

A Case of Medicine Price Transparency in Malaysia

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Healthcare expenditure has risen sharply in many countries over the last decade. One of the contributors to the phenomenon is the drug price. Various policy proposals, new legislation and reforms are changing the way drugs are being purchased and marketed around the world. Countries implemented various strategies to regulate and optimise the drug price including reference pricing, copayment system, indication-specific pricing and value-based contracts. Malaysia has a dual healthcare system; public and private. The drug price in the public sector is negotiated by the government whereas in the private sector, the price is determined by the market (Ashraf & Ong 2021). Several studies conducted in Malaysia showed that the drug price in Malaysia, both in the public and private sector are higher than the international average (Hamzah et al. 2020; Wong et al. 2019; You et al. 2019) indicating its importance in providing access to medicines for Malaysians. However, the Ministry of Health (MOH). These studies attributed the high drug price to the

fragmented procurement system, lack of negotiating power, underdeveloped local generic industry, disorganised pricing system and lack of price transparency. This higher drug price may jeopardise Malaysian access to affordable and high-quality healthcare in the long run. One of the ways to optimise the drug price is to increase the transparency of how the drug price was negotiated. In Malaysia, the drug price whether in the public or private sector, is not publicly available. The government only published the recommended retail price on its website. i.e., Consumer Price Guide (Ministry of Health 2022). Here, we compared the Malaysian drug price transparency with other nations.

In Australia, the price of medicine is available on the Pharmaceutical Benefit Scheme (PBS) website (Department of Health 2022). The website listed the name, form, strength and pack size for the medicine. Available brand for the medicines is also listed. The listing of alternative brands is crucial as the patient may decide for themselves to choose a cheaper or more expensive

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brand. Additionally, the website also displays the price for maximum quantity of the medicine, patient charges, markups and any additional fees. The method of price calculation was also explained. Each pricing terminology were described and examples were given. The price in the website is also the price of the drug in the formulary. Meanwhile, Malaysia only displays the recommended retail price, whereas the formulary price is not publicly available. The absence of publicly available formulary price, become an obstacle for more researches to be done on the topic. Furthermore, the data and the information on the Australian website can also be easily downloaded, whereas in the Malaysian website, it is more difficult as there is no download option available.

In developed countries such as Canada, Germany and United Kingdom, the company drug submission to the government is publicly available. One may read how the drug was analysed, relevant financial impact analysis, efficacy and safety of the drug and the drug's comparators. The public may also read the expert opinions on the drug and their appraisal. In contrast, Malaysia do not have publicly available drug submission file which make it difficult for the public and the researchers to be involved in the drug pricing process.

Other countries such as France, Germany and Canada included the added therapeutic benefit in their assessment and this assessment is publicly available. One may easily read the reason for increasing the rating for the drug's benefit and

decreasing the rating. The French website for example, provided the description on the terminologies used, the price and reimbursement rate, indications, patient leaflet and summary of the drug characteristics. At the moment, Malaysia does not include added therapeutic benefit as part of the drug application process. The inclusion of the added therapeutic benefit is important as it may help the government to negotiate a better contracts and obtain a fairer price.

Malaysia may emulate other countries such as Australia by displaying the price of medicine on the website, associated markups and other additional fees (Department of Health 2022). The pricing method also should be clearly described. Additionally, the drug submission files containing financial analysis, safety and efficacy of the drugs should be made available to the public (National Institute for Health and Care Excellence 2022). Furthermore, Malaysia may establish a committee to determine the added therapeutic benefit of the drugs similar to France (Ministere des Solidarités et de la Santé 2022). These are several approaches that Malaysia may take to improve its drug pricing transparency.

Medicine price transparency is paramount. Malaysia may follow other countries' examples to improve its medicine price transparency initiatives. The public need to have more involvement on how the drug price was determined. At the moment, the Malaysian public have no influence at all on how the price was determined. Malaysia need to improve its regulation and reformed the current system as

the continued rising of the healthcare expenditure will be unsustainable in the future.

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