



PRICING POLICY OF GOVERNMENT OF GOA FOR INNOVATIVE AND LIFE SAVING THERAPIES

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Pricing Policy for Innovative and Life Saving Therapies for the Government of Goa, enabling Government increase access of their people towards innovative cancer care and rare disease therapies.

BACKGROUND

Various countries have Pricing Policy for Innovative and Life Saving Therapies. A survey about experiences with and attitudes toward confidential discounts on patented pharmaceuticals in 11 countries (Australia, Austria, Canada, England, Germany, New Zealand, Norway, Scotland, Sweden, the Netherlands, and USA) revealed that all of them have practiced this method and 4 of them admitted that confidential discounts applied to 50% or more of all patented medicines approved for coverage in their health systems in the past two years. The exact details have been kept anonymous because of the sensitive nature of the data. A notable fact here is that this pricing system is much more prominent in the specialty drugs category with effective discounts ranging anywhere from 20% to even 60%. In December 2023, the German Health Ministry has presented the Medical Research Act, which states confidential rebates may be part of pricing negotiations in Germany in the future. Switzerland's Ministry of the Interior has also introduced a new law, dubbed "Modèles de Prix Pour Médicaments", which aims to establish a legal basis for the use of confidential market-access schemes to improve patient access to innovative medicines.

INTRODUCTION

Goa, a State known for its rich cultural heritage and stunning beaches, is also a significant contributor to India's economic growth. With a projected Gross State Domestic Product (GSDP) of Rs 1 lakh crore for the financial year 2023-24, Goa's economy has been consistently growing at a rate of 9.4% over the previous year. This growth is reflected in the State's budget, which has seen an increase of 8% in expenditure and 11% in receipts compared to the revised estimates of the previous year. The State's population, which stands at approximately 1.5 million, is relatively small compared to other Indian States, but its economic output is substantial. Goa's socio-economic conditions are characterized by a high standard of living, with a Human Development Index (HDI) score of 0.77, indicating a relatively high level of

well-being. The State's Government has been actively working to improve the overall quality of life for its citizens, with a focus on education, healthcare, and infrastructure development.

Recently at the Union Budget, Government of India has exempted cancer drugs from a customs levy. This amendment reflects the Central Government's intent to streamline procurement processes and enhance access to essential goods and services. This innovative policy change can be leveraged by Government to include innovative therapies such as rare disease therapies, orphan disease therapies, innovative vaccines, life- saving emergency drugs and targeted cancer therapies for the people of Goa. This expanded access will enable more patients to benefit from such therapies, improving the overall healthcare outcomes of Goa.

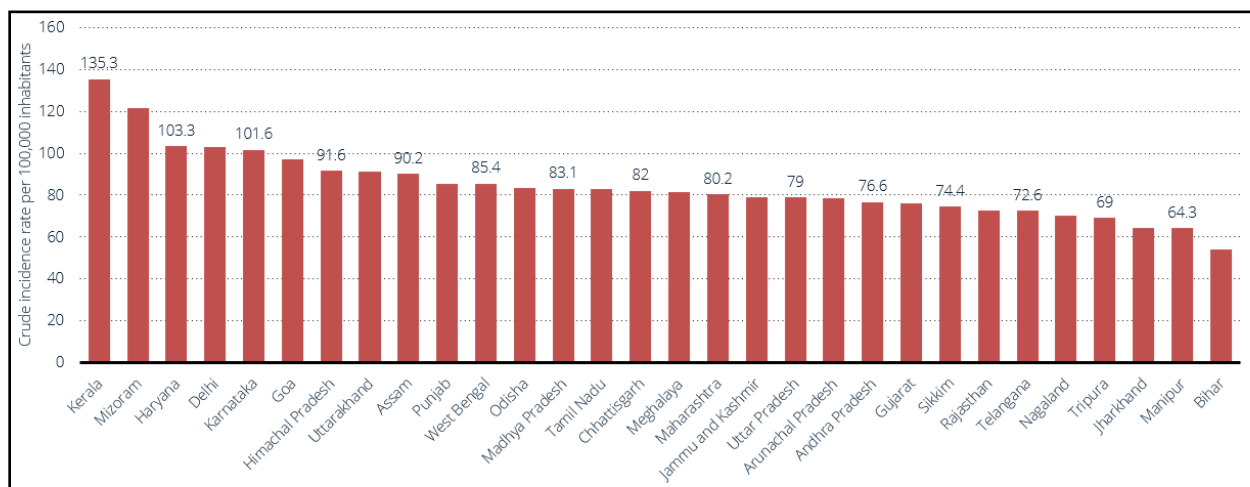
Goa's healthcare infrastructure is well-established, with a significant allocation of funds towards healthcare in the State budget. In the 2023-24 budget, the State has allocated Rs 1,595 crore towards the Health and Family Welfare sector. Innovation in technology and policies form the foundation of improving the healthcare sector in Goa. This aligns with the current Government's vision to ensure that its citizens receive quality medical care and can be achieved through a combination of increased funding, infrastructure development, and the introduction of new technologies and treatments.

Goa's health epidemiological data establishes the dual burden of disease that the State faces. The State has made significant progress in reducing the incidence of certain communicable diseases, such as malaria and tuberculosis. However, other health issues, such as cancer and rare diseases, remain as a significant concern.

According to the Goa Cancer Registry, the State has a high incidence rate of cancer, particularly among the elderly population. The State sees around 1,500 new cancer patients every year which is set to increase by 5-6% per year, with breast cancer being the most common type, accounting for around 300 cases annually followed by oral cavity cancer which accounts for 20-25 % of all cancers in Goa. According to the National Cancer Registry Programme, Goa Medical College is among the few centers in the country where the relative proportion of breast cancer was more than 30% in females (31.9%). A study published in the International Journal of Reproduction, Contraception, Obstetrics and Gynecology found that 12.12% of all gynecological admissions in Goa medical College were of genital malignancies only with ovarian cancer taking the major share of it at 49%, which is indeed a matter of concern. Similarly, the crude rate: of Lung cancer in India is 00.4 per 100,000. The incidence of cancer cases is estimated to increase by 12.8 per cent in 2025 as compared to 2020. In addition, rare diseases affect 1 in 5,000 people in

India. As evident from Figure 1 below, Goa is in the upper quartile of the list of highest cancer incidence rates in the country.

Figure. 1: Crude incidence rate of cancer in India by states (per 100,000 inhabitants)



The State's healthcare system needs to be better equipped to handle the growing burden of cancer and rare disease cases, and this can be achieved through increased funding, the introduction of new treatments, policy changes and improved healthcare infrastructure.

The Government of Goa is actively working to enhance early cancer detection through initiatives like cohort research studies, cancer registries, and policies aimed at improving access to proprietary and patented oncology drugs.

However, the cost of cancer treatment in Goa can be a significant burden for patients and payers. The same is the case for Rare Diseases and innovative therapies indicated for various lifesaving conditions. This highlights the need for extensive support by the State government to provide the best care for its population, which is at par to the CGHS, Army or Railways drug list.

Pricing Policy For Innovative And Life Saving Therapies for Goa

Acknowledging that each healthcare system is unique with different unmet needs, budget constraints, epidemiological burden affecting different patient populations, in a complex socio-economic environment, Pricing Policy For Innovative and Life Saving Therapies is being proposed to enable Government of Goa to increase their citizen's access to cancer, rare diseases and other life-saving therapies for the people of Goa who are completely dependent on the Government.

Pricing Policy for Innovative and Life Saving Therapies refers to the process of

drug procurement by Government from a pharmaceutical company at a lower price from the listed price, thus enabling budget allocation to cater to more patients or support longer duration of therapies. If the eligibility criteria are met, then the company would offer rebates in the form of credit note/goods without compromising the listing price in the tender.

This approach ensures that prices visible to countries referencing India remain unaffected while providing necessary concessions to the Government of Goa and other similar parties for innovative treatment options. This confidentiality needs to be insulated from any local laws and regulation seeking confidentiality details. The process flow for the proposed confidential pricing mechanism depicted in the **Figure 2**.

Rebates/Credit Notes offered as discounts on a drug will reduce the effective price and thus incentivize the Government Health authorities to purchase larger quantities which in effect will help cover a larger set of population in the same budget envisaged.

Only the patented molecules which the Goa Medical College/ Directorate of Health Services routinely purchases through regular e-tendering process shall be part of this initiative which can be from the list of molecules which have been granted exemption from Global Tender enquiry, released by Department of Expenditure, Government of India on regular intervals, wherein it has been checked that no substitutes or competitors to the said molecules exists in India as of the year the list is published.

SCOPE OF THE POLICY

The policy is aimed to meet the specialized drug/equipment requirements of the State of Goa at a reduced cost. The scope of the policy is restricted to proprietary drugs/equipments currently purchased by GMC/DHS through regular tendering process. However, in case any new patented drug/equipment is required to be added to the list of drugs/equipments already approved, then based on the recommendation of the committee, the Public Health Department shall take approval of Finance Department before adding such new drugs/equipments to the list of items covered under the policy.

CONSTITUTION OF THE COMMITTEE

The Committee chaired by Additional/Joint Secretary (Health) and consisting of Dean (GMC), Director of Health Services and Pharmacy Heads/Incharges of DHS

and GMC shall be constituted in order to recommend appropriate pricing under this policy for approval by Government. The committee shall also be empowered to negotiate with the proprietary agencies/companies to discover the best rate of the patented drugs/equipments after signing of agreements. The list of drugs/equipments covered under the policy shall then be notified with approval of Finance Department.

The Committee shall regularly meet and also regularly carry out weeding exercise of the then patented drugs/equipments which were included earlier in the list, but are now available in non-patented/generic forms.

POWERS TO ISSUE NOTIFICATION/REDRESSAL OF GRIEVANCES

Government of Goa shall be empowered from time to time to issue notifications, orders and office memorandums etc. for defining procedures and other aspects related to the implementation of this policy including for redressing of grievances.

Figure 2: Proposed Pricing Policy for Innovative and Life Saving Therapies policy flow for the State.

