



*executive committee of
the directing council*

PAN AMERICAN
HEALTH
ORGANIZATION

*working party of
the regional committee*

WORLD
HEALTH
ORGANIZATION



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REPORT ON THE PREPARATIONS FOR THE TECHNICAL DISCUSSIONS ON "THE IMPACT
OF DRUGS ON HEALTH COSTS: NATIONAL AND INTERNATIONAL PROBLEMS," TO BE
HELD AT THE XX PAN AMERICAN SANITARY CONFERENCE

The XXV Meeting of the Directing Council in Resolution IV clarified the topic of the Technical Discussions for the XX Pan American Sanitary Conference in 1978 by adopting the title "The Impact of Drugs on Health Costs: National and International Problems."

In preparation for the Technical Discussions the Organization has undertaken the following activities:

- A questionnaire was distributed to all Member Governments covering such items as resources available for drug control, domestic production, imports, procurement procedures, and expenditures. The responses received have been tabulated and evaluated.

- Detailed studies were completed in selected countries with the collaboration of two expert consultants to determine, *inter alia*, current drug control programs, sources of drugs, and procedures for selection, procurement, and distribution of pharmaceutical products.

- The summary records of the discussions that took place during the last meetings of the Executive Committee and the Directing Council were reviewed in order to assure that the program for the Technical Discussions incorporated the recommendations of some delegates that the subject not be limited to a narrow discussion of drug prices.

- Global and regional pharmaceutical marketing data were obtained with the collaboration of IMS International, a private firm of recognized expertise in this field.

- A consultation on the 1978 Technical Discussions was held in Washington, D.C., from 1 to 3 February 1978 to (1) review the present drug situation in the Region concerning drug costs and related subjects;

(2) discuss a comprehensive approach to the subject of the Technical Discussions; and (3) initiate development of the working document for the Technical Discussions.

The review of the present situation was based on:

- (a) response to the drug questionnaire;
- (b) country studies in Costa Rica, Peru, Mexico, Canada and Guyana;
- (c) information from other sources, e.g., WHO, UNCTAD, PMA and IMS; and
- (d) expertise of participants.

The key concepts and components of a comprehensive approach were defined. The need to address the problem of cost, as well as of quality, safety and efficacy, was stressed. An outline was developed which will serve as the basis for the working document of the Technical Discussions. The document will consist of the following sections:

- I. Introduction
- II. Drug Legislation and Regulatory Control
- III. Production, Procurement and Distribution of Drugs
- IV. Selection and Utilization of Drugs
- V. Drug Costs*
- VI. Conclusions

The working document will consider the impact of the subjects discussed on health costs and will formulate approaches for controlling expenditures on drugs. The Director and the technical staff hope that this document will serve as the basis for Technical Discussions that will lead to recommendations in this vital area to be used as guidelines by the Organization and its Member Governments for the development of national drug policies.

*Section V will include a discussion of the structure of the pharmaceutical industry, prices, patents, duties and taxes.