

## Short Communication

### The Grey Clouds Looming over Pakistan's Drug Transparency Sector

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#### Abstract

Pakistan has experienced major turbulence in terms of drug pricing over the course of the past two years, with prices jumping as high as 260% of their original. A country with a large majority of population living in low socioeconomic settings, with an out-of-pocket health-care finance system, non-availability of state-sponsored healthcare insurance, and this price hike meant that treatment was now a privilege, rather than an essential commodity. However, the government faces serious backlashes from pharmaceutical industrialists when it retorts to appeasing the general public. With a moderation and regulation in drug pricing comes an acute shortage of medicinal availability across the country. Could this be blackmail? Or a genuine need for a price hike to optimize profits from the sale of medicines made from imported chemicals?

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#### Dear Editor,

Drug pricing in Pakistan is regulated by the Drug Regulation Authority of Pakistan (DRAP), according to the DRAP Act of 2012, and before the advent of this institute, by the Drug Act of 1976. This organization, formed following a “fake drug crisis”, in 2011, is governed by the Federal Government of Pakistan (GOP) and is responsible for the safe provision of medicines to the public and private sector pharmacies in Pakistan, in terms of monitoring of trade across the border, equitable distribution throughout the country and controlling of prices-making them affordable for all socio-economic strata of the society equally<sup>1</sup>. With the development of DRAP, and the recently-acquired membership of the World Health Organization's (WHO) Programme for International Drug Monitoring (WHO-PIDM), Pakistan is on its way to developing a secure network of drug distribution across the land.

However, the recently announced steep price hike, up to 260% of the original value has met serious criticism from the civil society and the citizens in tandem. Life-saving medications such as Acetazolamide and Doxycycline has seen an increase in prices from \$0.37 to \$1.36, and \$1.45 to \$2.49 respectively<sup>2</sup>. Who's benefitting, and who's at a loss? The GOP stands by the claim that the price increase will help in the acute shortage of medicines across the country. This announcement was made in light of the 'Hardship' section of DRAP's Drug Pricing Policy (DPP) act of 2018. According to this amendment, pharmaceutical industries were authorized to request for an increase in drug prices if their cost of production wasn't profitable at the set price value. Was this the reason, or were there ulterior motives?

Mr. Noor Mehr, the ex-President of Drug Lawyers Forum Pakistan mentioned how the government and

DRAP have been blackmailed over the years at the hands of the pharmaceutical conglomerates<sup>2</sup>. In 2017, DRAP demanded for companies to handover their drug pricing, to be displayed on the organization's website for the knowledge of the masses. A list of approximately 1200 medicines was displayed on DRAP's website and was removed within a matter of minutes, for reasons unknown. Was it ever published again? No. Does this hint at corporate blackmail, corruption, and influence over the government? Maybe.

However, does all look gloomy? The answer remains a double-edged sword, open to critique and debate. The DPP 2018 did achieve its goals, as suggested by Amna Saeed and colleagues<sup>3</sup> in their impact assessment paper, whereby the authors showed how the mean percent availability of 'originator brands' (OB) drugs' in the public sector improved from 6.8% to 33.1%, and in the private sector from 55.0% to 58.3%. However, the adjusted median unit prices for these drugs significantly increased by a median of 4.29% ( $p < 0.05$ ), and the prices of the 'lowest price generic' drugs increased by a median of 15.7% ( $p < 0.05$ ) -resulting in a decreased overall affordability of many common medications.

This increase in the prices followed by a decrease in affordability is a major issue in Low and Middle-Income Countries (LMIC) such as Pakistan, whereby the mode of financing remains out of pocket and with 13% of the population living below the international poverty line ( $< \$1/\text{day}$ ), treatment becomes a privilege, rather than an essential. Before the price hack, at a time when price-freeze was implemented in 2007, medicines were generally not affordable for blue-collar workers: 1.7–7.7 days' wages (for generics medicines), and 1.9–36.4 days' wage (for brand-name medicines) for one-month long supply of chronic disease-related medications<sup>4</sup>.

The biggest ethical dilemma then stems to be the availability of drugs vs expensive drugs. As the drug prices soar, the availability of these essential medicines becomes significantly better. A fair estimate of this ad-hoc system is the presence of only ten thousand off the seventy thousand registered medicines in the country, a scarce supply of vaccines such as MMR, Varicella, Rubella, Rabies, Typhoid, and Hepatitis A. With the decreasing availability of these

medications, there has been a notable rise in the smuggling and import of these drugs, resulting in a two to three fold increase in the price of medicines-affecting both the poor and the affluent likewise<sup>5</sup>.

A country with a failing pharmaceutical sector, affluent and powerful industrialists, weak government, poor citizens, a feeble infrastructure, and flawed checks and balance system requires the government to find the 'sweet spot' for the fulcrum to balance all the stakeholders affected by the policymaking. This remains a daunting task for the government and 'stronger' steps should be taken by the policymakers and more so 'firmly' by the policy enforcers if a right balance is to be elicited.

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