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### **Parallel session 6: Economics and Policy Research to Improve Malaria Control**

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#### **PS 04/5**

#### **Piloting the global subsidy: The impact of subsidized distribution of artemisinin-based combination therapies through private drug shops on consumer uptake and retail price in rural Tanzania**

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**INTRODUCTION:** Tanzania has piloted artemisinin-based combination therapy (ACT) subsidy at the wholesaler level for private sector distribution. Starting in October 2007, ACT was distributed to two rural districts, with the primary outlets being drug stores. A third district served as a control. The pilot was designed to measure the impact of a subsidy on the price and uptake of ACTs, and the effect of a Suggested Retail Price (SRP) on these outcomes.

**METHODS:** Data were collected at baseline in August 2007 and four times during the year of the intervention. Four methods were used: exit interviews, retail audits, mystery shoppers, and public facility audits. Each shop was assigned a competition index based on the number of other drug shops within one kilometer, with categories ranging from 0 to 5.

**RESULTS:** There was a pronounced increase in the proportion of shops stocking ACT in the intervention districts, from zero in August 2007 to 72.2% in August 2008, but no change in the control area. Shops with two or more other shops in their competition radius were significantly more likely to stock ACTs in August 2008 (81.2%) than those with 0 or 1 competitor (54.0%). The proportion of anti-malarial consumers in the intervention districts who purchased ACTs increased strikingly, from 1.0% in August 2007 to 44.2% in August 2008, with uptake as high as 53.0% for children under 5. The average price paid for a full ACT dose was \$0.35 for children under 5, and \$0.70 for adults. In general ACT prices were similar to those for older antimalarial monotherapies, and did not vary significantly by either the socio-economic status of the consumer or the competition category of the shop. Contrary to expectations, consumers paid more for ACTs in the district with SRPs.

**DISCUSSION:** This pilot demonstrates that if a subsidy on ACTs is implemented at the wholesaler level, uptake of the product can increase rapidly, particularly for children under five. The benefit of the subsidy has been transferred to the customer, with prices of subsidized ACTs remaining comparable to other anti-malarials. However, SRPs must be calculated carefully to avoid artificial price inflation. Additional interventions may be needed to increase ACT access by the poorest of the poor, as these patients appear to use private sector drug shops less frequently, and to ensure access in the most rural areas, as ACT stocking was skewed towards shops in towns and other population centers.