

## REGIONAL COMMITTEE FOR THE EASTERN MEDITERRANEAN

### Sixty-sixth Session

Tehran, Islamic Republic of Iran, 14–17 October 2019

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## PHARMACEUTICAL FINANCING IN THE EASTERN MEDITERRANEAN REGION

### Objectives of the event

The objectives of the event are to:

- share up-to-date information on medicine financing with Member States in the Eastern Mediterranean Region;
- identify good practices in medicine financing with relevance to the Region;
- reach agreement on a roadmap to enhance medicine financing in the Region.

### Background

Countries of the Eastern Mediterranean Region have demonstrated a high level of commitment in taking action to progress towards universal health coverage (UHC) to achieve Sustainable Development Goal Target 3.8 “Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all”. While discussion on UHC has often focused on health-care services, limited attention has been given to medicines but access to safe, effective, quality and affordable essential medicines needs to be integrated into all national policies and roadmaps to achieve UHC.

Available information suggests that spending on medicines is responsible for a substantial portion of current health expenditure in all countries worldwide, including in the Eastern Mediterranean Region. A high share of out-of-pocket payment is due to direct spending on medicines, which increases the risk for individuals of financial hardship and impoverishment. In resource-constrained settings, it is essential to ensure the availability of effective national medicines policies that facilitate the mobilization of sufficient resources for medicines and also ensure best value for money. Describing and assessing how medicines are currently financed, including how much is being spent on them, is a key step in developing evidence-informed medicines policies. Developing effective medicine financing strategies is an integral part of overall health financing strategies and national medicines policies.

### Challenges

Health financing systems in the Eastern Mediterranean Region tend to be regressive, and the Region displays one of the highest levels of out-of-pocket expenditure globally. Anecdotal evidence suggests that spending on medicines accounts for a large share of current health expenditure and out-of-pocket expenditure in most countries of the Region. The availability of life-saving medicines, antiretroviral therapy for the treatment of hepatitis C, new generation medicines for cancer and biotherapeutic products – all of which are expensive, essential and unaffordable – makes the issue of financing critically important.

The political economy of the Region also poses significant challenges because of the many competing stakeholder objectives; for example, medicines are overpriced in comparison with reference prices, generics are overpriced and there are mark-ups across the distribution chain, and funding sources are split among multiple pools. Most countries in the Region use passive purchasing arrangements, meaning provider payment methods do not achieve best value for money and cause major inefficiencies in medicine

procurement and use. There is also a lack of technical capacity to ensure the efficient use of limited available resources. There is therefore an urgent need to bring together different actors involved in medicine financing, including ministers of health, ministers of finance, supply chain managers, health system experts and academics, to forge consensus on how best to finance medicines in WHO's Member States in the Region.

### **Expected outcomes**

- Up-to-date information on medicine financing shared with Member States.
- Good practices in medicine financing with relevance to the Region shared with Member States.
- Agreement reached on a roadmap to enhance medicine financing in the Region.