

IMSA and several key stakeholders support the maintenance of the SEP (Single Exit Price) for medicines.

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IMSA in supporting the Single Exit price in the Constitutional Court this week believes the SEP is the basis for a system wherein patients can experience a transparent pricing structure for medicines. IMSA is supported in its stance by the Board of Healthcare Funders, The Council for Medical Schemes, and the National Consumer Forum have all supported IMSA's stance on the SEP with affidavits which are placed before the court. SAPPA (SA Progressive Pharmacists Association) has also come out in support of the Single Exit Pricing. The Treatment Action Campaign (TAC), which is also intervening as friend of the court, has come out strongly in favour of keeping the SEP in place and stresses its importance from the patient perspective.

The SEP is not about dispensing fees. It is IMSA's opinion that we cannot present views on appropriate levels for the professional dispensing fees. This is a matter which should be settled between the parties contesting the court case. We believe however, that providers should be fairly compensated for professional services in order to ensure a sustainable medicine distribution system in SA

The SEP means a fair and equitable price for medicines for South Africans when the product leaves the gates of manufacturers. It was determined using a transparent and robust formula and was subjected to independent external audit.

Manufacturers implemented the SEP by June 2004. It is estimated that this exercise has resulted in R2.8 billion (21%) annualised savings in overall private medicine expenditure. The SEP from the manufacturers' side is now fully and effectively implemented, and all South Africans should have access to transparent and more affordable prices for medicines.

If the SEP is declared invalid, patients and other stakeholders should be concerned that there will be chaos resulting from:

- Uncontrolled increases along the delivery chain, because the regulatory framework preventing this will no longer exist.
- Absence of transparency in medicine prices.
- Increasing out of pocket payments by patients as medical schemes may not reimburse at the higher prices
- Renewed pressure on manufacturers to reintroduce perversities into the medicine distribution system.

IMSA is an organization committed to supporting healthcare transformation in SA, making access to healthcare a reality for South Africans. We have intervened in this matter because we believe that manufacturers have an obligation to enter the debate on the Single Exit Price as it determines the only price at which a medicine can enter the SA private market. It is a manufacturer specific issue, and invalidating it will have negative consequences.

IMSA companies have during the last years brought life-saving products to South African patients. Our investments in Research and Development in South Africa exceed R200m a year. Annually, we also invest annually R300m in Southern Africa in various public private partnerships in important disease areas such as TB, HIV/AIDs and Malaria. Five out of six IMSA companies have manufacturing plants in this country.

Additional information:

Innovative Medicines SA (IMSA) represents pharmaceutical manufacturer's making up 32% of the private prescription medicines market in South Africa. The members are: Sanofi-Aventis, Eli Lilly, Novartis, MSD, Pfizer and Roche.

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