



SURUHANJAYA PERSAINGAN MALAYSIA
MALAYSIA COMPETITION COMMISSION

**Medicine Prices Comparison among Different
Private Healthcare Settings
Final Report – Executive Summary**

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Executive Summary

To date, there is no stipulated law to monitor medicine prices in Malaysia. Pharmaceutical Services Division, Ministry of Health Malaysia acts by releasing recommended retail prices of medicines as a guide to consumers. This free pricing policy has led to disparity of prices between innovator and generic medicine among the private healthcare settings, namely general practitioner (GP) clinics (independent, chain), retail pharmacies (RPs) (independent, chain) and private hospitals. Thus, the main objective of this study was to evaluate the medicine (innovator, generic) prices variation among the GP clinics (independent, chain), RPs (independent, chain) and private hospitals in Malaysia. Simulated client method (SCM) was adopted in this study to obtain the actual selling medicine prices in the RPs while questionnaire was distributed to GP clinics via mail and manual distribution. A total of 113 GP clinics and 142 RPs from Kuala Lumpur were selected. Five trained data collectors acted as simulated clients to elicit the actual selling price for the 10 highly used medicines in Malaysia [both innovator and lowest price generic (LPG)] sold in the RPs. For assessing the medicine price variation among the private hospitals, data were obtained from Life Insurance Association of Malaysia (LIAM). The data were then analysed by using Mann-Whitney or Kruskal-Wallis to compare the median price of the 10 commonly used medications among the RPs, GP clinics and private hospitals. All data required were collected from 142 RPs that randomly selected. However, of the 113 GP clinics approached, only 31 responded, giving a response rate of 27.4%. The median prices for innovators [i.e. salbutamol 100 mcg inhaler ($p < 0.001$), gliclazide 80mg tablet ($p < 0.001$), metformin 500mg tablet ($p = 0.023$), perindopril 4mg tablet ($p = 0.042$)] were significantly lower in the RPs when compared to the GP clinics and private hospitals. The median price for gliclazide 80mg, metformin 500mg, furosemide 40mg, metoprolol 100mg, enalapril 20mg, losartan 100mg and simvastatin 20mg tablets was lower than the recommended retail selling price (RSP) in the RPs. As no pricing data was given by the private 6 hospitals, price comparisons across the three private healthcare settings were not conducted for

furosemide 40mg, amlodipine 5mg and losartan 100mg tablets. Of note, enalapril 20mg tablet was the only medicine which had the lowest median price in the private hospitals, compared to the RPs and GP clinics ($p=0.007$). On the other hand, the median price of furosemide 40mg tablet was found to be significantly lower in GP clinics than that of the RPs ($p=0.016$). Similar observation was noted in the GP clinics except for gliclazide 80mg and enalapril 20mg tablets in which the actual selling prices were higher than RSP. Similar observation was noted for LPG medicines, except for perindopril 4mg tablet and losartan 100mg tablet, when compared between RPs and GP clinics. The majority RPs and GPs responded to this survey were independent RPs ($n=87$, 61.3%) and independent GP clinics ($n=26$, 83.9%). As for innovator, only salbutamol 100 mcg inhaler (200 doses) ($p=0.043$) and gliclazide 80 mg tablet ($p=0.043$) were sold at a lower price at chain RPs when compared to independent RPs. Simvastatin 20 mg tablet (Zocor®) was sold at a higher median (range) price at the chain RPs than the independent RPs [RM2.63 (2.19-3.80) versus RM2.32 (1.17-4.13), $p=0.009$]. For LPG products, only furosemide 40 mg tablet ($p=0.002$) and metoprolol 100 mg tablet ($p=0.036$) were found to be cheaper at the chain RPs than the independent RPs. Likewise, no significant difference in medicine pricing data between independent and chain GP clinics except LPG product for metformin 500mg was found to be cheaper at the independent GP clinics than the chain GP clinics [RM0.50 (0.12-1.00) versus RM0.90 (0.50-1.50), $p=0.016$]. The price variation for both innovator and LPG medicines appeared to have little linkage with the setting of RPs and GP clinics.