

The Origins of AMFm
***Saving Lives, Buying Time: Economics of
Malaria Drugs in an Age of Resistance***
IOM, 2004

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Outline

- 2002-2004: A Crossroads in Malaria Treatment
- Idea to Reality: The birth of AMFm
- Changes in Malaria Control During the Time of AMFm
- AMFm Phase 1
- Looking ahead

2002-2004: A Crossroads in Malaria Treatment

Exit Chloroquine Enter Artemisinins

- After 50 years of effectiveness, failure of chloroquine as first-line antimalarial due to spread of resistant parasites
 - Chloroquine was inexpensive and widely available
- Artemisinins as the next first-line therapy
 - Relatively expensive (10-20 times the cost of CQ)

New paradigm for malaria: combination treatment in place of monotherapies: ACTs

The Challenge to IOM

- ACTs: much more expensive than chloroquine and other older drugs.
- The private sector sold (still sells) at least half the antimalarials used directly to patients
- Given their general unaffordability, minus a subsidy, many shopkeepers would never even stock ACTs.

“Within 5 years, governments and international finance institutions should commit new funds of US\$300-500 million per year to subsidize coformulated ACTs for the entire global market to achieve end-user prices in the range of US\$0.10-.20, the current cost of chloroquine.”

IOM 2004

SAVING LIVES, BUYING TIME

Economics of Malaria Drugs
in an Age of Resistance

INSTITUTE OF MEDICINE
OF THE NATIONAL ACADEMIES



Aims of IOM's Recommendation

- Rapidly increase availability of ACTs in all sectors of all malaria-endemic countries, but especially in the shops and pharmacies where most people buy antimalarial drugs
- Ensure affordable price to consumers through subsidy high in supply chain
- Ensure that high-quality ACTs dominate the market by subsidizing only those that meet quality standards
- “Crowd out” monotherapies (especially artemisinin) by underpricing them with subsidized ACTs
- Reduce the incentives to sell counterfeit ACTs

Idea to Reality: The Birth of AMFm

Post-IOM Report Timeline

2005- 2007

- Developing IOM idea into a program
 - Led by World Bank and RBM Partnership
 - Inviting The Global Fund to host and manage the “Affordable Medicines Facility-malaria” or AMFm

2008

- Global Fund Board agreement – November

2009

- Securing Funds
 - \$216+ million for the subsidy (UNITAID, United Kingdom, Gates Foundation and others)
 - \$127 for supporting interventions from the Global Fund

2009 continued

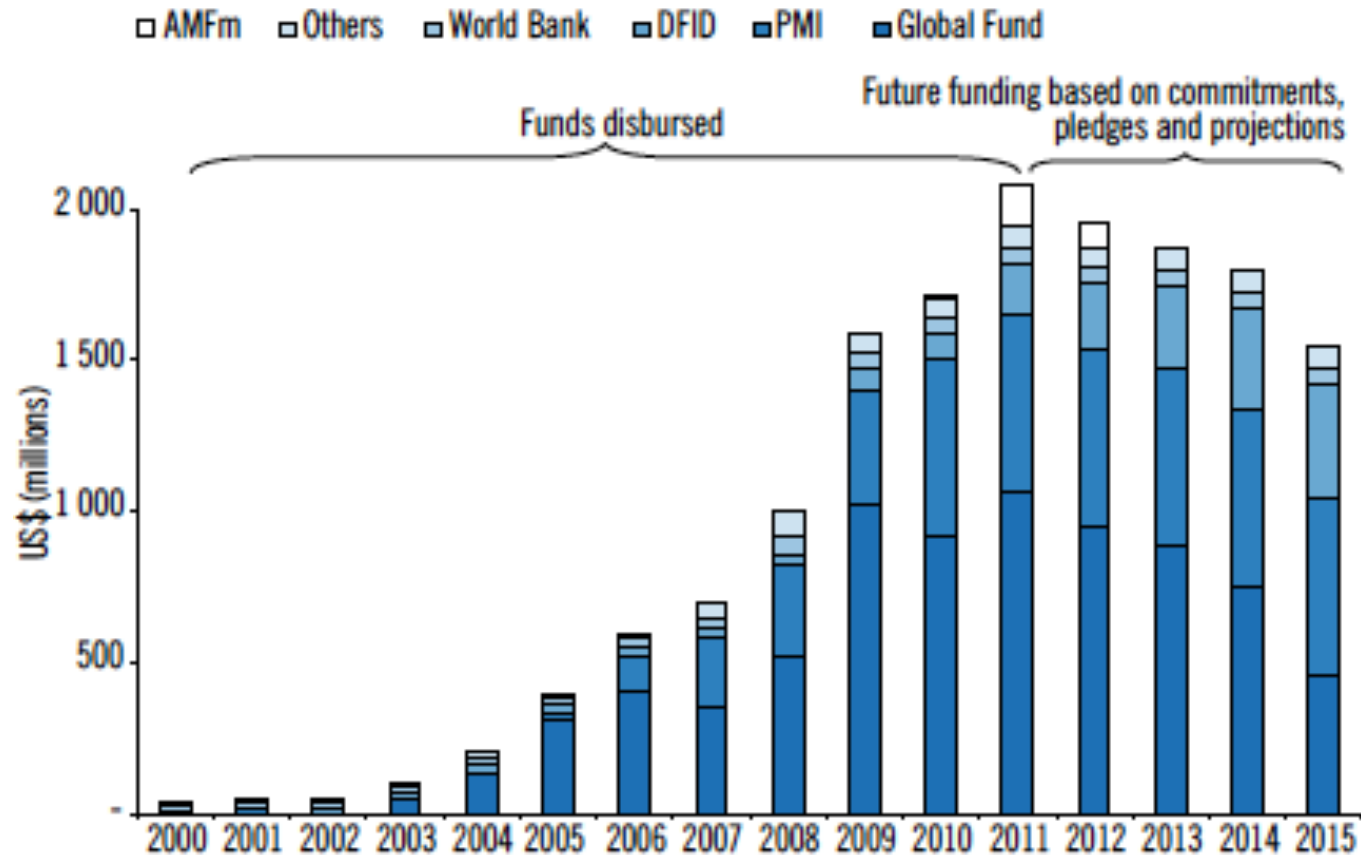
- Country applications for phase 1
 - 12 eligible countries invited to submit an application (July)
 - GF approved AMFm applications for 8 countries plus Zanzibar (November)
- Preparations for implementation
 - Negotiations with manufacturers, agreements with first-line buyers

2010

- First orders and shipments
 - First co-paid ACTs arrive in Ghana and Kenya in August

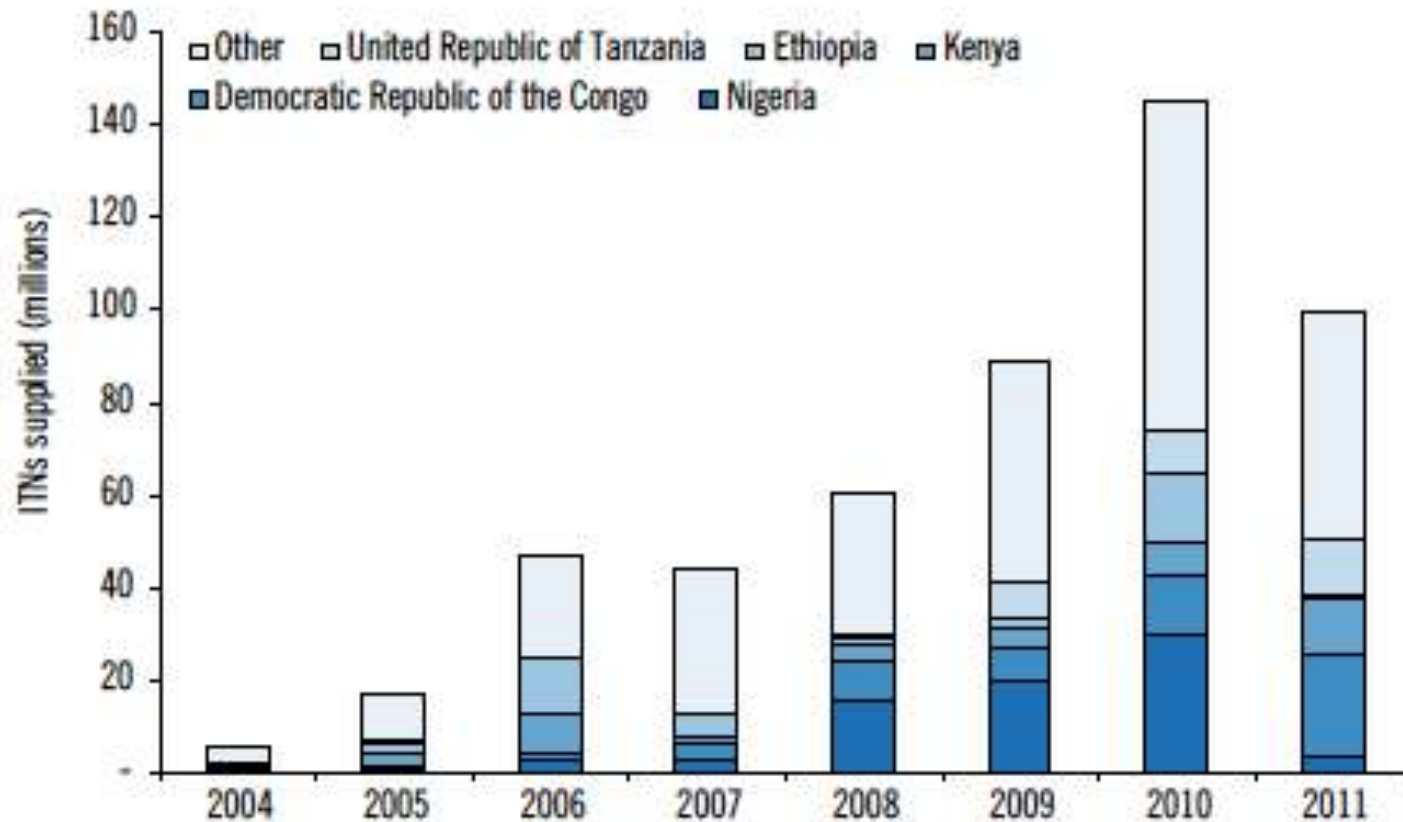
Changes in Malaria Control During the Time of AMFm

Past and projected international funding for malaria control



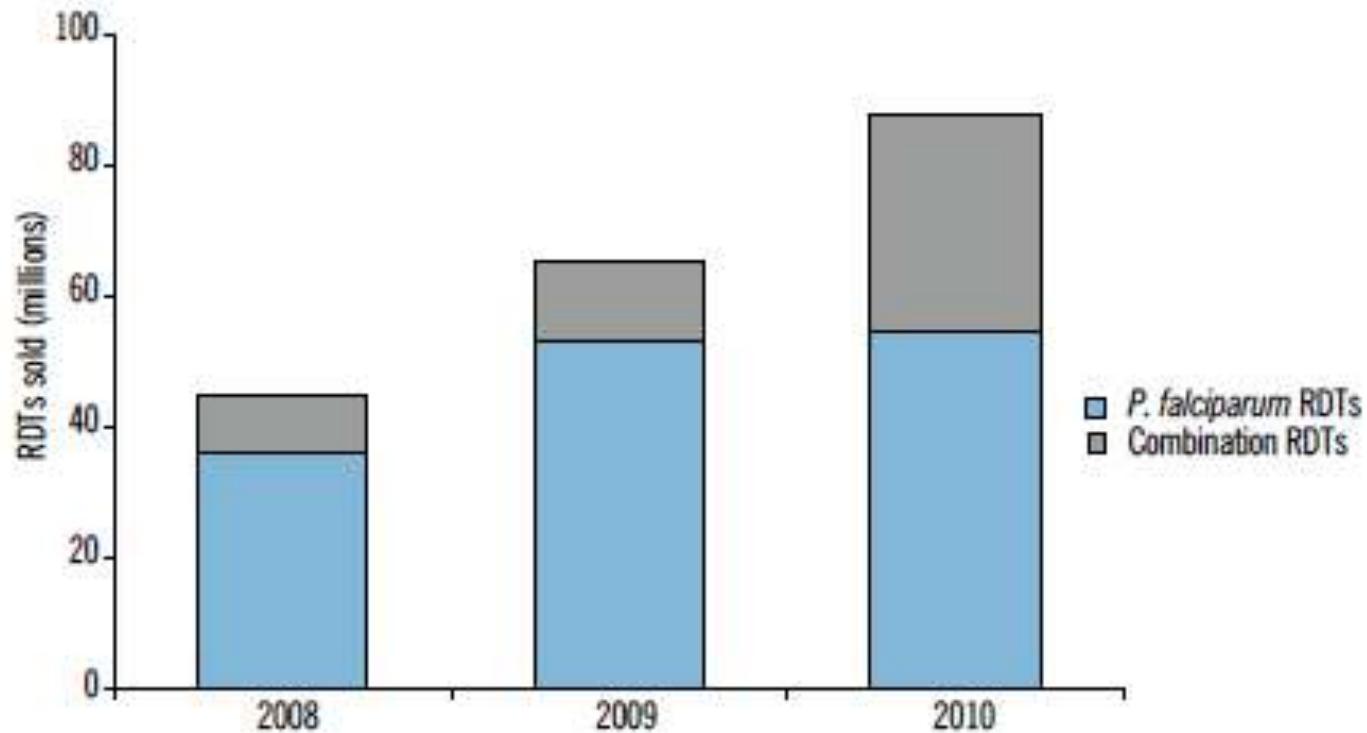
Source: World Malaria Report 2011, WHO

Number of Long-Lasting Insecticide Treated Nets Delivered in sub-Saharan Africa



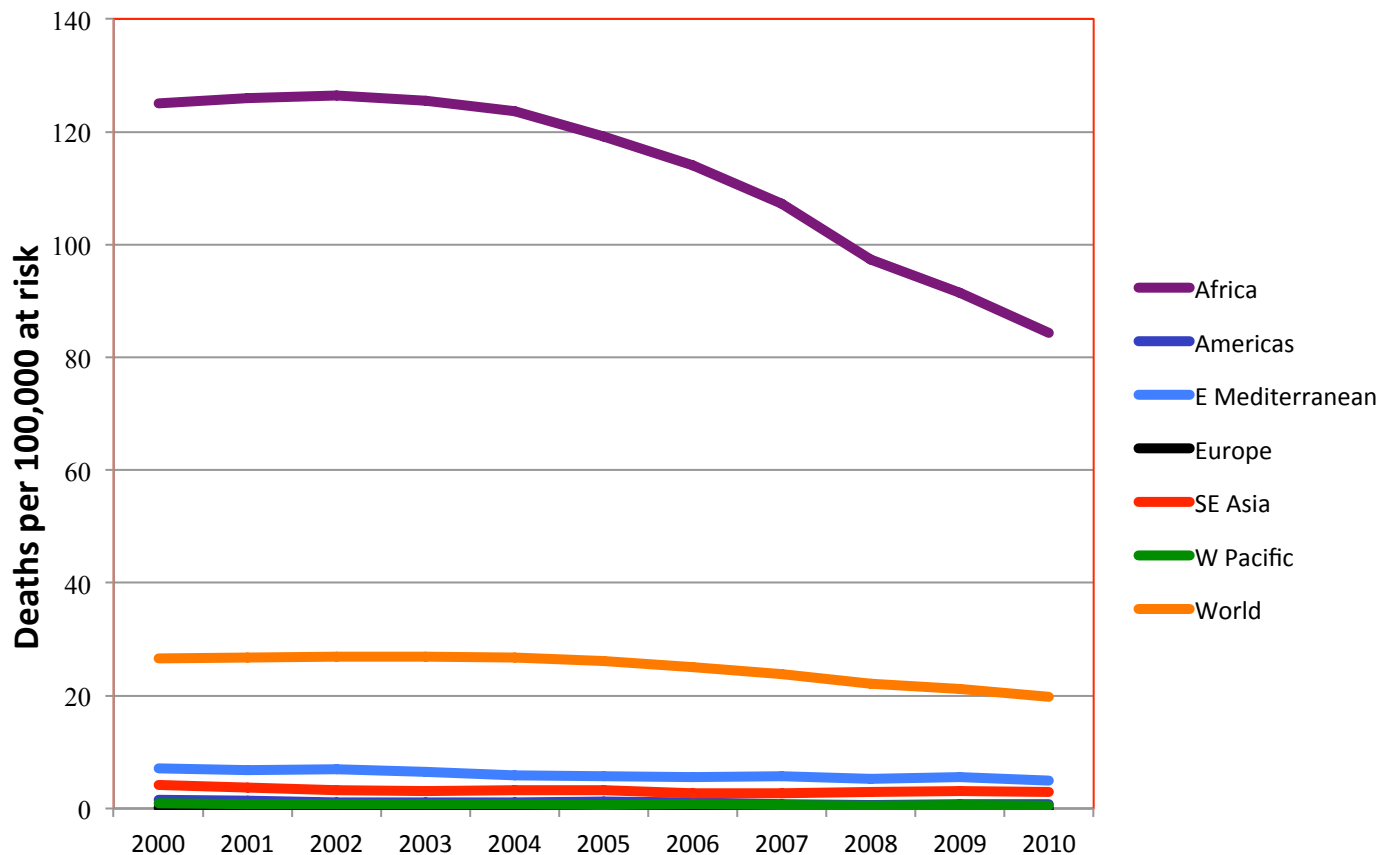
Source: World Malaria Report 2011, WHO

Global RDT Sales to Public and Private Sectors



Source: World Malaria Report 2011, WHO

Estimated Malaria Mortality Rates, 2000-2010



Source: World Malaria Report 2011, WHO

AMFm Phase 1



Home > Affordable Medicines Facility - malaria

- Home
- About AMFM
- Principal Recipients
- First-line buyers of ACTs
- Manufacturers
- Monitoring and Evaluation AMFM Phase 1
- Documents for Applicants
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AFFORDABLE MEDICINES FACILITY - MALARIA

The Affordable Medicines Facility – malaria is an innovative financing mechanism designed to expand access to the most effective treatment for malaria, artemisinin-based combination therapies (ACTs).

The Affordable Medicines Facility – malaria is a new line of business hosted and managed by the Global Fund. Financial support for the initiative will come from UNITAID, the UK Department for International Development (DFID), and potentially other donors. The Roll Back Malaria Partnership will continue in its important role as a partner to the Affordable Medicines Facility – malaria.



are becoming increasingly resistant. It will also reduce the use of

External Links

- Summary Report on co-paid ACTs

Related Content

- São Paulo - Key Speeches and Declarations
- \$225 million partnership to bring effective malaria drugs to all who need them
- Agreements reduce prices of malaria medicines by up to 80 %
- Documents for Applicants
- Background Documents

Related Documents

- September October 2011 price-tracking study (PDF - 1 MB)



IOM Recommendation vs AMFm Pilot

- Global vs. limited pilots
- Consumer price higher than chloroquine
- Coformulated vs. co-packaged ACTs
- Public and private sector equally vs. emphasis on private sector

Did the AMFm Pilot Prove the Concept?

✓ Availability

“Rapidly increase access...”

✓ Price

“Ensure affordable price...”

✓ Market share

“Ensure that high quality...”

± Crowding out monotherapies

“Crowd out monotherapies...”

Looking ahead

Febrile Illness Management: The next phase

- Malaria will still be transmitted, but prevalence will decrease over time if current investments are sustained
- Greater proportion of fevers will be due to non-malarial causes
- Diagnosis will become even more important, but the big question is what to do when it's *not* malaria

AMFm: The Next Phase

- Declining prevalence of malaria
- Increasing relative importance of other causes of febrile illness
- Changes
 - Immediate: finance and deliver malaria RDTs in public and private sectors
 - Medium-term: and evolve strategies for non-malaria febrile illness including plan for introduction of novel non-malaria RDTs

Reflections

- The IOM process was about developing a financial architecture exquisitely suited to the problem
 - potential artemisinin resistance
 - private sector role in antimalarials
- Financing RDTs and non-malaria treatments requires separate consideration, but the right financial architecture can contribute to the solution