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AIDS Law Project calls on Health Minister to maintain firm stand on drug prices

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The AIDS Law Project is encouraged by the health minister's commitment to strengthen the public health system, set clear targets for HIV/AIDS prevention and treatment and the urgency in tackling the country's health crisis.

PRESS RELEASE following the minister's budget speech
We draw particular attention to following issues raised in his speech:
? The price of antiretrovirals (ARVs)
? Human Resources for Health
? Intended Legislative Reforms

PRICE OF ANTIRETROVIRALS (ARVs)
We applaud the Minister?s assertion that ?We must purchase ARVs at the lowest possible cost from whatever source that can guarantee us the lowest prices, whether inside or outside the country?. By saying this the government has signalled that it intends to challenge private sector profiteering from the sale of essential life saving drugs.

We agree with the Minister that those who claim this will result in job losses is tantamount to ?...some sort of blackmail ....? It is simply not true.

Over recent years the South African pharmaceutical industry has grown significantly as a result of the production and sale of ARV medicines. Aspen Pharmacare, for example, has been increasingly profitable. According to its website,in 2009 ?Operating profit from the South African business increased from R 484 million to R806 million...? They add further that ? The recently awarded public sector tenders again verified Aspen?s production competitiveness, with the Group continuing as the largest supplier of pharmaceuticals to government?. Meanwhile, according to the Mail and Guardian, in 2009 ?South Africa's number two drugs maker Adcock Ingram posted a 16,1% rise in full-year profit bolstered by volumes growth and price increases and said it expected further volume growth.?
In South Africa and internationally drug manufacturers need to be challenged on the pricing of life-saving drugs.

South Africa will soon be treating more than a million people with ARVs and this will make drug affordability ever more critical. With the imminent launch of the HIV/AIDS counselling and testing (HCT) campaign, more people will be diagnosed with HIV and many will need to have access to medicines. Indeed the government estimates that up to 500,000 new people per annum will be initiated onto treatment in coming years.

In this regard, it is essential that the Department of Health is able to use the procurement process to access the necessary range of medicines at the best possible prices.

We also call on the Minister to urgently address the inefficiency of the Medicines Control Council (MCC), in particular, the slow pace of ARV registration. The slowness of the MCC should not be a barrier to a competitive tender or other procurement process.

HUMAN RESOURCES FOR HEALTH

We welcome the Minister?s acknowledgement that human resource capacity is a challenge in the health sector. We are particularly concerned with the high vacancy rates and the impact they will have on the successful implementation of the HCT campaign and other health programmes mentioned in the budget speech. According to the Department of Health in the 2008-2009 period, across five provinces, there has been a ?40.5% increase in nursing vacancies and a 4.1% increase in doctor?s vacancies?. We call on the Minister to prioritise the finalisation of a reasonable Human Resources Plan and to identify short-term measures to alleviate the current staffing crisis.

LEGISLATIVE REFORMS

We welcome the proposal to prioritise tabling the National Health Amendment Bill, which the Minister says will review the powers and functions of the national and provincial Departments of Health. As we know from the Free State ARV Moratorium, which in 2009 led directly to several thousand deaths, the issue of the allocation of powers between the national and provincial health departments, and the alignment and implementation of budgetary priorities, is of the utmost importance to the delivery of health services.

CONCLUSION

We believe the minister has identified much of what needs to be done to urgently address the crisis in our health system. Finally, we note his intention to proceed with the establishment of a system for National Health Insurance (NHI) but agree that the first priority is stabilising the health system. However, during the time that it will take to devise, legislate and implement NHI, we urge the minister to strengthen regulation of the private health sector to ensure that it contributes meaningfully towards achieving national health priorities.

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