Diversion Fraud	<ul style="list-style-type: none"> ▪ Track and trace in every step ▪ Include price and transactions ▪ Requirement for aggregation ▪ (Link to e-prescribing and reimbursement)
Digital Health	<ul style="list-style-type: none"> ▪ Connection to e-prescribing, e-reimbursement and electronic health records ▪ Interoperability with regulatory systems ▪ Patients connecting for added services (e-leaflet, adherence) and reporting outcomes (safety and effectiveness)

Different solutions

DIGITAL HEALTH OVERVIEW



CAN PRIVATE AND PUBLIC SECTORS AGREE A COMMON GOAL
 - BETTER ACCESS TO SAFE MEDICINES



