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Research

Factors influencing global antiretroviral procurement prices

Veronika J Wirtz*[1], Steven Forsythe[2], Atanacio Valencia-Mendoza[3] and Sergio Bautista-Arredondo[3]

Address: [1]/GS60003 278.519ioM1.t85.1391

ual countries and also for donor organizations. Should all countries or HIV/AIDS programs be recommended to use a third party negotiation strategy to achieve lower prices? Should countries or HIV and AIDS programs always choose generic ARV over innovator products if patent policies allow doing so? Does bulk procurement result in lower prices?

Methods and data sources

In order to analyze factors influencing global ARV prices, the Global Price Reporting Mechanism (GPRM) was analyzed. While other sources use price quotes from manufacturers [3], the strength of the GPRM is that it provides information on the ARV prices that countries actually paid (note: not end users of the drugs). The majority of the information is transactional data for ARV procurements made with donor funds from the Global Fund for AIDS, Tuberculosis and Malaria (GFATM). Other data come from the country offices that report procurement prices to the World Health Organization (WHO), as well as international organization and procurement agencies, such as Mission Pharm, United Nations Children's Fund (UNICEF), International Dispensary Association Foundation (IDA). These prices are all posted by the WHO on their publicly accessible database http://www.who.int/hiv/amds/price/hdd/. For this study, information was downloaded in March 2009. We used procurement data from January 2005 to December 2008, reported for twelve of the most frequently used adult ARV medicines in first-line and second-line therapy regimes in developing countries: efavirenz 600 mg, lamivudine 150 mg, lamivudine 150 mg/zidovudine 300 mg, nevirapine 200 mg, stadivudine 40 mg and zidovudine 300 mg as first-line therapy; and abacavir 300 mg, didanosine 100 mg and 400 mg,

Results

Table 2: Factors associated with second-line ARV prices

Antiretroviral drugs+	ABC 300 mg	ddI 100 mg	ddI 400 mg	LPV/r 133/33 mg	RTV 100 mg	TDV 300 mg

process of generics in some countries and (b) the quality concern of some buyers. It is worthwhile to investigate how many countries these barriers apply to and potential strategies to overcome them.

Another donor policy worth discussing here is the Global Fund and CHAI requirements for countries to report their pricing data. In the past decade, medicine procurement prices have been an area "that has been plagued by a troubling lack of transparency" [19]. However, this requirement of price reporting has resulted in an unprecedented accumulation of procurement price information at the global level. There has been some controversy whether increasing the transparency of prices would result in lower prices for countries. The key argument against it is that it would undermine the prices charged in higher-income countries, since the higher-income countries would demand the prices of low-income countries [6,20]. Even though it is not possible to determine how ARVs would have developed without the GPRM, the creation of the global database and the unprecedented global effort to increase price transparency nevertheless provides an important tool for more efficient procurement thorough benchmarking.

However, there is room for improvement: first, the GPRM data base is more comprehensive for low- and lower-middle-income than upper-middle-income and high-income countries, resulting in a lack of publicly available, systematically gathered information about prices for these latter countries. Particularly, upper-middle-income countries are in a double disadvantage: 1) limited price information on a global level and 2) many manufacturers do not include upper-middle-income countries in their tiered

tified by PEPFAR as one of the main obstacles for the use of generics.

5. Identifying which other procurement methods result in more value for money in the future; for instance, whether strengthening negotiation skills for countries would result in lower prices.

Competing interests
The authors declare that they have no competing interests.

Authors' contributions
All authors were involved in the outline of the paper. VW analyzed the data and wrote the first and all following drafts of the manuscript. SF, AVM, SBA and substantially revised the drafts and re-wrote parts of the manuscript.

Additional material

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