Enhancing Health care delivery through medicine security
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Greetings from the High Commission of India in Abuja and I thank you for inviting me to speak at this Webinar on "ENHANCING HEALTH CARE DELIVERY THROUGH MEDICINE SECURITY"!

Health Care is a topic very close to my heart here in Nigeria. During my brief stay in the country, I can hardly recall a meeting with a dignitary in Nigeria who does not fondly remember the superlative and affordable medical treatment from India received by someone known to him or her. I was touched by this deep sense of gratitude and appreciation for Indian health care among Nigerians and I am proud of the flourishing health partnership between India and Nigeria.

In recent times, India was the first to supply MADE IN INDIA vaccines during the pandemic to Nigeria, the first to send a seven ton consignment of medicines as a gift when the world locked itself down in 2020 and also the first to be a technical partner, through the Serum Institute of India, for the Nigerian Vaccine Manufacturing Industry, which is expected to be the regional vaccine hub of the future for West Africa.

India, is the 'pharmacy of the world', India's Pharmaceutical industry during 2021-22 has produced $43.91 billion worth of finished dosage forms of Generics, out of which $ 19.02 billion has been exported and is self-sufficient as far as generic formulations are concerned. India is the largest exclusive generic exporter in the world. To give a perspective, out of these exports, 7.1 billion or nearly 29% was exported to the United States, whereas only about USD 588 million of 2.39% was exported to Nigeria in the year 2021-22.

Health care is one of the primary responsibilities of a government, particularly in the global south. Developing and emerging economies, which do not have a well established insurance model that is privately operated and a population whose disposable income is not sufficient to cater to the cost demands of the insurance model, have the additional responsibility in ensuring the health of its population through proactive measures through policy, administrative and budgetary interventions.

Health care covers a wide range of activities. I quote from an article written by Ms. Anusha Krishnan to the Indian Institute of Science that Health care would encompass the broad necessities such as achievement of universal health coverage, reinforcing trust in public Health care, promoting the private Health care sector to align with public Health care goals, ensuring adequate investment in public Health care, and improving delivery of public Health care services.

However, today's topic focuses more on Medicine Security in delivery of Health care, I would like to share India's philosophy of a holistic, integrated approach to Health care, wherein medicine security is considered to be an integral part of the entire economic and social ecosystem. Medicine Security involves, easy and affordable availability of medicines and setting up of a supply system that is reliable and reaches the needy through a network of hospitals and pharmacies in every part of the country.

Indian Health care is one of the best in the world owing to its quality and affordability. However, due to the various socioeconomic factors of the population, the supply side of adequate and universally affordable Health care for all the population is an issue that needed Government's intervention. Figures show an overwhelming tilt towards health care services in the private sector which cater to nearly 70% of all visits for health care needs in India and have 50% of total hospital beds. But, individually most providers in the private sector are very small (with less than 25 beds).   Therefore the Government intervention and hand holding of the masses became imperative. PMJAY is a programme that looks at universal Health care in India. I will delve on it a little later. There are several schemes to improve the ecosystem of Health care which starts from prevention to nutrition to treatment and provision of medicines at affordable rates. GOI had worked on all these aspects simultaneously.

I would now like to share certain features of India's health care policy and also steps taken by the Government to enhance ease of business extended to the pharmaceutical industry in India, which helped increase local production and medicine security in India.

To give a recent example, the COVID-19 pandemic, which saw every country closing their borders, rang warning bells all around the world. Near monopoly of Active Pharmaceutical Ingredients (APIs) market in one geography did not augur well for the world, which required alternatives. India, which was already a leader in the formulations space, was well-placed to use this opportunity and emerge as an alternative source. Seizing the opportunity, the government announced incentives in the form of Productivity Linked Incentives (PLI) schemes and policies, encouraging Indian players to invest and develop APIs. Many domestic players promptly enhanced their capacities and there was rapid backward integration through infrastructure development. There has been a US$ 4-5 billion investment in the API space in India over the last couple of years. The policies, along with India's strong skill base, fueled the growth of India's API industry. Exports grew and India quickly reaffirmed her stance as a soft-power in the global pharmaceutical industry. Government's swift action in the policy field yielded these results.

Increasing Ease of Business for the Pharma Sector.

To assist growth of any industry the framework needs to be addressed in its totality, which includes the ease of doing business, ease of investment and repatriation of funds, guaranteeing the investors their rights through patents, copyrights etc., robust regulatory authority while at the same time, retaining the right of the government to intervene lawfully to ensure that the health needs of masses are not compromised to corporate interests. Government of India had put in place mechanisms to govern all of the above. In view of the shortage of time, I would just point out the current state of the industry owing to these interventions:

Industry Growth: Due to increasing ease of business, India has over 3,000 Pharma companies with a combined turnover of USD 42 billion. Some of these companies such as Sunpharma are active in Nigeria also.

Encouraging FDI: GOI encouraged both domestic and international investors. FDI in the pharmaceutical industry in India is permitted by the Automatic route. This does not require any prior approval either by the government or the RBI.

Under the existing policy, FDI is permitted up to 100% for Greenfield investments. FDI inflows into the pharma sector have increased four-fold over five years until September 2022, to $ 699 million in the pharmaceutical industry, thanks to investor-friendly policies and a positive outlook for the sector.

Patent Regime: In India, a total of 31,261 patent applications were granted in 2022 marking an increase of roughly 2.72% from 2021. The maximum grants came from the Delhi Patent Office which issued as many as 11,563 patents. Indian patents are governed by the Indian Patent Act of 1970 provided they fulfil certain criteria. It became a party to the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement following its membership to the World Trade Organization on January 1, 1995. It amended its internal patent laws to comply with TRIPS, most notably in 2005, when it introduced pharmaceutical product patents into the legislation. A strong patent regime has therefore helped the growth of pharma industry in India.

Obtaining Licence for manufacturing and sale: Under the The Drugs and Cosmetic Act, Central Drugs Standard Control Organization (CDSCO) provides the approval for drugs, clinical trials, lay down of the standards of drugs, quality control of drugs etc., with the coordination of the authority. The average time line for issue of a license is 30 days (not months or years as has been experience in other parts of the world) and the license is valid for 5 years which can be renewed. The regulatory authority also ensures the quality of the medicines according to the Indian Pharmacopoeia and takes stringent action against violators.

Government's push for overriding patent restrictions for critical medicines: Articles IX(3) and IX(4) of WTO agreement specifically mentions 'exceptional circumstances' when patents can be waived. India and South Africa are strong proponents of waivers for critical drugs, especially during the pandemic and have mobilized support for seeking such an appropriate waiver from WTO for manufacture of Covid vaccines. In addition, this provision has been effectively used by the Government of India in ensuring that the life saving medicines, which the corporate companies sell at extraordinarily high prices, especially for HIV, Cancer and other life threatening diseases, are exempted from the patent regime for the welfare of the suffering citizens. This is an important tool in the hands of the Government in ensuring medicine security.

Janaushadhi – medicine for the people

It has been our experience that the branded medicines were driving the cost of health care up. Indian being a leader in the generic medicine, the Government of India had identified this as a bottleneck and has come out with a generic medicine supply programme called as the Jan Aushadhi Programme or Public Medicine programme that provides generic medicines of equal quality to the branded ones at much cheaper price to the public, helps in bringing down the cost of the programme. Under this scheme, over 7,500 centres have been set up all over the country including remote areas. Financial incentive of Rs 5 lacs (N 2.5 million) is provided to set up these centres. Over 1,000 centres are being run by women, thereby supporting women empowerment. It is estimated that the low cost of the medicines supplied through these centres is resulting in savings to the tune of USD 500 million for the poor and middle class population who are utilising these savings on more economically beneficial items of expenditure. **We have offered this scheme for Government purchase of medicines to Nigeria and are willing to work closely with Nigeria to ensure medicine security to her citizens.**

Other major policy decision by the Government was introduction of PM-JAY scheme. It is a Hindi Acronym which translates to "Prime Minister's People Health Scheme". PM-JAY is the largest health assurance scheme in the world which aims at providing a health cover of Rs. 5 lakhs per family (equivalent to approximately Naira 2.5 million) per year for secondary and tertiary care hospitalization to over 107.4 million poor and vulnerable families (approximately 500 million beneficiaries) that form the bottom 40% of the Indian population. The households included are based on the deprivation and occupational criteria based on a census.

Key Features of PM-JAY

PM-JAY is the world's largest health insurance/ assurance scheme fully financed by the government.

It provides a cover of Rs. 5 lakhs per family per year for secondary and tertiary care hospitalization across public and private empanelled hospitals in India.

PM-JAY provides cashless access to health care services for the beneficiary at the point of service, that is, the hospital.

PM-JAY envisions to help mitigate catastrophic expenditure on medical treatment which pushes nearly 60 million Indians into poverty each year.

It covers up to 3 days of pre-hospitalization and 15 days post-hospitalization expenses such as diagnostics and medicines.

There is no restriction on the family size, age or gender.

All pre–existing conditions are covered from day one.

Benefits of the scheme are portable across the country i.e. a beneficiary can visit any empanelled public or private hospital in India to avail cashless treatment.

Services include approximately 1,393 procedures covering all the costs related to treatment, including but not limited to drugs, supplies, diagnostic services, physician's fees, room charges, surgeon charges, OT and ICU charges etc.

Public hospitals are reimbursed for the Health care services at par with the private hospitals.

The scheme covers from hospitalization to medicines and treatment of the family in totality including accommodation and food benefits during hospitalization.

<u>Conclusion :</u>

These policy interventions could well be replicated in Nigeria also with appropriate modifications, given the very similar nature of our society, culture and development needs.

There is tremendous opportunity for collaboration between India and Nigeria in enhancing medicine security if the ease of business for pharma industry could be sufficiently strengthened in Nigeria, including timely grant of manufacturing/ import licenses by NAFDAC. Secondly, an integrated, coordinated and holistic approach to health care in Nigeria, with an increasing role of Digital Health, would be beneficial for better delivery of health services and India is open to sharing its experiences with Nigeria. In fact, in the G20 working group on Health (in which Nigeria has been invited as a Guest country by India), there is now increasing focus on the 'whole of government' and convergence approach towards achieving health for all, even at the global level.

I also would like to utilize this opportunity to inform that the High Commission of India is hosting a Health and Wellness B2B on 29th March 2023 with a leading Chamber of Commerce in India which is bringing 15 major companies involved in this sector, at its premises. I extend a warm welcome to the Honourable Health Minister, ACCI and other interested friends to attend it from 1000 hrs. Formal invitations have already been sent. We would appreciate the assistance of ACCI in getting the relevant stakeholders from Nigeria to attend the event.

Thank you

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