

The PAHO Strategic Fund:

*Access to Strategic Public Health Supplies for
Universal Health*

James Fitzgerald
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PAHO/WHO



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Regional Strategy on Universal Access to Health & Universal Health Coverage (2014)

- *Four Strategic Lines of Action;*
 - *Progressively expanding access to quality, integrated and comprehensive health services*
 - *Strengthening governance and stewardship*
 - *Increased and more efficient public financing in health;*
 - *Addressing the social determinants of health.*



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Increased Awareness on Pricing and Sustainability

BUSINESS DAY

The New York Times

Senators Condemn Big Price Increases for Drugs

By ANDREW POLLACK DEC. 9, 2015

Senators from both parties on Wednesday denounced huge overnight price increases for decades-old drugs that have been made by some pharmaceutical companies lately, calling them unconscionable and detrimental to patients.

OCDE advierte que alto precio de medicamentos está afectando los presupuestos de salud

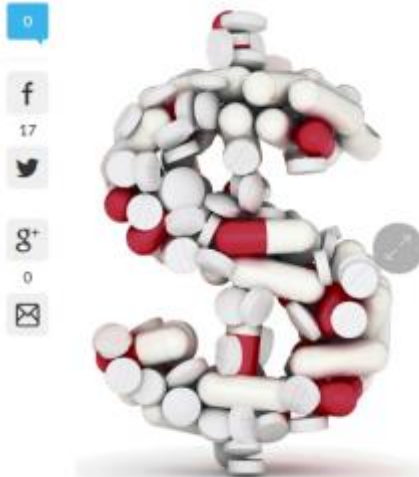
Por Kate Kelland
Reuters
4 de noviembre de 2015

Por Kate Kelland

LONDRES (Reuters) - El alto precio de los medicamentos de especialidad que cobran las empresas farmacéuticas está afectando los presupuestos de salud de las naciones ricas, dijo la OCDE el miércoles, ya que los fármacos representan cerca del 20 por ciento de todo el gasto en salud.

En los 33 países de la OCDE, el gasto farmacéutico alcanzó los 800.000 millones de

El País.com.co



Tratar el cáncer, el sida, la artritis, el reumatismo o la hemofilia en adelante no será tan caro como lo ha sido hasta hoy. La razón es que muchos de los medicamentos necesarios para su tratamiento y que tienen costos exorbitantes serán sometidos a control y reducirán su precio dos, tres y más veces desde el próximo mes.

Eso significa que los más de cuatro millones de colombianos que hoy no



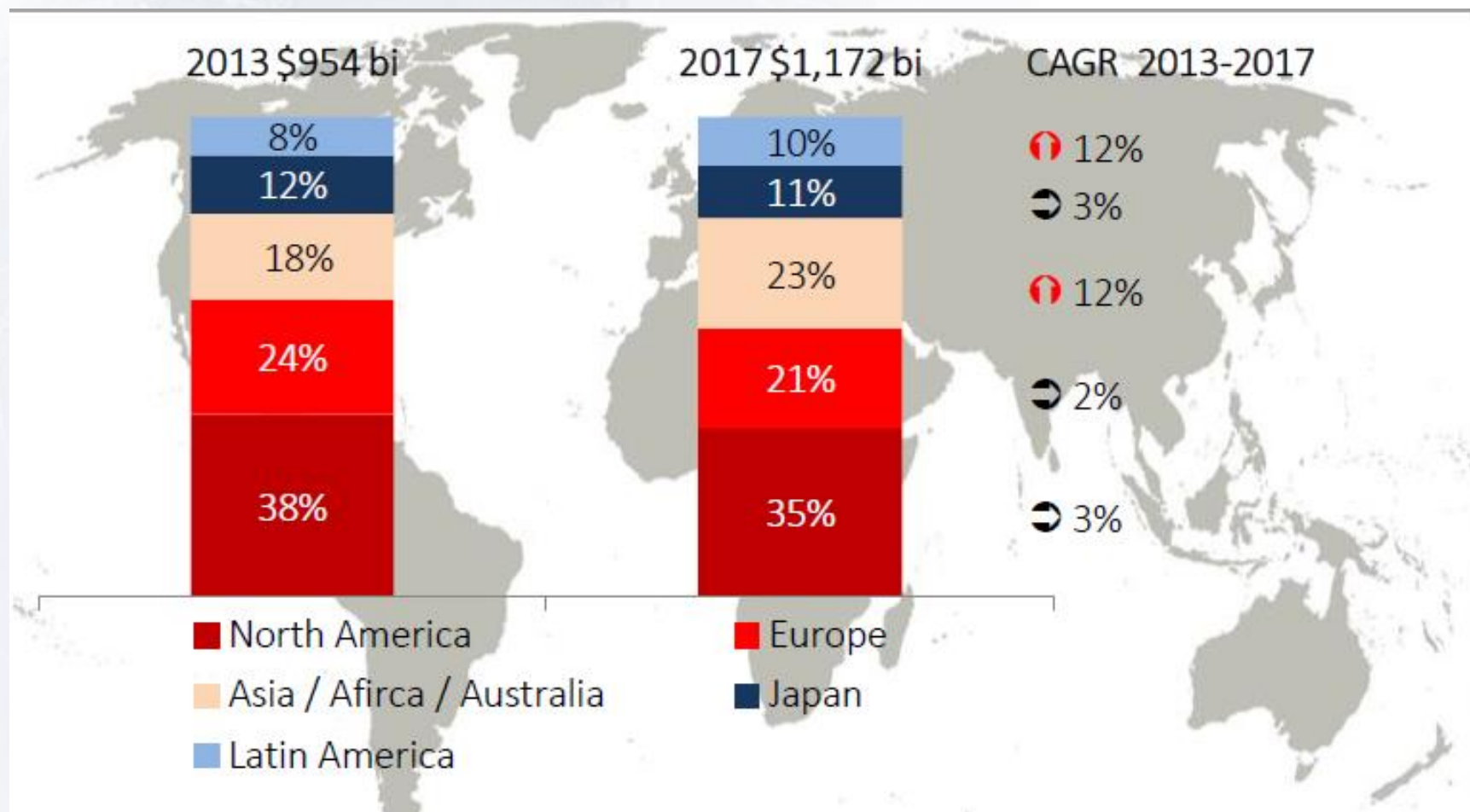
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Pharmaceutical Situation in the Americas



Share of Global Market by Region 2013 – 2017, Ref:
Americas Market Intelligence



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Overview of the Strategic Fund

From 2004

To 2016



150 Products/Presentations



27 Countries



417 Shipments



Purchases (2015) US\$ 71.5 M
Capitalization Fund: US\$ 10.5 M



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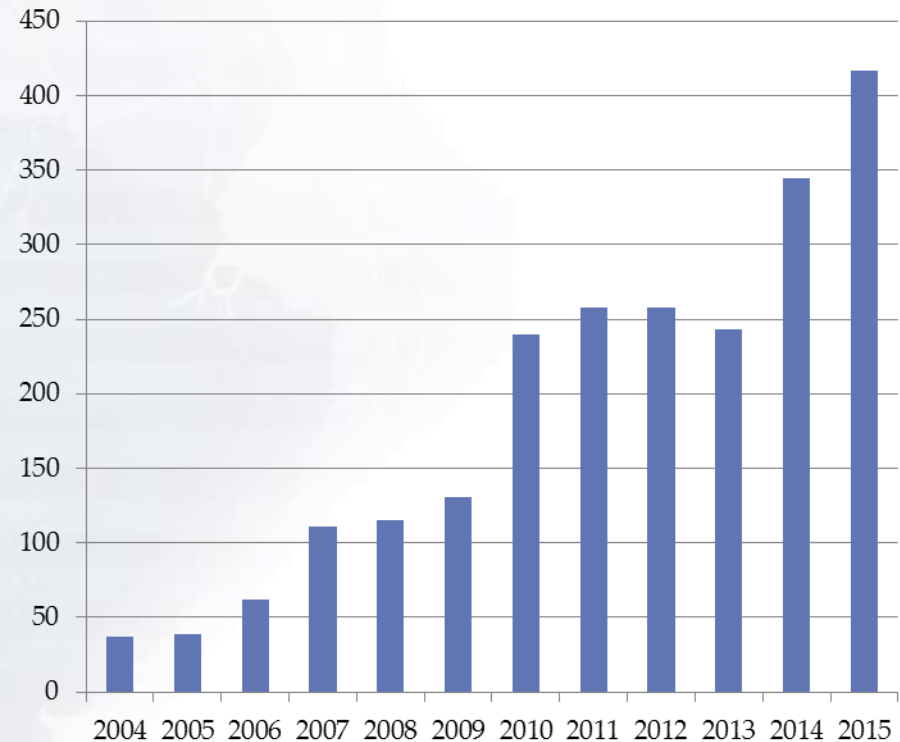
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Growing Participation of Member States

**Procurement (US\$ Millions)
(2004 - 2015)**



**Number of POs
(2004 - 2015)**

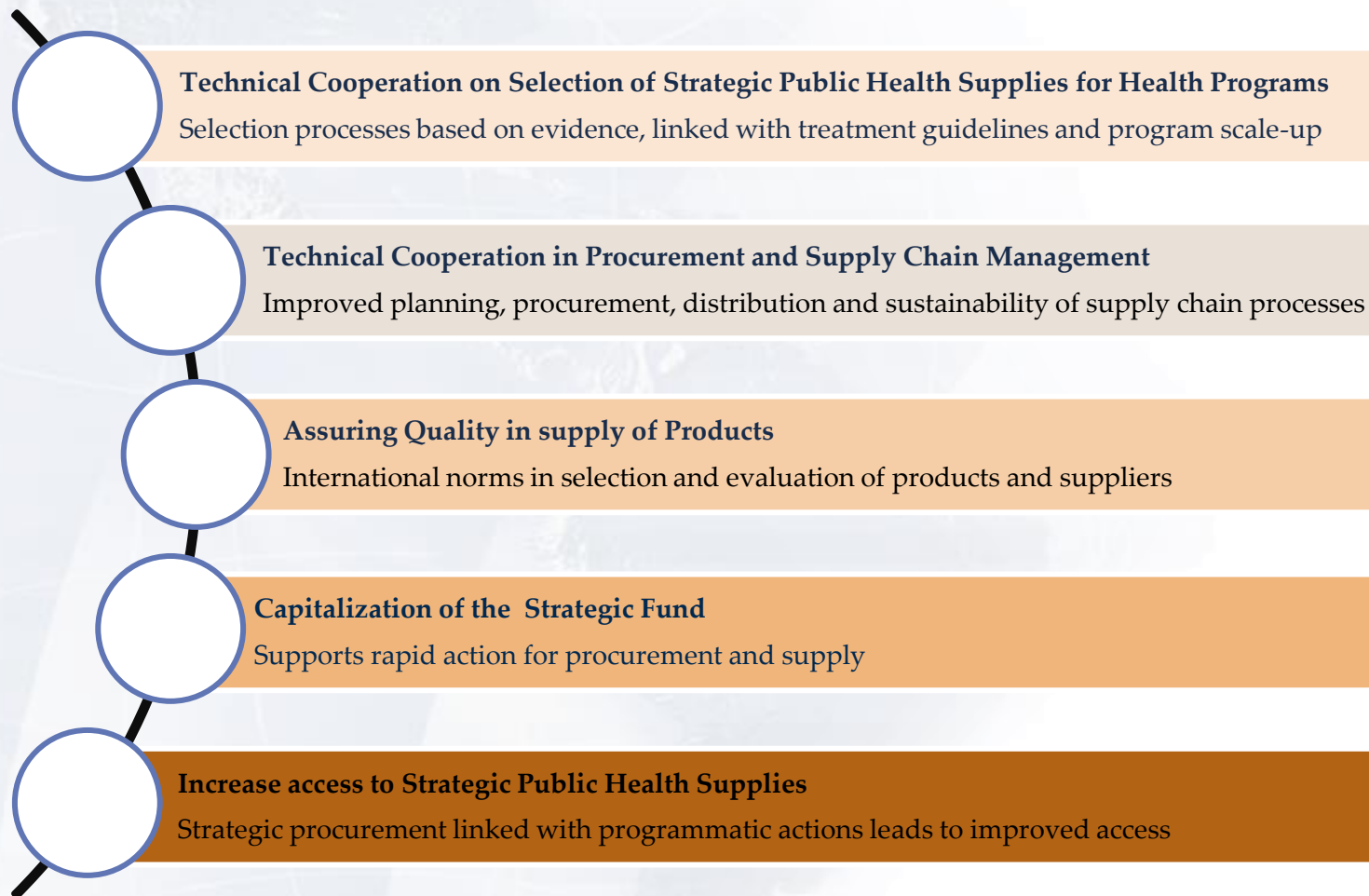


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Supporting Access and Quality



Collective Action to improve Access

Products with several competitive (multisource) alternatives

- Strategic Fund pools demand for countries, seek qualified generic/multisource sources, and lower price through improved competition.

Products with supply issues due to lack of commercial interest

- Strategic Fund pools demand, and negotiates with suppliers to stabilize supply and the market.
- Strategic Fund facilitates supply of priority donations for neglected diseases.

Products under patent protection (monopolies and/or oligopolies)

- Strategic Fund informs on price trends, and negotiate directly with suppliers.
- Strategic Fund supports/establishes the necessary linkages with country led negotiations to facilitate procurement.



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Linkages with Sub-regional Price Negotiations

- **2000 – 2005; Regional Joint Negotiations for HIV/Medicines**
- **2010 – 2013: SICA price negotiations for Essential Medicines**
- **2015: Mercosur/UNASUR Price Negotiations for High Cost Medicines**
 - CMC Decision 32/14, September 11, 2015, Montevideo, Uruguay
 - Joint MERCOSUR/UNASUR committee to negotiate with multinational pharmaceutical companies on the prices for bulk purchases of certain high-priced drugs.
 - Support provided in quality criteria, and linkages with treatment program expansions
 - Steep price reduction for Darunavir (Hetero Labs), lower prices Sofosbuvir, (Gilead).
 - **Price extended to all PAHO SF participating countries**



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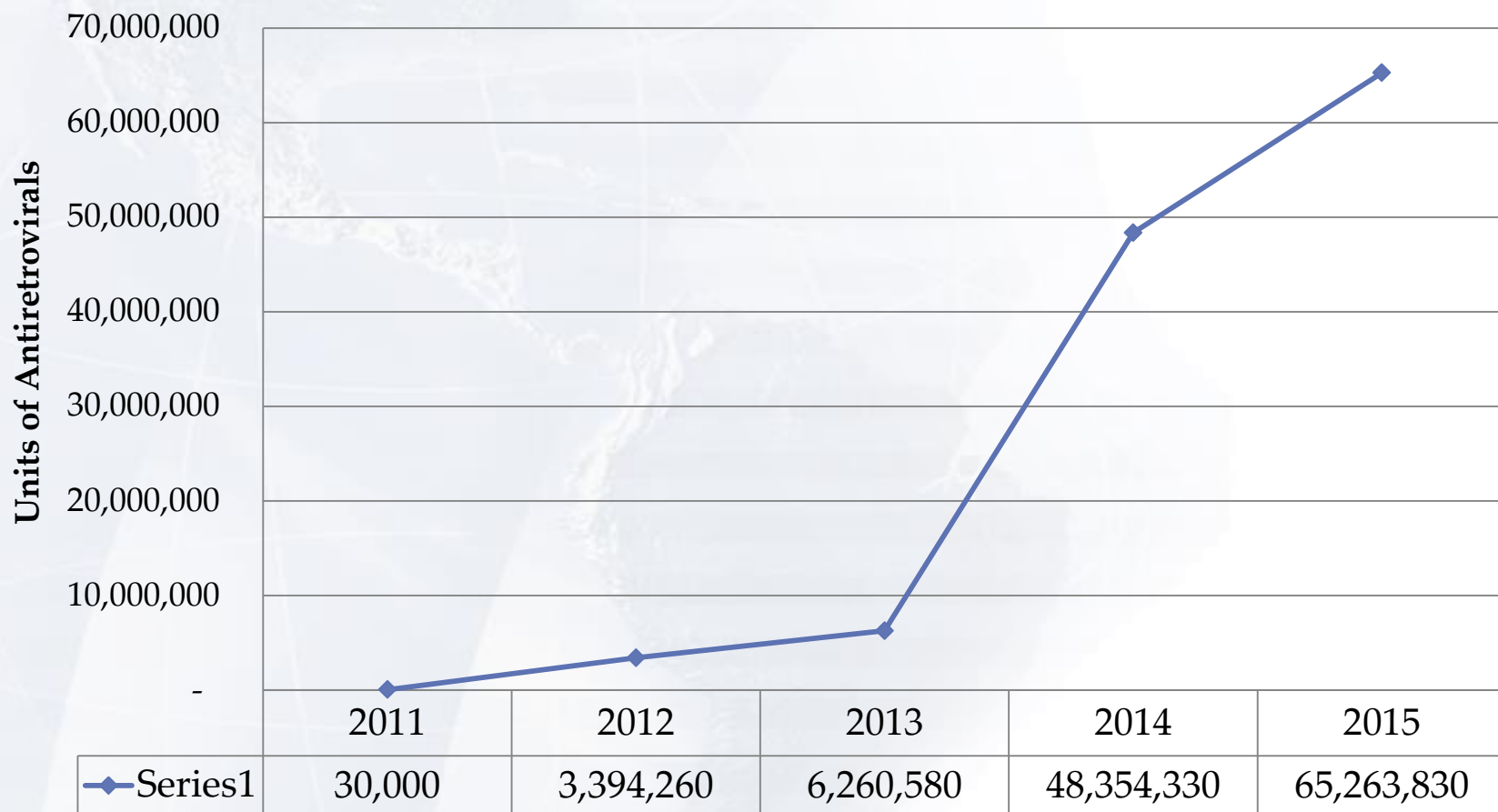
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Pooling Demand / Reducing Price

Price for Darunavir 600mg tablet (USD)



Supporting Expansion of Treatment and Care



EFVAVIRENZ 600MG/ EMTRICITABINE 200MG/ TENOFOVIR 300MG and
EFVAVIRENZ 600MG/ LAMIVUDINE 300MG/ TENOFOVIR DISOPROXIL
FUMARATE 300MG



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Responding to Current/Future Challenges (I)

- As part of the support mechanism for Member States in response to the Zika Outbreak:
 - Emergency stock of Immunoglobulin (IGG) purchased by PAHO: additional multi-country tender in process;
 - Vector control products
 - Diagnostic kits and reagents (probes, primers, enzyme and extract kits)
- Linking supply chain actions, pooling of demand with Long Term Agreements for multi-source products;
- Incorporating the Regional Reference National Regulatory Authorities to support decisions in quality



Responding to Current/Future Challenges (II)

- Linkages with important policy discussions in WHO and PAHO Governing Bodies:
 - Expand efforts to consolidate demand and improve supply for medicines with where the region is experiencing shortages (e.g. antimalarias, penicillin benzathine)
 - Access and Rational Use of High Cost Medicine and Health Technologies
- Continuous strengthening of the response of the Secretariat in support of Member States:
 - Technical disease program areas, medicines and technologies
 - In procurement, legal and financial support services
 - At the country level
- Amplifying response through a sub-regional approach



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