

Outcomes of the Study on Prices and Availability of Medicines in Georgia — Changes in 2009-2011

Curatio International Foundation has completed a study exploring 'Price, Affordability and Availability of Medicines in Georgia'. The study was divided into three stages and carried out in 2009-2011.

The key aim of the study is to improve affordability and availability of medicines for the population.

Based on a three-year observation of pharmacies and different medicines in Georgia, Curatio International Foundation studied the practice in the pharmaceutical sector and came up with recommendations based on research findings. The recommendations will be presented to the broad audience of the health sector – the Health Care Committee of Parliament, the Ministry of Health, the insurance sector and other interested parties.

Giorgi Gotsadze, the Curatio International Foundation Director: “Through the study we provide strong evidence to decision and policy makers on the current condition of the pharmaceutical market. We hope that this study will foster debates between the interested parties”.

The study was conducted using the methodology of the World Health Organization (WHO). The survey looked at prices and mark-ups of 52 medicines (brand-name medicines and their cheap generic equivalents) over the period of three years in licensed pharmacies nationwide.

The survey measures the quality of access to medicines in both pharmacy chains and independent pharmacies. In 2011, Pharmadepo and Parmacenter added to the pharmacy chains involved in the survey (PSP, Aversi, GPC) in 2009-2010.

The survey looks at the access to medicines by years as well. It analysis the impact of amendments made in 2009 to the Law on Drugs on the access to medicines and medicine prices in Georgia. The survey analysis how the changes influence the patients' treatment costs in patients with different diagnosis.

The survey has found that:

- The market has witnesses a tougher rivalry since 2009, which has likely led to the reduction of markups of brand-name products. Markups decreased most in 2011;
- The year 2011 witnessed an increase in access to both brand-name products and their cheap generic equivalents;
- Despite improved affordability the market is experiencing a lack of generic products;

- Access to medicines varies by regions. Access, especially the access to generic medicines, in some regions is still low;
- The level of access is highest in the Pharmadepo/Pharmacenter pharmacy chain and lowest in independent pharmacies, which is likely to be the result of unequal competition among pharmacies;
- Even though there is a decreasing trend in medicine markups, the markups in Georgia are higher than in European states, which means that Georgian importers add more funds to medicine prices than European ones (which should respectively lead to higher profits). Consequently, the share of pharmaceutical costs in the national healthcare spending in Georgia is much higher compared to European states.

Impact on Standard Treatment Costs:

- There has been a decreasing trend in the standard treatment price for the past three years;
- In 2011 standard treatment costs decreased more in case of treatment by brand-name medicines compared to treatment by generic products, however the treatment by generic medicines requires less spending because of low retail price of such medicines.

The survey of prices and availability of medicines was divided into three phases and conducted in Georgia in 2009-2011. The first and third stages were financed by the World Bank, while the second one - by the Open Society Institute.