

# What Needs to Be Done

Nine concrete reforms that can make medicines affordable for every Filipino

The reform agenda is not a mystery. Researchers, legislators, international health organizations, and constitutional scholars have spelled it out repeatedly for decades. **What has been missing is political will and legal enforcement.**

1



## Close the Prescription Loophole

Amend the **Generics Act of 1988** to require prescriptions use generic names only — no brand names on the slip. Doctors who refuse must face enforceable sanctions through the PRC. *No country has shifted to generics without mandating generic-only prescribing.*

AMEND RA 6675

2



## Extend Price Controls to Private Retail

Maximum retail prices — already authorized under **RA 9502** but applied to only a narrow drug list — must cover all essential medicines in private pharmacies, with mandatory public posting at every counter.

ENFORCE RA 9502

3



## Pass an Anti-Kickback Law

Criminal legislation modeled on the **U.S. Anti-Kickback Statute** — prohibiting pharma companies from offering, and doctors from accepting, any payment for prescribing decisions. **Professional reprimands are not enough. Criminal penalties are.**

NEW LAW NEEDED

4



## Apply Competition Law to Pharma Retail

The **Philippine Competition Commission** must investigate market concentration in both distribution and retail. A single company controlling **60% of pharmacy retail** is a textbook competition law problem. The Competition Act of 2015 was written for exactly this.

ENFORCE RA 10667

5



## Remove VAT from All Essential Medicines

BIR Memorandum Circular 93-2024 already exempts 15 medicines from VAT. That list must be expanded to cover **every medicine on the WHO Essential Medicines List** and the Philippine National Drug Formulary. Taxing medicines the poor cannot afford is a tax on being sick.

EXPAND BIR MC 93-2024

6



## Build Domestic Manufacturing

The Board of Investments has named pharma a priority industry, but **~98% of active pharmaceutical ingredients remain imported**. Public investment in local manufacturing — as India did — would reduce import costs and give government more pricing leverage.

INDUSTRIAL POLICY NEEDED

7



## Use Compulsory Licensing

The Cheaper Medicines Act already allows the government to override drug patents in public health emergencies. Thailand and India have used this **repeatedly with measurable results**. For daily maintenance drugs — blood pressure, diabetes — the public health case is obvious.

ENFORCE RA 9502 §§93-93A

8



## Strengthen PhilHealth's Bargaining Power

A national insurer covering most of the population **should be negotiating drug prices from a position of enormous leverage. PhilHealth is not.** Expand its formulary and give it a statutory mandate to negotiate prices — as Taiwan's National Health Insurance does.

AMEND PHILHEALTH CHARTER

9



## Enforce the Business and Human Rights Framework

The Philippine government must adopt a **National Action Plan on Business and Human Rights** for the pharmaceutical sector, per the **UN Guiding Principles (Ruggie, 2011)**. This requires all pharma companies to publish human rights due diligence reports on pricing, distribution, and marketing — and creates a legal basis to sue companies that fall below international standards. The 1987 Philippine Constitution, the ICESCR (Article 12), and CESCR General Comment No. 14 all create binding obligations that are currently being violated. **The tools exist. The obligation exists. What is needed is a government willing to use them.**

UN RUGGIE PRINCIPLES 2011

ICESCR ART. 12

1987 CONSTITUTION ART. XIII

## The problem is not complicated. It is old, entrenched, and protected.



Greed organized into institutions, backed by lobbying, tolerated by the state, and paid for — every day, at every pharmacy counter — by the people who can least afford it. In 2024, Filipinos spent ₱251 billion out of pocket on medicines alone.