



LATIN AMERICAN COUNTRIES OBTAIN DISCOUNTS OF UP TO 55% IN HIV/AIDS TREATMENT

Latin America will be the first region of the developing world to cover treatment for all people living with HIV/AIDS

Buenos Aires, 5 August 2005

Negotiations between 11 Latin American governments and 26 pharmaceutical companies on price reductions for antiretrovirals, the drugs used to fight HIV/AIDS, resulted in a 15 to 55 percent price reduction for the treatment regimens most commonly used in the Region.

The cost of a basic treatment regimen (AZT+3TC+NVP), which was US\$ 350 per year per patient in 2003 at standard pharmaceutical industry prices, could be as low as US\$ 241.

For one of most complex therapies (D4T+DDI+LPV/rvt), the cost of US\$ 2,489 was reduced by 55%, and in the future would cost US\$ 1,123 per year per patient.

In addition, the negotiations will enable countries to cut spending on antiretrovirals by 9 to 66 percent. Thus, Latin America is close to becoming the first region of the developing world to offer antiretroviral treatment to all people that need it.

In his opening remarks, the Minister of Health and Environment of the Argentine Republic, Gines González García, emphasized the importance of this negotiating mechanism as a tool to “rapidly achieve universal coverage for all people who need treatment, which is not a small goal, especially considering the socioeconomic characteristics of our countries.”

"We want to purchase more, not less, drugs, but we want to purchase them in a better way. Our goal is to strike a balance between innovation, price, quality, and negotiations between larger and smaller countries, the latter of which are sometimes not only prisoners of their economic deficits but of their lower negotiating capacity," said the Minister.

González García also highlighted the pharmaceutical industry for agreeing to participate, acknowledging “the social and commercial responsibility that the laboratories have shown in this dialogue.”

An estimated 1,561,000 people are living with HIV in Latin America. Of them, 354,000 need antiretroviral treatment and 73% are receiving that treatment, in contrast to Africa and Asia, where the figure is just 10%.

The objective of the 11 countries participating in Round II of the Negotiations was to eliminate one of the main obstacles to achieving universal access (100% treatment of those in need): the high price of antiretrovirals.

Round II is inspired by the process of Round I of the Negotiations, in which 10 countries in the Region signed a Letter of Intent with pharmaceutical companies in order to achieve significant price reductions in HIV/AIDS triple therapy regimens and reagents. This, together with other strategies, has helped to extend comprehensive care to another 100,000 people.

In June 2003 the Ministers of Health of 10 Latin American countries met in Lima , Peru, to negotiate with eight laboratories, coordinated by the Andean Health Agency with PAHO technical cooperation, the General Secretariat of the Andean Community, and the Joint United Nations Program on HIV/AIDS (UNAIDS).

Antiretroviral prices are one of the main barriers to accessing treatment for HIV. The cost of these therapies – even in countries with developed economies - exceeds the average annual earnings of the population. However, beginning in 2000, competition from generic drugs led to significant reductions in the list prices of these drugs, resulting in a gradual price decline that continued until 2003.

Thus, it was proposed that a global policy on drug negotiations be launched, starting with antiretrovirals and reagents.

This was an historic negotiation, marking the first time that a group of countries decided to bypass the industry's high prices through large-scale drug purchases, thus benefiting more than 1.5 million people living with HIV/AIDS in Latin America.

The impact assessment for the First Round of Negotiations began in September 2004. The negotiations were described as a political and social success, given that drug access improved during the period in question (2003-2004) and that today there is coverage for 296,000 people living with HIV/AIDS (March 2005) - an increase of 100,000 over January 2003.

In recognition of the results obtained, the IV Meeting of South American Ministers of Health and Social Protection, held in Santiago, Chile on 1 April 2005, reaffirmed use of joint negotiations as an effective tool for obtaining fair prices and expanding coverage, and agreed to hold Round II of the Negotiations in Buenos Aires, Argentina.

Latin America is poised to become the first region of the developing world to provide antiretroviral drugs to all people with HIV who need them. While Africa and Asia offer treatment to only 10% of those who need it, Latin America provides treatment to 73%. The gap is now some 80,000 people. It is estimated that there are 354,750 people in need in the Region, with 274,396 already receiving treatment in May 2005.

The Ministers of Health of the Region were satisfied with the significant price reductions obtained at the meeting. However, they indicated how serious it was that certain innovative companies were absent, and that other companies had refused to negotiate single prices for the Region.

“In practice, some of the large pharmaceutical companies are penalizing the poorest countries, contrary to what they are claiming in their ads,” stated Jarbas Barbosa, Brazil’s Secretary of Epidemiological Surveillance.

The negotiations -- which will benefit Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela – were conducted by the countries’ Ministries of Health, with support from the Pan American Health Organization (PAHO). Representatives of six associations of people living with HIV, civil society, and the Clinton Foundation also participated.

This is the second time that the 11 countries have negotiated price reductions for these drugs. The first round took place in Lima, Peru, in June 2003. On both occasions producers of innovative drugs (known as “trademarked drugs”) and generic drugs, as well as producers of diagnostic and monitoring reagents, have participated.

The savings obtained through the negotiations will also make it possible to increase investment in other aspects of care, such as clinical management, laboratory monitoring, nursing care, social and emotional support, and prevention campaigns.

BACKGROUND

The countries were represented in the negotiations by:

- For the Argentine Republic, Minister of Health and Environment, Ginés GONZÁLEZ GARCÍA
- For the Republic of Ecuador, Minister of Public Health, Wellington SANDOVAL CÓRDOBA
- For the Republic of Paraguay, Minister of Public Health and Social Welfare, Teresa León Mendaro
- For the Eastern Republic of Uruguay, Minister of Public Health, María Julia MUÑOZ
- For Bolivarian Republic of Venezuela, Minister of Health and Social Development, Francisco Armada Perez
- For the Republic of Peru, Vice Minister of Health, José del Carmen SARA
- For the Federative Republic of Brazil, Secretary of Epidemiological Surveillance, Jarbas BARBOSA
- For the Republic of Bolivia, Director of Drugs and Health Technologies, Victoria URIOSTE
- For the Republic of Colombia, Chief of the Cabinet of the Ministry of Social Protection, Gilberto ÁLVAREZ
- For the Republic of Chile, Director of the National Supply Center, Mario JEREZ ESPINA
- For the Republic of Mexico, Director General of CENSIDA, Jorge SAAVEDRA.

Line of treatment	Annual cost per patient (US dollars)				Change	
	Lowest price in the region	Highest price in the region	Prices negotiated in 2005	Prices negotiated in 2003	Over lowest price in the region	Over prices negotiated in 2003
AZT+3TC+EFV	677	2.876	573	672	-15,3%	-14,7%
AZT+3TC+NVP	241	5.336	241	317	0,0%	-24,0%
D4T+DDI+IDV/rtv	923	3.099	762	1.219	-17,5%	-37,5%
D4T+DDI+LPV/rtv	1.829	12.085	1.123	2.489	-38,6%	-54,9%
LPV/RTV + TFV + D4T	16.856	41.544	8.949	-	-46,9%	-

COUNTRIES	Annual cost per patient (US dollars)				Savings per line of treatment (En %)			
	AZT+3TC+EFV	AZT+3TC+NVP	D4T+DDI+IDV/rtv	D4T+DDI+LPV/rtv	AZT+3TC+EFV	AZT+3TC+NVP	D4T+DDI+IDV/rtv	D4T+DDI+LPV/rtv
ARGENTINA	843	285	923	4.643	-32%	-15%	-17%	-76%
BOLIVIA			1.226	12.085			-38%	-91%
BRASIL	870	241	1.492	1.829	-34%	0%	-49%	-39%
CHILE	2.227	1.358	3.099	5.979	-74%	-82%	-75%	-81%
COLOMBIA	1.146	1.205			-50%	-80%		
ECUADOR	1.560				-63%			
PARAGUAY		978				-75%		
PERU	677	311	1.577	5.297	-15%	-23%	-52%	-79%
URUGUAY	1.248	869	1.281	5.672	-54%	-72%	-41%	-80%
VENEZUELA	748	350	1.825	4.847	-23%	-31%	-58%	-77%
MEXICO	2.876	5.336	3.015	6.563	-80%	-95%	-75%	-83%
Prices negotiated in 2005	573,05	240,9	762,12	1123,47				