EIGHTEENTH (18TH) MEETING OF THE ADVISORY COUNCIL
FOR THE IMPLEMENTATION OF RA 9502

Date: 20 April 2015
Time: 10:25 a.m.
Venue: Pearl Hall, 5th floor, Citystate Tower Hotel, A. Mabini St. corner P. Faura St., Ermita, Manila

ATTENDANCE

3CPNet / MEDICAL ACTION GROUP
  1. MS. EDELIZA P. HERNANDEZ

AYOS NA GAMOT SA ABOT-KAYANG PRESYO
  2. MS. MARIA MENDOZA

CANCER WARRIORS FOUNDATION
  3. MS. CARMENT AUSTE

COALITION FOR HEALTH ADVOCACY AND TRANSPARENCY (CHAT)
  4. DR. ELENITA A. PEDROSA

DEPARTMENT OF HEALTH (DOH)

CONSULTANT ON HEALTH REGULATION
  5. DR. KENNETH Y. HARTIGAN-GO

FOOD AND DRUG ADMINISTRATION (FDA)
  6. ATTY. NICOLAS B. LUTERO III
  7. ATTY. RONALD R. DE VEYRA
  8. MS. REGINA S. OBLIGACION

KNOWLEDGE MANAGEMENT AND INFORMATION TECHNOLOGY SERVICE (KMITS)
  9. MS. CHERRIE D. ESTEBAN

OFFICE FOR HEALTH REGULATIONS (OHR)
  10. ASEC. ELMER G. PUNZALAN
  11. DR. FRANCISCO VALDEZ
  12. MR. MANUEL M. JACOB

PHARMACEUTICAL DIVISION
  13. DR. ANNA MELISSA S. GUERRERO
  14. DR. IRENE F. FARÍÑAS
  15. MS. JOYCE ANNE D.P. CERIA
  16. MS. ANNE JULIENNE M. GENUINO
  17. MS. MARINETTE LADIORAY
  18. MR. ALEXANDER HAASIS
  19. MR. PATRICK ACUÑA
  20. MR. ISAAC IRENEO B. LINATOC
  21. MS. LINA G. DANCEL
  22. MS. ERMALYN M. MAGTURO

DEPARTMENT OF TRADE AND INDUSTRY (DTI)
  23. USEC. MA. LOURDES T. BAUA

DRUGSTORES ASSOCIATION OF THE PHILIPPINES (DSAP)
  24. MS. FLORECITA INTAL

EUROPEAN UNION (EU)
  25. MR. RAOUF ABDEL QAWWAS
GRAND CHALLENGES CANADA - PTTT
26. DR. BRYAN LIM
27. DR. JUAN ANTONIO RICARTE
28. MR. JAMES MENDOZA

INTELLECTUAL PROPERTY OFFICE (IPO)
29. ATTY. ALLAN B. GEPTY
30. ATTY. LOLIBETH MEDRANO
31. MS. MARJORIE S. DE LUNA

MEDICINES TRANSPARENCY ALLIANCE (MeTA) PHILIPPINES
32. MS. CECILE C. SISON

PHARMACEUTICAL HEALTHCARE ASSOCIATION OF THE PHILIPPINES (PHAP)
33. MR. TEODORO B. PADILLA
34. MR. REINER W. GLOOR

PHILIPPINE CHAMBER OF THE PHARMACEUTICAL INDUSTRIES (PCPI)
35. ATTY. DAVE ESCALONA
36. MS. NANCY TACANDONG

PHILIPPINE HEALTH INSURANCE CORPORATION (PHIC)
37. MS. DARYL S. ROMERO

PHILIPPINE INSTITUTE OF TRADITIONAL AND ALTERNATIVE HEALTH CARE (PITAHC)
38. DR. ISIDRO C. SIA

PHILIPPINE PHARMACISTS ASSOCIATION (PPhA)
39. MS. LEONILA M. OCAMPO

PITC PHARMA INCORPORATED
40. MR. JOSE A. CAPISTRANO
41. MR. JOSE A CORTEZ
42. MS. JOY O. RIEL

PRIVATE HOSPITALS ASSOCIATION OF THE PHILIPPINES INCORPORATED
43. DR. RUSTICO A. JIMENEZ

RAINIER CONTRACT RESEARCH SERVICES INCORPORATED
44. DR. JESUS N. SAROL, JR.

WORLD HEALTH ORGANIZATION (WHO) – COUNTRY OFFICE
45. MR. RODERICK SALENGA
AGENDA

1. Call to order
2. Introduction of Participants
3. Approval of the provisional agenda
4. New matters
   4.1 Updates on DOH Reorganization and Strategic Thrusts
   4.2 EFTA and USFTA IP Negotiations
   4.3 Presentation of the Consolidated Output on Tsekap Orientation and Philippine Medicines Policy Streamlining
   4.4 Presentation of the Commissioned Researches
      4.4.1 Impact of RA 9502 or Cheaper Medicines Act
      4.4.2 Impact of RA 9994 or Expanded Seniors Citizen Act
   4.5 Updates on PNF
   4.6 Presentation of Lunas app/ Drug Price Watch
   4.7 Presentation on AO on EDPMS and AO on DPRI
5. Other matters
6. Adjournment
MINUTES OF THE 18th MEETING OF THE ADVISORY COUNCIL FOR THE IMPLEMENTATION OF RA 9502

1. Call to order

The meeting was called to order at 10:25 A.M. with Assistant Secretary Elmer Punzalan of the Department of Health (DOH) presiding and Undersecretary Baua of the Department of Trade and Industry (DTI) as the co-chair. At around 11:30 am, Usec. Baua took over because Asec. Punzalan had to attend an equally important meeting.

2. Introduction of Participants

Asec. Punzalan welcomed everyone and requested for a round of introduction from all the attendees of the meeting.

3. Approval of the provisional agenda

The proposed agenda of the meeting was approved with no amendments. Asec Punzalan mentioned that this will be the first Advisory Council meeting for this year and requested Dr. Guerrero from the Pharmaceutical Division, Dr. Sia from PITAHC and Dr. Hartigan-Go, consultant for health regulations, to explain the events that happened after the last advisory council meeting that transpired in July, 2013.

4. New Matters

4.1 Updates on DOH Reorganization and Strategic Thrusts

Dr. Guerrero from the Pharmaceutical Division explained the objectives of the Advisory Council and its role as a monitoring and recommending body to successfully implement Republic Act 9502 or the Universally Accessible, Cheaper and Quality Medicines Act of 2008. She added that since its creation during the time of former Secretary of Health Duque, in 2009 until 2013, the council has been meeting quarterly and has convened seventeen (17) times. After 2013, the Pharmaceutical Division was put under the Health Policy, Development and Planning Bureau (HPDPB) under the leadership of Dir. Lilibeth David who was also the OIC of the Health Policy, Research, and Finance, and Research Development Cluster. At that time, Dir. David requested to review the current composition and roles of the council prior to the next meeting. Lastly, Dr. Guerrero stated that this will be the first Advisory Council meeting for this year which will particularly update everyone on the researches commissioned by the Pharmaceutical Division.

Asec. Punzalan then inquired if the former Advisory Council members were informed of the reconstitution of the council as proposed back then. Dr. Fariñas from the Pharmaceutical Division answered that in 2013, a Department Personnel Order (DPO) on the reconstitution of the Advisory Council was already approved but due to the change in leadership, Dir. David suggested that an Administrative Order (AO) should be created instead. Since a meeting with the council members did not push through, the proposed AO was not consulted with the council members.

Asec. Punzalan then explained the responsibilities of the current health regulatory cluster which include managing the Advisory Council and the Pharmaceutical Division among other things. Unfortunately, he could not anymore recall the past meetings of the Council which was one of the reasons for consulting Dr. Guerrero, Dr. Sia and Dr. Hartigan-Go.

Dr. Sia shared with the Council that last week, a National Staff Meeting (NSM) was held in Davao City which included DOH officials and regional directors. He explained that the current thrust of the NSM was to implement high impact breakthrough projects to highlight the end of the
present administration which pushes for *Kalusugan Pangkalahatan* (KP). Dr. Sia stated that this is the reason why the DOH will now focus on four (4) priority areas namely: 1) infant care, 2) maternal and child care, 3) HIV/AIDS and 4) networking. Lastly, different sets of activities will run through May until June 2016 that will focus mostly on achieving the Millennium Development Goals (MDG).

### 4.2 EFTA and USFTA IP Negotiations

Atty. Gepty of the Intellectual Property Office (IPO) gave the report on the updates on European Free Trade Association (EFTA) and United States Free Trade Association (USFTA) Intellectual Property (IP) policies.

Atty. Gepty reported that when he first received the proposed agenda of discussing updates on EFTA and USFTA negotiations, he had two (2) concerns. First, he explained that he was not aware of any current USFTA negotiations. And second, there are negotiations that are currently ongoing for EFTA countries. Atty. Gepty explained that for the information of the council, he will be giving updates on the current IP developments that might have some repercussions or effects to Republic Act 9502.

Atty. Gepty explained that on March 13, 2015, the Department of Trade and Industry (DTI) in cooperation with other government agencies, conducted public consultations with relevant stakeholders to discuss different issues regarding IP policies and the current efforts of the IPO on IP policy issues. Atty. Gepty continued that the topics discussed revolved around issues on data protection, patent term extensions, clarification and other comments, suggestions and insights from stakeholders which were all for consideration for policy makers.

Atty. Gepty then stated that the IPO has enhanced the community review process in 2014 with respect to patent application and review to enhance the participation of third parties in submitting comments and observation on pending patent applications. He assured the council that the patent applications are still subject to the rules and regulations of the office but are now being referred to the involved industry for proper comments. This is to prevent planting of patents or application of inappropriate patents. Further, he explained that in early 2012 the IPO came up with guidelines to review IPO applications specifically for medicine applications to enhance the implementation of the implementing rules and regulations of Republic Act 9502 concerning intellectual property rights. These guidelines are now uploaded and available in their website.

Lastly, Atty. Gepty stated that the IPO has a proposed draft administrative order for the implementation of the IPO code particularly in the context of the indigenous rights act. This draft specifically concerns indigenous resources, traditional knowledge and cultural expressions. He explained that this has relevance in patent applications of pharmaceutical products involving resources of indigenous people and shared that just last week, a public consultation with pharmaceutical companies which will be using generic resources of indigenous people was conducted and one of the agreements proposed was for pharmaceutical companies to disclose what indigenous resources they would use.

The chair requested for comments from the body. When no comments were given, Asec. Punzalan emphasized the importance of quality especially in the context of the generics act and not to equate low prices with low quality.

### 4.3 Presentation of the Consolidated Output on Tsekap Orientation and Philippine Medicines Policy Streamlining

Ms. Romero from the Philippine Health Insurance Incorporated (PHIC) gave the presentation on the consolidated output on the Tsekap orientation and Philippine Medicines Policy streamlining. (Annex A)

Ms. Romero stated the current need to increase the enrollment and expand the medicines coverage of Filipinos by improving the current primary health care benefits of Philhealth through the *Tamang Serbisyo sa Kalusugan ng Pamilya Program* or *TSaKap.*
Ms. Romero gave a brief overview of the TSeKaP program, its objectives and strategies, and how it evolved from the Primary Care Benefit (PCB) program. She presented the TSeKaP process flow and IT system, an overview of the current accreditation requirements for the Tsekap providers, followed by the provider payment mechanism, the current list of medicines involved in the program and other activities of PHIC together with the DOH.

Ms. Romero emphasized that the TSeKaP package will involve private providers who are required to utilize electronic medical records system as well as an electronic prescription system in order to be accredited by PHIC to enhance benefits coverage. Ms. Romero emphasized that medicines will be provided by the partner drug outlets which will only be paid by PHIC depending on the actual number of medicines dispensed by the outlet. Lastly, the Commission on Audit (COA) is requiring signatures and thumb marks of all patient beneficiaries who have received medicines from the accredited access sites.

When the floor was opened by the Chair for questions from the council, Dr. Guerrero inquired about the current status of the rollout implementation of the Tsekap program. Ms. Romero answered that currently, the team is implementing a series of training of trainers workshops in different areas nationwide. They have not yet expanded accreditation to other drug store outlets and are still working with the initial partner provider but are now on the process of mapping other possible providers. She further stated that for areas where there will be no partner drug outlets available, it is proposed that DOH will be the providers of the medicine needs of these areas.

The Chair asked about the medicines provider for TSeKaP and if they have mentioned any specific pharmaceutical company. Ms. Romero answered that they have a partnership with a private chain drugstore as the initial provider with possible accreditation of other outlets. They are hoping to include not only private companies but also public establishments as feasible accredited providers for the program.

Ms. Ocampo from the Philippine Pharmacists Association (PPhA) inquired about the requirements of PHIC for a drugstore to become an accredited provider. She said that from the presentation, PHIC is requiring the following requirements: FDA License, connectivity with the HCl portal and an accomplished performance commitment. She inquired about the specific requirements for the performance commitment of PHIC. Ms. Ocampo explained her concern that some drugstores are not even complying with the basic requirements such as appropriate medicine storage. Further, she mentioned about the time when PPhA created a bench book of standard pharmacy practice but they do not know anymore what happened afterwards. Ms. Ocampo also emphasized that one of the identified concerns is that drugstores maybe compliant at the start, but will turn otherwise later on. Ms. Romero answered that as of now the performance commitment is just a commitment as a provider. Other than the requirements stated, they did not anymore add any other prerequisites for drugstores but they are very much open to suggestions and recommendations from the body to revise the accreditation requirements. Ms. Ocampo stated that this is really a great concern for everyone and that PHIC need to set clear standard requirements.

**Agreements:**

- Usec Baua from DTI stated that comments from PPhA should be reviewed by PHIC for possible inclusion in the PHIC requirements for drugstores accreditation.

**4.4 Presentation of the Commissioned Researches**

**4.4.1 Impact of RA 9502 or Cheaper Medicines Act**

Dr. Sarol from the Ranier Contract Research Services Incorporated gave the presentation on the commissioned research by the Pharmaceutical
Division on the impact of the Republic Act 9502 or the Universally Accessible and Cheaper Quality Medicines Act of 2008. (Annex B)

Dr. Sarol introduced his research team, discussed the objectives of the law, the conceptual framework adopted and the key objectives of the study conducted. He discussed the methodology and study design used for the study as well as the 6 sub-studies, namely: 1) record review study of the different administrative orders and policies regarding access to medicines, 2) a study on the different manufacturer and retailers in different regions of the country, 3) a study on hospitals, both private and public, which covers the three levels of health care, 4) a study done on the trend in drug price and availability which was conducted on the year 2009 to 2011, 5) review of the sales from IMS data was and 6) a survey on physicians and patients awareness, attitude and practices.

Dr. Sarol stated that the significant results from the study will be subsequently discussed. He mentioned that the study included a review of 290 Government Mediated Access Price (GMAP) drugs and other non-GMAP drugs which include molecules that are innovator as well as their generic counterparts and conversely, it also includes GMAP innovator drugs as well as the non-innovator products. The study also tried to look at the effects of the Maximum Drug Retail Price (MDRP) imposed on several molecules.

Dr. Sarol reported that most price reduction were actually felt on the MDRP listed drugs primarily because of the mandatory price reduction. He explained that if a drug is under GMAP and is a market leader, drugs of the same molecule will also reduce their price. No pattern of price reduction can be expected for GMAP listed drugs that are not the market leaders.

In his discussion, Dr. Sarol explained that since 2008 until 2010, there is an initial increase in the volume sales of the drugs the price of which was reduced. This initial increase maybe due to the publicity of the GMAP program but Dr. Sarol emphasized that for a price reduction to occur, a product that is the market leader should reduce its price first before other brands of the same molecule can follow suit. Dr. Sarol also explained that there is a large percentage from the group of drugs which experienced reduction on the drug units sold which may be due to the introduction of newer and cheaper generic product counterparts in the market.

Dr. Sarol explained that another key finding was the increase in availability and use of generic drugs. There is an increasing trend in the number of generic drugs sold, new generic products introduced and new generic drugstores in the market. There is also a noted increase in the volume of procurement of generic drugs in hospitals as well as heightened patients' awareness of generic drugs.

Dr. Sarol emphasized that there is also an increase in the availability of generic drugs that belong to the cheapest generic drug category. The procurement of generic drugs likewise increased in both government and private hospitals.

He then discussed the higher percentage of patients who became aware of generic drugs and their preferred brands. He also stated that most drug information of patients still come from doctors. Dr. Sarol then pointed out that a lot of GMAP drugs listed were not readily available in hospitals.

Another key finding of the study showed a perception of low quality and safety for generic drugs. There is also a problem of proliferation of new drugstore outlets which are not properly registered to the Food and Drug Administration (FDA). Also, there have been reports of ethical drugs being
dispensed without any prescription. He noted the concerns on the quality of
generic drugs that hospitals procure as well as where they are sourced.

Dr. Sarol discussed that there are also issues on the introduction of
generic drugs into the market because of the threat to Intellectual Property
Rights (IPR).

Dr. Sarol then presented the findings on aggressive promotional
activities by drug companies. The study showed that the physicians regard
generic drugs as inferior because of the promotional activities of branded drugs.
He added that most physicians who were interested in the study have the
propensity to prescribe drugs being promoted to them.

As Dr. Sarol enumerated the conclusion and recommendations from the
study, he stated that the 50% reduction from the GMAP prices is still beyond the
reach of the lower economic class. This plays however, an added bonus for the
same patients who buy the same set of drugs. He pointed out the need to
remove the negative perception that generic drugs are not of the same quality
as branded drugs. Dr. Sarol also stated that zoning of drug stores should be
explored to limit areas already condensed with a large number of drugstores.

The floor was opened by the Chair for questions from the council.

Mr. Qawwas from the European Union (EU) inquired whether the 290
drugs reviewed from the study are part of the essential drugs list. Dr. Sarol
explained that in choosing the list of drugs, the research team looked first at the
list of GMAP drugs and identified the innovator and non-innovator drugs. Then,
Dr. Sarol expounded, the team identified the non-branded generic drugs. They
also looked at the ATC coding or the therapeutic class as well as the market
sales. Dr. Sarol then answered that he is not really sure about the percentage of
essential drugs part of the list.

Dr. Guerrero added that there are two (2) price control measures
implemented in 2008: the GMAP scheme and the MDRP scheme. For the
MDRP, this will cover all molecules regardless of the brand. While the GMAP is
more of a voluntary price reduction scheme and is not mandatory. Dr. Guerrero
expounded that the GMAP drugs, because of its voluntary nature, may not be
based on the essential drugs list. In fact, there is a strong observation that
GMAP listed drugs are not available in the hospital.

Dr. Valdez from the Office for Health Regulations (OHR) commented
that the positive effects of the law are very noteworthy. But, he further
explained, the success of the law will depend on the prescribing behavior of the
physician. He stated that there is a need for stricter implementation or higher
penalties regarding the prescribing behavior of physicians. Dr. Sarol agreed with
the recommendation and commented that for government hospitals, generic
prescribing is a strict requirement but not for private hospitals.

Mr. Haasis from the Pharmaceutical Division inquired if there are any
sanctions that can be given to MDRP listed drugs which did not reduce their
prices. Dr. Sarol answered that they are also not sure what sanctions can be
recommended for erring drug suppliers.

Ms. Ocampo from PPhA explained three main points to the council.
First, majority of the GMAP list drugs are non-essential and are not even
saleable but do not affect the manufacturers at all. Second, they have observed
that after GMAP listed drugs have reduced their prices, any increase in sales
was not felt. This means that those who are buying the drugs before are the
same ones who continue to buy them now but with a lower price. Third, Ms.
Ocampo raised the issue of drugstore zoning which the council needs to
seriously consider. She stated that in her own monitoring procedure, there is one government hospital with 52 retail pharmacies establishment directly in front or surrounding the hospital. This also includes issues on drug store licensing and drug quality which are very serious concerns. Dr. Sarol agreed with the points of Ms. Ocampa and stated that some of their research data confirmed these experiences but this should also be validated in the field.

Mr. Gloor from the Pharmaceutical Healthcare Association of the Philippines (PHAP) suggested to break down the charts reflecting both essential and maintenance medicines which are the main concerns of the law. Mr. Gloor further commented to classify the data into therapeutic categories so that the council can also look at it from a top-to-bottom perspective and not just bottom-up.

Dr. Jimenez from the Private Hospitals Association of the Philippines Incorporated (PHAPI) stated that some drugs paid for by PHIC are not part of the PNF. Dr. Jimenez further expounded that PHIC should be stringent in giving licenses to maternity clinics because they can even contribute to increasing infant and maternal mortality. Lastly, he stated that the stand of the Philippine Medical Association (PMA) still remains that professionals going out of the country do not contribute to the increase in the prices of the medicines.

Dr. Guerrero updated the body that a lot of medicines were already included in the formulary such as IV paracetamol which can readily be viewed online. More updates on the formulary will be reported later by Ms. Ceria from the Pharmaceutical Division.

Atty. Escalona from the Philippine Chamber of Pharmaceutical Industries (PCPI) gave a statement in behalf of PCPI. He stated that PCPI is happy to note the increase in awareness, availability, and volume of sales of generic products in the market as presented in the study. They also positively noted the fifteen percent (15%) increase of doctors introducing generic drugs. Overall, he was satisfied with the data presented. However, he gave some serious reservations on the recommendations specifically on price control initiatives. For PCPI, according to Atty. Escalona, the key point is not in reducing price but the generic drug availability.

Dr. Hartigan-Go, consultant for health regulations of DOH asked Dr. Jimenez about the problematic maternal centers. Dr. Jimenez answered that there are problems in PHIC licensing of majority of maternal or birthing centers. Dr. Hartigan-Go requested Dr. Jimenez to share the list of problematic maternal or birthing centers to Asec. Punzalan. Dr. Jimenez and Asec. Punzalan agreed and stated that they have already started to seek out these centers.

Dr. Hartigan-Go inquired from Dr. Sarol if the council will recommend stricter controls of generic products because it is in the law that government doctors should patronize government pharmacies because they are in fact employees of the government hospital. He further inquired if Dr. Sarol will be able to disclose the hospitals which are not compliant with this requirement. Dr. Sarol answered that most of the data they have are just anecdotes and an experience of one hospital. They cannot disclose the names of the hospitals because of research ethical issues. Dr. Hartigan-Go requested Dr. Sarol to at least share the names to the Office for Health Regulations of the DOH. An agreement was not reached on this issue.

Usec. Baua from the Department of Trade and Industry (DTI) expressed the need for promotional campaigns for branded-generic and generic drugs based on the presented results. Dr. Sarol commented that what the study confirmed was that in order for other brands to lower their prices, the market leaders should bring down their prices first. He then also commented that most
of the drugs in the GMAP are not in the essential medicines list which needs to be reviewed.

Usec. Baua expressed her concern that there may be problems in using the market leaders as one of the basis for the list as this might have already changed overtime. She also commented on the zoning of drugstores during expansion since they also submit business plans to the Food and Drug Administration (FDA) for their review. Usec. Baua also said that she will be sending more comments regarding this matter.

Dr. Sia of the Philippine Institute of Traditional and Alternative Healthcare (PITAHC) stated that for drug price reduction measures to be significant, they should include meaningful products. He recommends continuing the conduct of the study with the inclusion of the essential medicines.

Ms. Auste from the Cancer Warriors Foundation stated three (3) points to the council. First, the study may show that the impact of the law is just a decrease in sales and it would be bad for business establishments. She recommended that since this is an impact study, the research should also reflect the ripple effects of the decrease of price not only of the GMAP listed drugs but of the non GMAP listed drugs as well. Ms. Auste expounded that this is to be able to compare the effects of the price decrease in both GMAP listed and non GMAP listed drugs. Second, she stated that it will be very meaningful for the study to indicate the number of hospitals involved. Lastly, Ms. Auste noted to include how the smaller drugstores behave compared to the larger chain drugstores.

Dr. Sarol expressed that they are very much willing to accept recommendations from the council to be included in the study but stated that the main question was how to bring about price reduction in medicines especially since the ripple effect, in terms of price reduction, was not seen in other drugs.

Ms. Auste then expressed the recommendation to improve the conclusion by including the factors recommended by the body.

**Agreements:**

- Dr. Jimenez will submit the list of problematic maternal or birthing centers as requested to Asec. Punzalan.
- Usec. Baua requested Dr. Sarol to improve the conclusion of the study to include the recommendations from the council.

### 4.4.2 Impact of RA 9994 or Expanded Seniors Citizen Act

Mr. Salenga from the World Health Organization Country office gave the presentation on the commissioned research by the Pharmaceutical Division on the impact of the Republic Act 9994 or the Expanded Seniors Citizen Act of 2010. (Annex C)

Mr. Salenga started his presentation by introducing the research team of the study followed by the objectives, significance and rationale and methodology. He showed that the top reason for the non-compliance of drugstores to the law is the economic barrier, adding that the study also showed how discount and price reduction schemes do not actually target the poorest sector. Mr. Salenga then presented the conclusions and recommendations from the research conducted.

The floor was opened by the Chair for questions.
Ms. Auste expressed her concern that the study presented is not a full impact study but rather an exploratory assessment of the law. She explained that the sample size of the study may not be enough to say that the research conduct is a full impact study. Further, she expressed her concern that the conclusion presented to the council was not clear enough and did not include some of the limitations of the study. She added that the results may be taken wrongly by policy makers and government officials.

Mr. Salenga explained that there are resource limitations in conducting the study and this is the reason why this was within the scope of the research. He added that the conclusions written were for presentation purposes only and the full explanation and disclosure of the limitations of the study are available in the full research paper which can be made available to all members of the council. Ussec Baua, the current chair, agreed that Mr. Salenga underscored the limitations of the study. Ms. Auste also recommended to Mr. Salenga to revise the conclusions presented.

Atty. Escalona from the PCPI expressed his concern that this law is actually a welfare law. He then explained that welfare laws are usually shouldered by the government and that the problem for this law is that it was passed on to the private sector.

Ms. Intal from the Drugstores Association of the Philippines (DSAP) stated that the reason why the chain and the bigger drugstores get better prices is because of the larger volume adding that most small scale drugstores are having problems with the process of reimbursements of the discount given. She explained that most pharmaceutical companies do not accept the reports of small drugstores as authentic documents hence they would rather give more discounts to the bigger drugstores because of the automated system they have. In her experience, it is harder for small and medium drugstores to get reimbursement compared to the bigger drugstores. Due to these obstacles, what some of the drugstore chapters do is to talk with the Local government Unit (LGU) or City Hall personnel to explain why they will not be able to give the discount because, even with the burden sharing, they continue to lose money.

Ms. Ocampo stated that the Philippine Pharmacists Association (PPha) recognizes that the requirements for the burden sharing and reimbursement are very tedious. But, she explained, most drugstores are not even aware of the burden sharing. Ms. Ocampo recommends disseminating information regarding the burden sharing and that if they do not get reimbursements, then they should file a report to DOH. She also said that this has already been clarified in the previous advisory council meetings.

Ms. Intal expressed her concern that even if they give seminars to all the 56 chapters of DSAP, it is still very hard for them to comply with the requirements and even compute for the reimbursements. She also requested for the full copies of the two (2) commissioned researches be made available to the council members.

Ussec. Baua stated that the concerns of the council are more of the operational details of the law implementation rather than the limitations of the study which should be disclosed.

Dr. Guerrero stated the need to clarify who should shoulder the benefits given to vulnerable sectors of the population. She said that a decision must be made regarding and recommended that one way is for DOH and PHIC to design benefit schemes for senior citizens, persons with disabilities (PWDs) and other vulnerable groups. Ms. Romero from PHIC answered that they are currently working on including senior citizens in the benefit programs of PHIC.
Mr. Gloor from PHAP emphasized that this law is a welfare law. He further explained that it should be taken out of the industry because no matter how you look at it, this law will cause problems. The recommendation of Mr. Gloor is for PHIC to give benefits to senior citizens and phase out this law.

Ms. Mendoza from the Ayos na Gamot sa Abot-Kayang Presyo group recommended to the council that complete copies of the two (2) commissioned researches be given to the members of the council. Usec. Baua agreed to the recommendation.

**Agreements:**

- Usec. Baua recommended to Mr. Salenga to underscore the limitations of the study in the conclusions and for the research team to take note of the comments of the advisory council. Ms. Auste recommended to revise the conclusions presented to the council.
- Ms. Mendoza, as agreed upon by Usec Baua, requested the researchers to furnish the council with the final report of both studies.

### 4.5 Updates on PNF

Ms. Ceria from the Pharmaceutical Division gave the presentation on the updates of the Philippine National Formulary (PNF). (Annex D) She discussed the launching of the PNF at the 62nd Annual Convention of the Association of Municipal Health Officers of the Philippines (AMHOP) Annual Convention led by Dr. Minerva Calimag in Legazpi City, Albay on April 9, 2015. Ms. Ceria explained that currently they are working on the option of an online application process as well as an online tracking system for all applications made in the PNF.

Usec. Baua opened the floor for comments from the council members. There being no concerns or questions raised, Usec Baua concluded the topic by mentioning that a reference list of the medicines included in the PNF can be found online.

### 4.6 Presentation of Lunas app/ Drug Price Watch

Dr. Lim from the Grand Challenges Canada PTTT gave the presentation on the updates of the Lunas Drug Application or an application for the drug price watch. (Annex E)

Dr. Lim started his presentation by introducing their funding agency which is the Grand Challenges Canada and proceeded to give a summary on how the team was able to conceptualize the Lunas application and its functionalities. He also discussed the future directions of the application as well as further enhancements that can be made in the future. Dr. Lim emphasized the possibility of using the application to perform the following: 1) map out the retail drug stores in the country, 2) show prices of medicines from each drugstore, 3) include the inventory details of medicines in the drugstores, and 4) facilitate medicines inventory information during emergency disaster conditions.

As the floor was opened by the Chair for questions, Usec Baua clarified if by using the application would mean mapping out the drug stores through GPS coordinates and would this also mean providing smart phones to all users.

Dr. Lim assured that the GPS coordinates will be a definite prerequisite which can be required by the FDA when drugstores apply for their License To Operate (LTO). He then explained that if this will not work, there are other ways to track these coordinates such as the use of crowd sourcing. Currently, they have assigned medical students to go around the community and tag the GPS coordinates of the retail drug stores assigned to a certain area. Dr. Lim further explained that using a smart phone is a requirement but the good news is there are already relatively cheap smart phones available in the market. He added that using SMS/text
technology is something that is being looked at by the team and maybe done through
coordination with the different telecommunications companies.

Dr. Sia clarified if the request for data from the application is real time, Dr. Lim answered
that it is very easy to download reports from the internet and such option will be very quick.

Usec. Baua asked the team if the application can already be downloaded from mobile
sources. Dr. Lim answered that as of now it cannot be downloaded yet and is only available at
the pilot sites. He explained that the rate limiting step is the pilot research that they are
conducting because the data sets are not yet complete.

Ms. Ocampo assured the council that retrieving the GPS coordinates of drug stores is
not a problem anymore as the PPhA has already done this in a project by the United States
Agency for International Development (USAID) for the Tuberculosis Directly Observed
Treatment, Short Course (TB DOTS).

Usec. Baua stated the apparent excitement of the advisory council for the project and
inquired when will be a possible soft launching of the application from the team. Dr. Lim was
hopeful to finish the pilot sites and documentation of results in the next two (2) months and be
ready for soft launching by July of this year.

Usec. Baua then asked if other data such as those concerning senior citizens discount
can be added. Dr. Lim assured the council that the way they designed the back end of the
application makes it very easy to add other enhancements into the application. He then
explained that currently they are waiting for the approval of the 2nd phase of the project to get
more funding and enhance further the application. But even if the funding does not get
approved, Dr. Lim stated that they will hand over the application to DOH and FDA for their own
use and improvement.

Ms. Auste stated that the use of the application presented has a great potential to help
cancer patients especially in looking for the more limited kinds of cancer drugs. Usec. Baua also
commented to consider the Philippine Society for Orphan Disorders (PSOD) as potential users
of the application to also help improve access to medicines. Dr. Guerrero mentioned that for
retrieval of prices, the research team can use the prices sourced from the Drug Price Reference
Index (DPRI) data of the Pharmaceutical Division. Ms. Auste also recommended that the
application should be able to automatically report drug shortages which include specific
processes in the government.

Mr. Gloor commented that there should be a safeguard so that the application will not
promote or advertise a specific brand of a product. Dr. Lim replied that the application actually
shows the generic counterpart when one types a specific brand of drug. He explains that the
application was designed this way in compliance with the Generics Law.

Dr. Farinas from the Pharmaceutical division inquired about the use of the application for
the reporting of adverse events to FDA and how the application will be able to protect the
anonymity of the one reporting. Further, she asked if the reporter can get a notification if actions
are already being undertaken by FDA. Dr. Ricarte from the research team explained that the
current application can be used to report adverse events. What the team did was to design a
more user friendly reporting interface which was based on the current reporting requirements of
FDA but presented in a simpler manner. He further explains that validation of such reports will
now be done by FDA. Mr. Mendoza from the research team also added that the application will
capture the same data required by the Center for Drug Regulatory Research (CDRR) of FDA
and will be stored for one month in their servers and will be in sync with the servers of FDA. He
admitted that there is still no option to notify the reporter of the updates but this can be explored
in the future.

Usec. Baua concluded the topics by reminding the team to take note of the comments
regarding brand anonymity as well as feedback to patients which will all be presented in July.
Agreements:
- The team agreed to note down all the comments regarding brand anonymity as well as patient feedbacks.
- The Lunas app team agreed that they present updates regarding the pilot implementation as well as to have the soft launching of the application in the next advisory council meeting.

4.7 Presentation on AO on EDPMS and AO on DPRI

Mr. Acuña from the Pharmaceutical division gave the updates on the Electronic Drug Price Monitoring System (EDPMS) (Annex F). The floor was opened by the Chair for question from the body after the presentation.

Dr. Guerrero explained that currently a lot more data are reflected in the EDPMS which can ve synchronized with the Lunas App database. Dr. Ricarte agreed with the comment of Dr. Guerrero and added that what they wanted is to be able to link the database of each existing system to ensure that there is no redundancy or repetition of gathering data.

Ms. Intal from DSAP raised two (2) issues to the council. The first was the issue of the password being expired every time drugstores try to register and upload their data. The second was the yearly uploading of data to the EDPMS and if this still hold as a valid requirement. Ms. Esteban from the Knowledge Management and Information Technology System (KMIT) explained the need to register yearly because the password automatically expires. This is a security function built in the system. Ms. Esteban further assured the group that they are trying to update and upgrade their server to ensure that there will be a stable connection when uploading data.

Dr. Guerrero then answered that with the current changes in the administrative order, the frequency of uploading is still every year for small drugstores but with a different schedule of uploading each for Luzon, Visayas and Mindanao while quarterly for chain and medium sized drugstores. Ms. Intal further inquired if all available data in the EDPMS can be accessed through the Lunas application to which Dr. Guerrero answered that this is a possibility in the future.

Ms. Occampo then clarified if the password really needs to expire every year considering that the License to Operate (LTO) of drugstores expires every three (3) years. Ms. Esteban answered that the password expires every December 31st of the year and that the regional office will be responsible in facilitating the renewal of the password.

Atty. Escalona from PCPI clarified if there is an actual need for the DOH to request for the purchase price of the manufacturers and asked that since manufacturers do not often change their prices, maybe they can also upload their prices yearly. Dr. Guerrero replied that there is a provision in Republic Act 9502 for DOH to monitor the selling price, purchase price and even inventory quantity. She also explained that the quarterly reporting requirement is needed to determine trends in pricing.

Atty. Escalona agreed with the statements of Dr. Guerrero but gave his concern about where to draw the line regarding the privacy of business establishments. Mr. Gloor then stated that in the last advisory council, the agreement was that only the retail price at each level will be monitored.

Ms. Ladioray from the Pharmaceutical Division then presented the Drug Price Reference Index (DPRI) (Annex G). After the presentation the floor was opened for comments from the council.

Ms. Romero from the PHIC commented that PHIC is already using the DPRI as a basis for computing the prices of the primary health care packages. Mr. Gloor commented that he is very much pleased with the use of the DPRI for prices in the government sector and added that for the private sector, this should already be covered by the IMS data. He mentioned that the prices from the DPRI should only be available to government establishments and not for private
establishments. Dr. Guerrero answered that the website where the DPRI can be viewed is only available internally for now to the Pharmaceutical Division and Procurement Division.

Usec. Baua clarified if this meant for a need to lock in the prices because the procurement documents are made available to the public. Mr. Haasis from the Pharmaceutical Division explained that the purpose of showing the government procurement prices to the private establishments is to be able to show the potential markups but also recognizes the limitation of the comparison. Ms. Auste commented that that they are very happy on the use of the DPRI because this will be very valuable to cancer patients whose access to medicines is a perennial problem as well for both government institution and civil society organization.

Usec. Baua, the chair of the council, gave a brief summary of the discussions given. First, Usec Baua commented that for the DPRI, there should be a certain amount of convergence in data and at the same time protect the privacy of private stakeholders. She then reminded the 2 researches presented today to incorporate the comments given by the council. Usec. Baua then commented that pharmaceutical establishments interface with the EDPMS.

Agreement:

- Dr. Guerrero explained that frequency of uploading of data for the EDPMS will be every year for small drugstores but with a different schedule of uploading each for Luzon, Visayas and Mindanao while quarterly for chain and medium sized drugstores.

5. Schedule of the Next Meeting

The council decided that the schedule of the next meeting will be in July.

6. Adjournment

There being no other matters to discuss, the meeting was adjourned at 2:20 PM

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