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Strengthening pharmaceutical pricing and reimbursement policies

based on case studies in Ghana, Rwanda and Senegal

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Introduction

Ensuring affordable access to medicines is a critical component of Universal Health Coverage (UHC). Effective implementation of fair pricing and reimbursement policies has a direct impact on three core guiding principles of the Africa Health Strategy (2016–2030): Health as a human right, equity in health access and effectiveness and efficiency of health systems and its strategic objective of achieving UHC in Africa by 2030.This policy brief presents good practices in pharmaceutical pricing and reimbursement policies identified in Ghana, Rwanda and Senegal. Countries that are recently making significant strides in reforming their policies to improve equitable access to health products. The countries were selected amongst MAV+ frontrunner countries. Findings are based on desk research and interviews with key stakeholders during in-country visits late 2024 – early 2025 by Quentin Baglione (Aedes) and Laura Moreno Reyes (TESS). Pricing and reimbursement policies are defined at the national level. The WHO has drafted guidelines on country pharmaceutical pricing policies in 2020. These were used as a framework for this brief.

Figure 1WHO guideline on country pharmaceutical pricing policies

1	External reference pricing
2	Internal reference pricing
3	Value-based pricing
4	Mark-up regulation across the pharmaceutical supply and distribution chain
5	Promoting price transparency
6	Tendering and negotiation
7	Promoting the use of quality-assured generic and biosimilar medicines
8	Pooled procurement
9	Cost-plus pricing for setting the price of pharmaceutical products
10	Tax exemptions or tax reductions for pharmaceutical products

This policy brief aims to inform national pharmaceutical policy officers as well as the MAV+ community and other stakeholders working to strengthen health product access in Africa.

Identified good practices

1. **Inclusive coverage models**
   The health coverage systems of each country reveal a range of coverage models, but all cases foresee coverage both for formal and informal sector workers and have contribution and co-payment exemptions for certain vulnerable groups (e.g. children, elderly and indigent). In Ghana, although enrollment is mandatory, there is no penalty for non-compliance, making enrollment voluntary in practice. This results in a coverage rate of 69%. Rwanda's high coverage rate of over 95% reflects the success of its voluntary Community-Based Health Insurance approach, though part of its population is covered through private and formal insurance as well. Senegal has a coverage rate of 53% through various mechanism. Foreseeing appropriate and equitable financing of the coverage mechanisms as for example with earmarking levies directly to National Health Insurance Authority (NHIS) in Ghana is instrumental in reducing out-of-pocket costs at the point of care.

2. **Pharmaceutical pricing strategy**
   Both Ghana and Rwanda have published comprehensive and recent pharmaceutical pricing strategies, that encompass policy frameworks, roles and responsibilities and an implementation plan, an important first step in implementing pricing policy reform.
   - Pricing Strategy for Pharmaceuticals and other health technologies in Ghana, (2022)
   - National Pharmaceutical Products Pricing And Containment Policy (Rwanda, 2020)

3. **Pooled procurement at national and international level**
   Pooled procurement can be a tool to increase efficiency of procurement process, increase purchasing power and reduce purchasing costs. Each country pools procurement for their public sector in different ways (Ghana sub-nationally, Rwanda and Senegal at national level). In addition, all three have joined regional, continental, and global mechanisms[1] enabling them to benefit from other pooled procurement schemes.

4. **Markup regulation**
   All three countries have markup regulations in place throughout the distribution chain (?), although the level and implementation area vary. Senegal regulates both public and private sector margins while Ghana and Rwanda only regulate the public sector margins. Rwanda plans to expand to the private sector. In Ghana, the regional medical stores apply a 10% mark-up, and the national health insurance adds around 15% when determining reimbursement prices. However, mark-ups in the private sector are unregulated, with pharmacies often applying margins between 30% and 45%, contributing to significant price variability. Rwanda has approved formal mark-up regulations: 20% for Medical stores and public health facilities and 25% for wholesalers and importers; 33,5% for retailers and private health facilities. During the country visit these were rolled out to the public sector while private sector was foreseen.

5. **Tax exemptions**
   Ghana exempts both finished pharmaceutical products and selected raw materials from VAT, which reduces costs for both imported as well as locally manufactured health products.

6. **Promoting the use of generics and biosimilars**
   Ghana mandates generic prescribing in public facilities and bases the reimbursement rate on generic prices. As a result, 89% of prescriptions are for generics.

7. **Tendering and negotiations**
   Each country organises public tendering and negotiates with suppliers in the public sector, but each uses different approaches. Ghana uses annual framework contracts that fix prices and quantities. It includes built-in flexibility to adjust for inflation and currency depreciation.

[1] At continental level, all are part of the African Pooled Procurement Mechanism (APPM, regionally, Rwanda engages in the East African Community PPM, while Ghana and Senegal take part in the ECOWAS PPM initiative Senegal also belongs to ACAME, a collaboration of mostly Francophone public procurement organizations. Additionally, all three benefit from global pooled procurement through initiatives like the Global Fund, Gavi, and UNICEF.

Rwanda encourages its Central Medical Stores (CMS) to negotiate directly with international suppliers to reduce intermediary markups. While in Senegal, the national procurement agency (SEN PNA) issues national competitive tenders and multi-year contracts, ensuring price stability and comprehensive national pooling.

8. **Price transparency**
   Each country has practices in place that promote price transparency to some extent and at various levels (e.g. towards patients, throughout the supply chain and at Market Authorisation level). In Ghana, the NHIA publishes a positive list of approximately 500 products and their reimbursement price[2] and reviews prices on annual basis. In Rwanda a reimbursement list is maintained for the private insurers and contains about 1500 items (the list is updated once a year, but prices are updated twice a year). Senegal publishes a list of Market Authorisations (MA) which includes price information but does not seem to be updated after the MA.

9. **Reference pricing**
   Both Ghana and Rwanda reference External or Internal Reference Pricing policies (ERP & IRP) in their national pricing policies but do not enforce them to determine maximum prices or reimbursement rates at national level. In Senegal, however, the price is set during the Market Authorisation (MA) process, where they do use ERP to assess the price appropriateness, using comparison points from commercially available price list (such as VIDAL France) and price points from other UEMOA countries (if available in the dossier).

Recommendations

While the above highlights good practices which are all in line with the WHO guidelines, several challenges remain. These include inconsistent policy implementation, partly due to a lack of dedicated staff and resources for enforcement; limited integration of pharmacoeconomic criteria such as cost-effectiveness and budget impact into pricing and reimbursement decisions; and irregular review and updating of pricing policies. In addition, pricing policies and health coverage are not sufficient without adequate financing of health facilities. Facilities that depend on revenue from medicine sales may charge patients additional fees or withhold medicines when there is a mismatch between prices and reimbursement.

What follows outlines some specific recommendations to address these challenges and strengthen the implementation and sustainability of pricing and reimbursement policies.

National health authorities *should*

- Include cost effective health products in health coverage schemes and explicitly list them through publicly available reimbursement lists. This to increase transparency throughout the supply chain and visibility for the population on coverage and costs of health products.

[2] Health program medicines such as childhood immunizations, tuberculosis and HIV AIDS are excluded as provided by the health programs. The list also does not include medical devices and supplies, and all anesthetic agents because their prices are included in the tariffs for services for which they are used.

- Integrate Health Technology Assessment (HTA) and pharmacoeconomic expertise into pricing committees, marketing authorization processes and reimbursement mechanisms.
- Ensure adequate staff and resources are available to implement and enforce the pricing and reimbursement strategy. Ensure sufficient financial resources and sustainable mechanisms are in place to reimburse health facilities or dispensing points for selected health products. The 2017 Lancet Commission on Essential Medicines estimated that providing a basic package of 201 essential medicines to all low- and middle-income countries (LMICs) would require an annual expenditure of $77.4 to $151.9 billion, or roughly $13 to $25 per capita. Of all African Union members states in 2023 only Rwanda, Botswana and Cabo Verde have met the target of the Abuja Declaration of allocating at least 15% of national budget to health.
- Ensure particular attention on how pricing regulation (e.g. distribution mark ups) affect the availability and affordability for vulnerable populations including those living in rural areas.
- Conduct periodic national pricing and patient expenditure surveys to track affordability trends and guide reforms.
- Formally embedded ERP and IRP in the national regulatory processes.
- Regularly review and maintain essential medicines list, pharmaceutical price lists as well as price regulations to assess appropriateness to the current context.
- Actively engage in international collaborations to pool demand and share price and volume information in order to strengthen purchasing power and secure supply.

MAV+ community *should*

- Be an advocate for more transparency on pharmaceutical prices and cost of R&D in your own country and in engagement with private sector as defined in the WHO resolution on transparency (WHA 72.8).
- Facilitate international collaboration and sharing of pricing expertise, policy experience and pricing data across countries and regions e.g. by continued support to initiatives such as EU-AU twinning and PPRI Africa.
- Further support continental and regional pooled procurement mechanisms & coordination.
- Support further data collection and evidence generation on the effectiveness of pricing policies globally but also specifically in African countries . By supporting local research institutions to evaluate the outcomes of pricing reforms (e.g., on medicine affordability, availability, and health outcomes) and regional initiatives such as PPRI Africa.Ensure that affordability of health products is included in the formulation of health projects, including MAV+ but also beyond in other initiatives such as TEI Social Protection and Public Health Institutes and in specific projects e.g. by ensuring that essential medicines form an integral part of the design of benefit packages (including for patients in outpatient care).
- Support the development and updates of policy guidelines at international (WHO) and that they are tailored to the continental level to ensure that guidelines fit the African Union Agenda.

Conclusion

Pricing and reimbursement policies vary significantly across countries, but learning from successful practices elsewhere can offer valuable insights for adapting and improving national approaches. Effective implementation requires more than sound policy design. Sustained political commitment, adequate financing, and transparent regulatory processes are crucial.

Finally, all these efforts must be grounded in evidence and supported by continuous monitoring and evaluation to ensure that health products become more affordable and accessible for all.

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