

Drug Pricing & Reimbursement in Qatar

Daoud Al-Badriyeh, PhD
Assistant Professor of Pharmacoeconomics
College of Pharmacy
Qatar University
Doha, Qatar

Drug Pricing in Qatar - History

- Law No. (7) of 1990, by the Pharmacy and Medical Control Department at the Ministry of Health in Qatar
- The Pharmacy and Drug Control Department at the Supreme Council of Health (SCH) is the sole authority to fix the prices for medicines
- Drug pricing considerations:
 - Original value for medicines
 - Value of insurance for the goods
 - Wages of freight to the port in Qatar
 - Value of custom fee
 - Expenses of unloading excluding the demurrage

Drug Pricing in Qatar - History

- Pricing to include:
 - 10% profit margin to importers
 - Nearly 30% margin to retailers
- The retailers were getting the stocks from wholesalers with the prices printed on each pack of medicines
 - Retail outlets were bound to keep the printed prices
- The foreign currency exchanging rate was fixed

Drug Pricing in Qatar - History

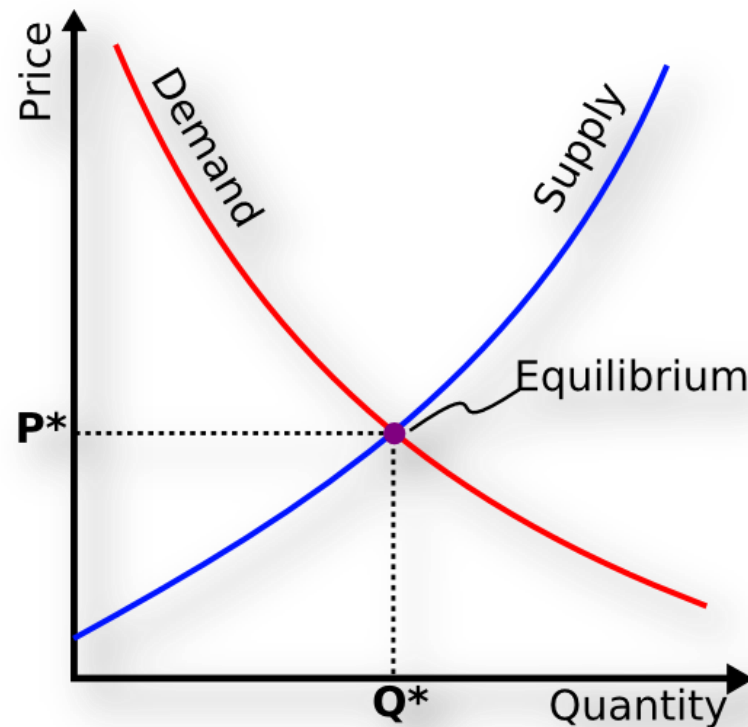
- Initial registration law of 1986, by Pharmacy and Medical Control Department, SCH
 - Products have to be registered with the Pharmacy and Drug Control Department at the SCH
 - Licensed dealers were allowed to import medicines only from the country of origin
- Monopoly held by 18 licensed agents
- Qatar's pharmaceutical market is heavily import-reliant
 - Imported products are, by default, more expensive

Drug Pricing in Qatar - History

- The problem:
 - The Qatari market has been facing a shortage of certain drugs
 - High drug prices, which were said to be among the highest in the region
- Suggested solution:
 - Liberalize imports and open market to the competition in order to:
 - Allow more businessmen to enter the industry, which could result in:
 - Increased availability of all types of medicines
 - Fall in prices

Drug Pricing in Qatar - Current

- Pharmaceutical market free trade



Drug Pricing in Qatar - Current

- April 2011: Cancellation of Law No. (7) of 1990 by the Pharmacy and Medical Control Department
 - Ended government control over retail prices of all medicines sold in Qatar allows importers to establish their own prices
- Free pricing has paved the way for supply chain players to increase their margins and counter foreign-exchange fluctuations
 - Drug prices in Qatar have swiftly risen by as much as 30%

Drug Pricing in Qatar - Current

Selected Products Seeing Price Increase in Qatar

	Previous Price (QR)	Post April 2011 Price (QR)	% Change
Lipitor (atorvastatin; 10 mg)	163.75	219.00	33.7
Norvasc (amlodipine; 5 mg)	85.50	92.00	7.6
Januvia (sitagliptin; 100 mg)	323.75	400.00	24.0
Augmentin (amoxicillin and clavulanate)	140.00	154.00	10.0

Drug Pricing in Qatar - Current

- Blank stickers on medicine packets, so retailers are free to fix prices based on prices shown on lists issued by the wholesalers
- On long-term, the number of products on the market could increase as firms take advantage of the free pricing and reducing prices
- The compounding factors for Qatar include:
 - Small market size
 - Manufacturers cannot benefit from economies of scale
 - High income per capita
 - There has been scant demand for low-cost drugs

Drug Pricing in Qatar - Current

- Other drug price-lowering mechanisms performed currently by the Qatari government include:
 - To form and secure strategic trade partners for low-cost generic drug distribution and manufacturing

Drug Reimbursement in Qatar - Current

- Public health system coverage
 - Covers management at 'public' hospitals and medical centers only
 - 'Optional' coverage for all residents or visitors in Qatar
 - Overseas treatment not covered
- Private health insurance
 - Covers management at 'private' hospitals only
 - Employer-provided insurance for selected employees
 - Overseas treatment covered
- The public health system coverage does not include services by the private health system and vice versa

Drug Reimbursement in Qatar - Future

- National Health Insurance Scheme
 - A health insurance company will be established by SCH
 - 'Mandatory' cover for all residents and visitors in Qatar
 - The government will fund coverage for Qatari nationals
 - All employers will be responsible for insuring non-national employees
 - Public and private health care providers will participate equally in the scheme (ICD-10-AM will be mandatory across all hospitals)
 - Overseas treatment is not covered in the scheme basic benefit package; optional supplementary package will be available

Drug Reimbursement in Qatar - Future

- Stages of Health Insurance Scheme implementation

Stage 1:

Enrolled population: Female nationals (approximately 5% of population)

Scope of Service: All women's services

Timeline: Pilot start

Stage 2:

Enrolled population: All nationals (approximately 14% of population)

Scope of service: All services in private providers; inpatient services at selected HMC facilities

Timeline: 9 months after Stage I commences

Stage 3:

Enrolled population: All nationals

Scope of services: All services in private providers; inpatient services at all HMC facilities

Timeline: 3 months after Stage II commences

Stage 4:

Enrolled population: All nationals

Scope of service: All services in private providers, inpatient services at all public providers, 50% of outpatient services at public providers

Timeline: 9 months after Stage III commences

Stage 5:

Enrolled population: All residents and visitors in Qatar

Scope of service: All services at all hospital providers

Timeline: By December 2014