National Drug Policy as Part of Comprehensive Health Care

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South Africa is experiencing a crisis in its health care services, which is, in large part, due to the high cost of private sector services, particularly the cost of drugs. Presently, medical aids are unable to absorb further costs without increasing members' contributions beyond affordable levels. In finding solutions, debate has focussed on descheduling, calls for increased self-medication, dispensing by doctors, generic substitution and new regulations for the medical aids. These mostly concern the private sector and primarily reflect conflict amongst vested interests in that sector contesting their respective share of the market.

These debates obscure the need for an all encompassing review of health services, particularly the health care needs of the majority of South Africans who cannot afford private health care and rely on the inefficient public sector. The failings of the health service as a whole are also reflected in the public sector distribution of drugs. Drugs are often not available to the poorest, personnel responsible for drug management at the periphery are often inadequately trained and support services are sadly lacking.

The Need for a National Drug Policy

A policy is needed to address both drug availability in the public sector and the rational and cost-effective use of drugs in the private sector. There have been various calls in the past for a national drug policy. This is by no means a new concept for South Africa. Drugs alone, however, cannot be relied on to solve the health care problems of the nation. A drug policy can only be successfully implemented if it forms an integral part of an approach based on the primary health care concept. However, the application of a national drug policy to the private sector need not involve nationalisation nor lead to disinvestment of multinational pharmaceutical manufacturers from the country.

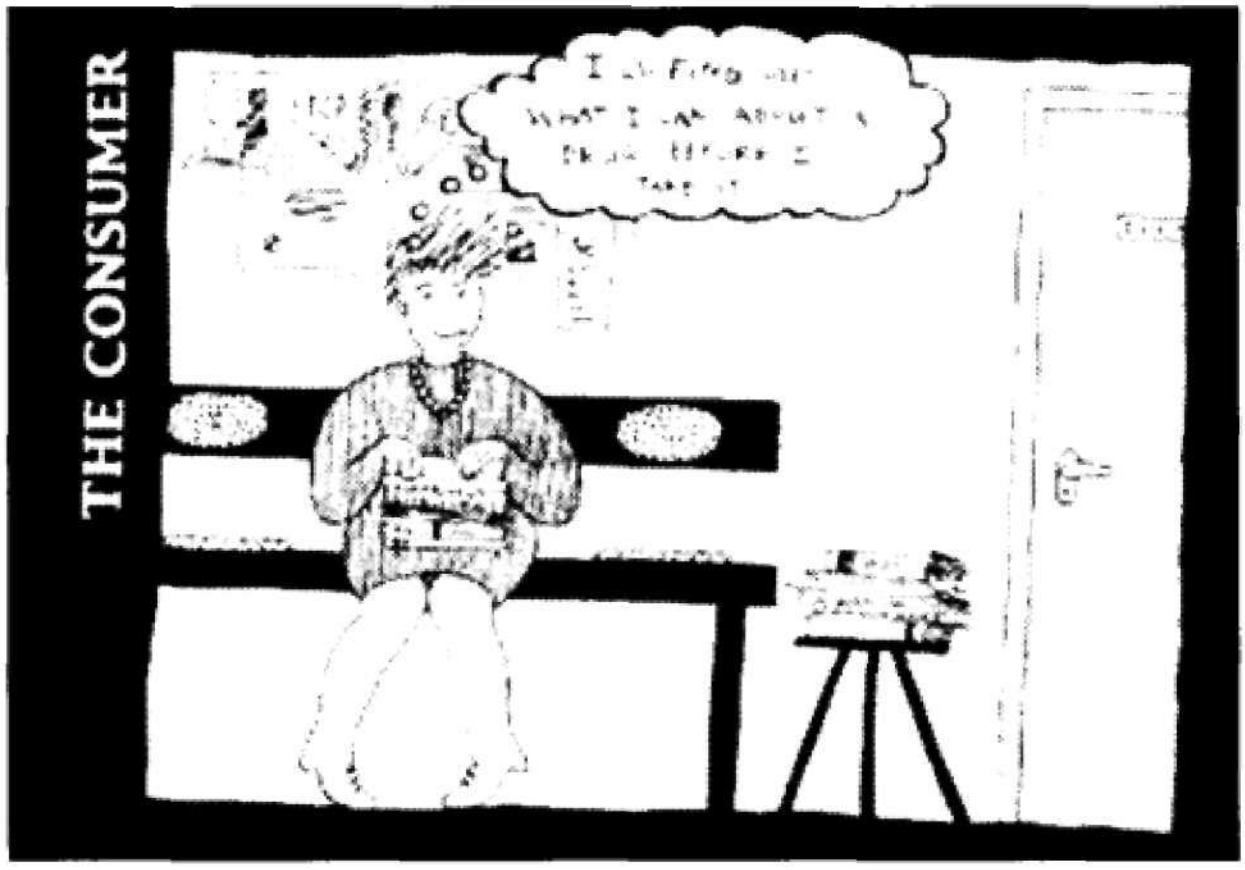
A national drug policy aims to make essential drugs of acceptable quality and efficacy, accessible to the majority of people at affordable cost. It lays the basis for the achievement of greater efficiency in the pharmaceutical supply system, co-ordination of its different components and training and deployment of appropriate pharmaceutical personnel at every level.

The starting point of a national drug policy is an essential drugs list
Photo: Ismail Vawda

A national drug policy is also intended to ensure the rational use of drugs, for both economic and therapeutic reasons. The components of a developed drug policy include drug legislation and regulatory control, product selection, quality assurance, local production, procurement, distribution, pricing, research and development, training of health workers in the proper use of drugs and utilisation of locally available natural resources. It is also important to evaluate the use of traditional medicines and rationalise these remedies, with a view to incorporating their use in the health system.

Essential Drugs List

The first step towards establishing an effective drug policy is the compilation of an essential drugs list, whereby drugs are categorised to indicate the level of the health system at which each drug may be used. Essential drugs are drugs that meet the needs of the majority of the population. They must have proven therapeutic effectivity and be acceptably safe.



The number of drugs necessary for treating the large majority of diseases both in developed and developing countries is relatively small. It is estimated that diseases accounting for up to 90% of illness and death amongst the poor in the developing world, fall into 2 main groups, nutritional deficiencies and communicable diseases. Yet, according to World Health Organisation (WHO) research concerning the ten years from 1977 to 1987, leading products on the world market were mainly for the treatment of ulcers, anxiety and hypertension. In developing countries, scarce resources have been used for non-essential drugs, mostly consumed by a small segment of the population.

WHO recommends that a list of essential drugs should be drawn up by every developing country as a first step towards achieving cost effectiveness in the supply of drugs. It is then necessary to ensure that the country's drug requirements are purchased and distributed through the most efficient and cost effective system. WHO surveys show that access to essential drugs is highest in those countries with well developed procurement and distribution systems. A centralised procurement agency is important for bulk purchasing of raw materials or finished products on the world market.

It is estimated that an effective policy based on a national selection of drugs linked to bulk purchase could reduce costs by 40%. The use of generic names, domestic production and a public system of distribution could account for a further 20% reduction.

Drugs and Comprehensive Health Care

In South Africa, a central agency is responsible for the bulk purchasing of drugs on tender for the public sector. It is successful in terms of cost-effectiveness. Discounts of up to 80% have been achieved in some instances. However, it is not linked to a comprehensive drug policy to ensure that these drugs are widely available and accessible to the greater majority.

Drugs are undoubtedly important to improving the health of nations, but their role in sustaining good health tends to be exaggerated. Preventive public health which emphasises adequate sanitation, housing, nutrition and primary health care facilities, represents the most efficient long-term strategy to the control and eventual eradication of a wide range of infectious and parasitic diseases. Many developing nations have, however, relied on pharmaceuticals as their first line of defence against disease. United Nations estimates show that drugs constitute approximately 40 to 50% of the health budget in many developing countries, compared to 10 to 20% in developed countries.

The availability of drugs is meaningless if health promotion and preventive programmes are not developed simultaneously, on a scale dictated by the primary health care principles. A researcher on the impact of drugs on health in developing countries says he is "struck by the grand paradox of the existence of an assertive drug industry with its powerful armoury of products, alongside this sanitary chaos with its almost total absence of the physical and economic structures essential for 'health'. Just how relevant to health could the products of the research based pharmaceutical industry be in a community in which the supply of enough food to meet even minimum energy needs cannot yet be assured?"

Thus, comprehensive health care strategies, together with the political will of governments, are critical to ensuring that drug policies yield the desired results. This is well illustrated by the case of Bangladesh. Although Bangladesh has a well-defined national drug policy, it's population is among those with least access to essential drugs. In 1982 Bangladesh adopted an essential drug policy, resulting in the elimination of non-essential and harmful drugs. By 1984, 80% of drug requirements were locally produced. Medicines were soon available at lower prices countrywide. However, years later most people were still without access to basic essential drugs.

Widespread coverage cannot be achieved without a comprehensive health policy and integration of a national drug policy into an approach based on primary health care. Pharmaceutical services have to be an integral part of, and subject to, the broader health care strategy. Does this imply unwarranted

controls over the private health care sector or even nationalisation of that sector?

The private retail sector

The private sector, with 84% of the country's pharmacy personnel and responsible for 80% of the country's total medicines expenditure, is a major player. A democratic government that seeks to provide health care to all will be unable to provide facilities over-night and will have to rely, in the interim, on existing private sector services.

Countries with a strong private sector have found it politically expedient to confine drug policy to rationalising supply in the public sector, leaving drug use in the private sector largely uncontrolled. However, the availability of essential drugs has a limited benefit if drugs are not used correctly. As the private sector is often guilty of promoting irrational drug use, it must be included in the national drug policy. The medical aid third party payment system has been largely responsible for irrational drug use in the private sector by making it attractive for providers to over provide and over prescribe.

The relationship between the public and private sectors has to be defined in such a way as to promote national health care goals, but in a way that will minimally affect the independence of the private sector. Ironically, it is the much criticised Medical Schemes Amendment Act which could facilitate cost effective restructuring of the private sector.

The Act could result in the creation of group practices, with pharmacists participating in multi-disciplinary health care teams. Such teams could be contracted to the public health care authorities to provide care to the state's dependents. It would be possible for the state, as the main buyer of health care, to insist on certain drug policy guidelines being followed when public sector patients are seen. Such guidelines would be the subject of negotiation between the state and independent contractors.

Multinational Corporations

Multinational pharmaceutical corporations are averse to the concept of a national drug policy because it implies the adoption of limited drug lists and policies of generic substitution which could affect the sales of branded products. Warnings have been sounded that such a policy would lead to the withdrawal of multinational pharmaceutical manufacturers from the country, and large scale private investment in the industry would dry up. The consequence would be the loss of vital technology and the loss of thousands of jobs. This scenario is not

supported by events in a number of developing countries, such as Mexico and Zimbabwe, where the tightening of drug legislation did not precipitate large scale disinvestment.

In the case of South Africa, certain factors mitigate against the possibility of the "technology flight". The adoption of a drug policy might limit the number of drug formulations on the market and affect profits generated by the sale of certain drug brands. However, increased health care coverage under a new government is likely to lead to increased sales of the fewer drugs remaining on the market.

Recent changes to legislation will provide an extra incentive for the multinationals to stay. The formation of group practices, unless they adopt generic purchasing as a cost minimalisation measure, presents the possibility of a 'new' market. Allowing pharmacists to prescribe medicines in higher schedules and non-pharmacists to own pharmacies will also lead to an expansion in the market for branded products.

South Africa has the potential of becoming a regional centre of supply to the rest of southern Africa. With the imminent removal of sanctions, the vast trade opportunities awaiting it cannot be lost on the pharmaceutical industry. The potential threat of losing innovative capital can be discounted. No multinationals are involved in any real basic research here, despite South Africa having some well established clinical research centres.

A new government, while requiring the industry to comply with industrial and health promotion policies, will probably be mindful of the industry's contribution to the industrial development of the country. It will most likely consult with representatives of the pharmaceutical industry before embarking on any new policies that affect it.

The multinational pharmaceutical industry needs to base its strategies on producing and promoting products which address the real therapeutic needs of the population. Its future in the country is assured if it participates actively in the economic and social development of South Africa.

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