

A Five-Year Assessment of Medicines Expenditure in the State Sector to Inform a Reform Strategy for the Economic Crisis

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Abstract

The ABC methodology is designed to assess the appropriateness of procurement of medicines; A = top 10–19% of medicines which account for approximately 70% of the total cost, B = top 20–30% of medicines which account for 20% of the total cost, C = remaining 51–70% of medicines that account for 10% of the total cost. The aim of the study was to identify pharmaceuticals included in group A causing highest costs for the state sector healthcare system. The ABC analysis was conducted by analyzing the percentage cumulative costs of all issued medicines in the state sector from the year 2017 to 2022, using aggregated data from the medical supplies division. Group A included a mean of 12.7% (11–13.5%) medicines over the years utilizing 70% of the total cost, and included both high-volume and high-unit-cost unit cost medicines. The majority of the high-volume medicines were for non-communicable diseases, which was appropriate. However, the percentage of non-essential medicines in group A increased while essential medicines decreased from 2017 to 2022. In 2021 and 2022, there was a reduction in the expenditure with a notable decrease in the number of defined daily doses of essential medicines such as losartan potassium, atorvastatin, and metformin. Among the medicines identified for intervention are the top five high-unit-cost medicines (i.e., albumin, tenecteplase, human immunoglobulin, trastuzumab, bevacizumab) and high-volume medicines, paracetamol and vitamin C. Appropriateness of high-cost medicines that determines expenditure is critical. Prioritizing procurement of essential medicines, conducting health technology assessment and having end-user guidelines are recommended when designing a reform strategy.

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