

Govt mulls over generic drugs to rein in costs, end monopoly

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KUALA LUMPUR: Noting the uncontrollable rise in the cost of medicine, the monopoly of some drug companies will be cancelled and the use of generic medication will be considered to control the said costs, says Datuk Seri Anwar Ibrahim.

The Prime Minister said drug purchases over the years have resulted in a monopoly and because of this, the government will be cancelling the commitment of one or two companies.

"The Health Ministry will explore the possibility of sourcing generic medicines," he told the Dewan Rakyat during Prime Minister's Question Time, adding

that it is not necessary for medicines to be sourced from the United States or Europe, which are more costly.

Generic medicines are popular in Brazil, India and China, he said, in response to a supplementary question by Pulau MP Suhaizan Kaiat on the quickest measure to resolve the issue of medical inflation.

To this, Anwar said the Diagnosis-Related Groups (DRGs) model will have to be expedited.

"I have instructed the Health Ministry to come up with an immediate measure.

"If possible, it should be implemented early next year so that costs do not rise exponentially," he said.

"This is related to medicine

prices as well.

"There are some bigger companies, I am not going to name them, that have charged Malaysia RM5,000 due to lax controls and monopoly," he said, adding that the same companies were charging Thailand RM1,500 for the same medicine.

DRG is a payment system that involves paying an amount that is predetermined by the DRG instead of paying for each service received.

Anwar said while he accepts the private sector's justification for rising costs being an increase in medication prices, manpower pay and equipment costs, he questioned whether medication costs can be kept at bay with the use of generic medicines.

The Prime Minister also said that Bank Negara and the Health Ministry will control rising insurance premiums and decide on a mechanism so that the hike will not be too drastic and burdensome to patients.

Bayan Baru MP Sim Tze Tzin then suggested that a temporary moratorium be imposed on insurance premiums hike to allow Bank Negara and the Health Ministry to study the situation.

"I have received complaints from the public. A cancer patient said he had diligently paid premiums for decades but after retiring and not having an income, the policy suddenly rose by 70% to 80%.

"The patient had to give it up and fund the cancer (treatment)

on his own. With protection no longer available, the person has to go to a government hospital," he said.

Sim then asked how those who had to give up their insurance policies, especially retirees, could be helped.

To this, Anwar said what the government is doing is not a moratorium but an interim measure.

He said amendment to laws and the introduction of a DRG model could help control the situation.