



BADRI

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The Vitals



***A healthy outside
starts from the
inside.***

-Robert Urich

Medical Newsletter

TOPIC 1

**PRESCRIPTION FOR SUCCESS:
GCC'S 5.4% HEALTHCARE COST
RISE MEETS 10% SAVINGS WITH
GENERICS! - Page 02**

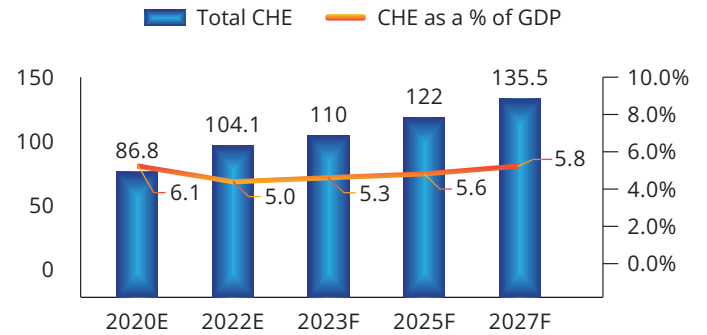
TOPIC 2

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TOPIC 1: PRESCRIPTION FOR SUCCESS: GCC'S 5.4% HEALTHCARE COST RISE MEETS 10% SAVINGS WITH GENERICS!

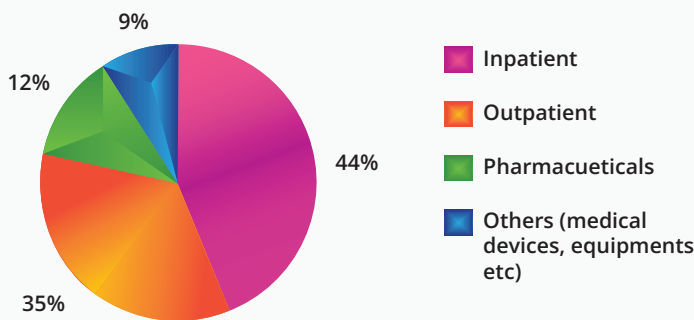
The GCC region has seen higher growth in healthcare spending, with a 9.5% annual growth from 2020 to 2022 linked to the pandemic. This led to greater inpatient and outpatient treatments. Industry predictions estimate growth of 5.4% in the period 2022 to 2027, consistent with trends before 2020. We have discussed this in detail in our Vitals-issue no 20 ([click here to access it](#)).¹

Forecast of Current Healthcare Expenditure (CHE) in GCC (US\$ Billion)



Source: Alpen Capital, WHO, IMF, WTW, MOH and statistical organizations.

GCC Healthcare Spending %



Source: Alpen Capita; & Arab Health Online

A GCC healthcare market study reveals that in 2022, inpatient and outpatient services constituted around 79% of total healthcare expenditures. The rest is spent on pharmaceuticals, medical devices, equipment, and other healthcare-related costs i.e. estimated at around 21%.²

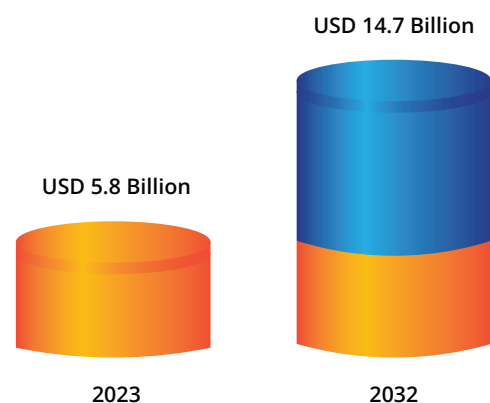
The prevalence of high-risk diseases is increasing in GCC countries, leading to increased prescribing of branded medications. In response to these costs, there is a notable increase observed in the demand for generic drugs in GCC.

The GCC generic drug market reached US\$ 5.8 bn in 2023. The market is projected to reach US\$ 14.7 bn by 2032, at 10.9% CAGR from 2023 - 2032.³

We now focus on the pharmaceutical sector in GCC countries.

GCC Generic Drug Market

Market forecast to grow at a CAGR of 10.9%



Source: Research And Markets reports

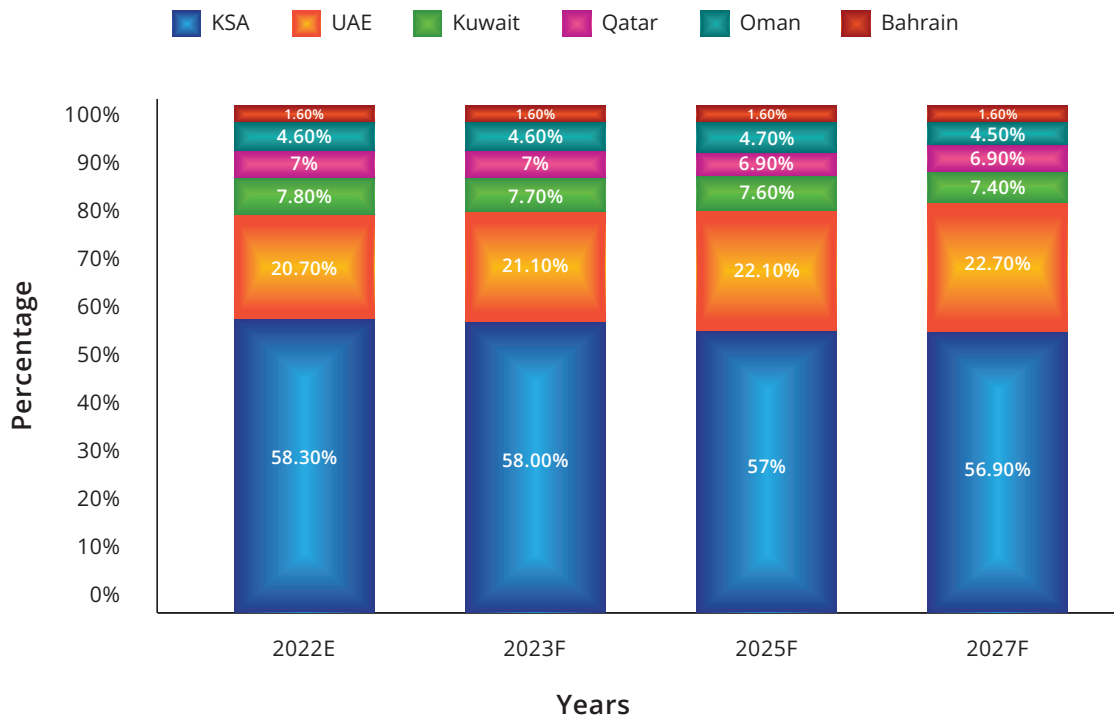
Top-selling branded drugs in GCC countries: Insights into the pharmaceutical landscape

GCC Healthcare Expenditure Distribution 2022-2027

In our previous newsletter (*Issue No. 20*), we observed that KSA and UAE dominated the region's healthcare spending, with a combined share of 79% in 2022. This is anticipated to remain similar till 2027.

So, we limit our analysis to these two countries.

GCC Healthcare Spending %



Source: Alpen Capital, WHO, IMF, WTW, MOH and statistical organizations.



KSA market study:

KSA leads healthcare spending in the GCC region. The total pharmaceutical market size of KSA was estimated at around SAR 37.5 billion (US\$ 10 Billion) in 2023, which is expected to reach SAR 62 billion (US\$ 16 Billion) by 2034, exhibiting a growth rate (CAGR) of 5.20% during 2024-2034.

Branded drugs dominate as the leading drug type for pharmaceuticals in KSA, making up 70% to 80% of the drug market. Most branded drugs are imported from the US, Switzerland, Germany, and France. Physicians' preference for branded medicines, partly due to skepticism about generics, is driving the increased use of branded medicines. ⁴

Our experience reviewing claims reveals that most diagnoses are related to Type 2 diabetes mellitus, Essential (primary) hypertension, and Acute upper respiratory infection which make up to 20 % of the total diagnoses.

The top branded drugs commonly used in the KSA to treat Type 1 & 2 diabetes mellitus, along with their generic versions available, include:

| Branded Drug | Branded Drug Market Price (SAR) | Generic Drug | Branded Drug Market Price (SAR) | Estimated Overall Savings* |
|-------------------|---------------------------------|------------------|---------------------------------|----------------------------|
| GLIPTAMET | 50-150 | Metformin | 10-50 | 29% |
| FORXIGA | 300-600 | Dapagliflozin | 200-400 | 11% |
| NOVORAPID FLEXPEN | 500-800 | Insulin aspart | 200-500 | 17% |
| LANTUS SOLOSTAR | 400-800 | Insulin glargine | 150-400 | 20% |

According to our estimates, the KSA healthcare system can save a significant amount of money by switching to generic medications for diabetic patients, roughly 17% just for the top 4 pharmaceuticals in 2023 due to the 50% of people shifting from branded to generic drugs.

UAE market study:

The UAE is set to outpace its GCC peers in healthcare spending. The UAE's pharmaceutical market is experiencing strong growth, estimated at AED 16.2 billion in 2023. This growth is driven by expanding healthcare services and increasing demand for effective medications, bolstered by government initiatives. Chronic conditions like diabetes and cancer are particularly driving demand for branded drugs in the region. ⁵

According to the World Health Organization's World Health Statistics 2009 survey, branded drugs in private UAE pharmacies, including those in non-government hospitals, are priced at an average of 23.52 times the reference price. ⁶

UAE Branded drugs market share around 60-70% of the total pharmaceutical market. Insurance experts estimate that healthcare providers in the UAE could save Dh2.3 billion by switching to generic drugs, which are equally effective as branded pharmaceuticals. Relying mostly on branded drugs can lead to healthcare system abuse, including fraud, abuse, and waste. ⁷

Based on our experience reviewing claims, we have observed that most diagnoses in the UAE region are for type 2 diabetes mellitus, acute upper respiratory infections, and essential (primary) hypertension, which make up 20% of total diagnoses.

| Branded Drug | Branded Drug Market Price (AED) | Generic Drug | Branded Drug Market Price (AED) | Estimated Overall Savings* |
|--------------|---------------------------------|-----------------------------|---------------------------------|----------------------------|
| FORXIGA | 300-500 | Dapagliflozin | 200-400 | 10% |
| GALVUS MET | 300-600 | Vildagliptin and Metformin | 150-400 | 16% |
| XIGDUO XR | 500-800 | Dapagliflozin and Metformin | 300-600 | 23% |
| DIAMICRON MR | 100-200 | Gliclazide MR | 50-150 | 23% |

According to our estimates, with **50%** of people shifting from branded to generic drugs, the UAE healthcare system can save a significant amount of money for diabetic patients, roughly **17%** just for the top 4 pharmaceuticals in 2023.

As it is observed, the use of branded drugs significantly increases healthcare costs in the UAE and KSA. Most of the effective generic versions are available in the market that can successfully replace these branded drugs to reduce healthcare costs, with average savings ranging from 80%-95%.



US Healthcare Savings: The Benefits of Switching to Generic Drugs:

Generic drugs substantially save the U.S. healthcare system by offering more affordable alternatives to brand-name medications. Generic medicines fill 90% of prescriptions in the United States for only 20% of the cost.

In 2019, according to data provided by IMS Health Institute, the U.S. saved \$313 billion — including \$96 billion and \$48.5 billion in Medicare and Medicaid savings, respectively. Generic drugs have saved the US healthcare system approximately \$2.2 trillion during the period 2010-2019. ⁸

Key Findings

U.S. Generic Drug Savings:
\$313 Billion

4 Billion
Generic Rx Filled

Generics are **90%** of Prescriptions Filled Yet Account for Only **\$20** of Prescription Drug Spending

92% of Generic Prescriptions Are Filled for **\$20** or less



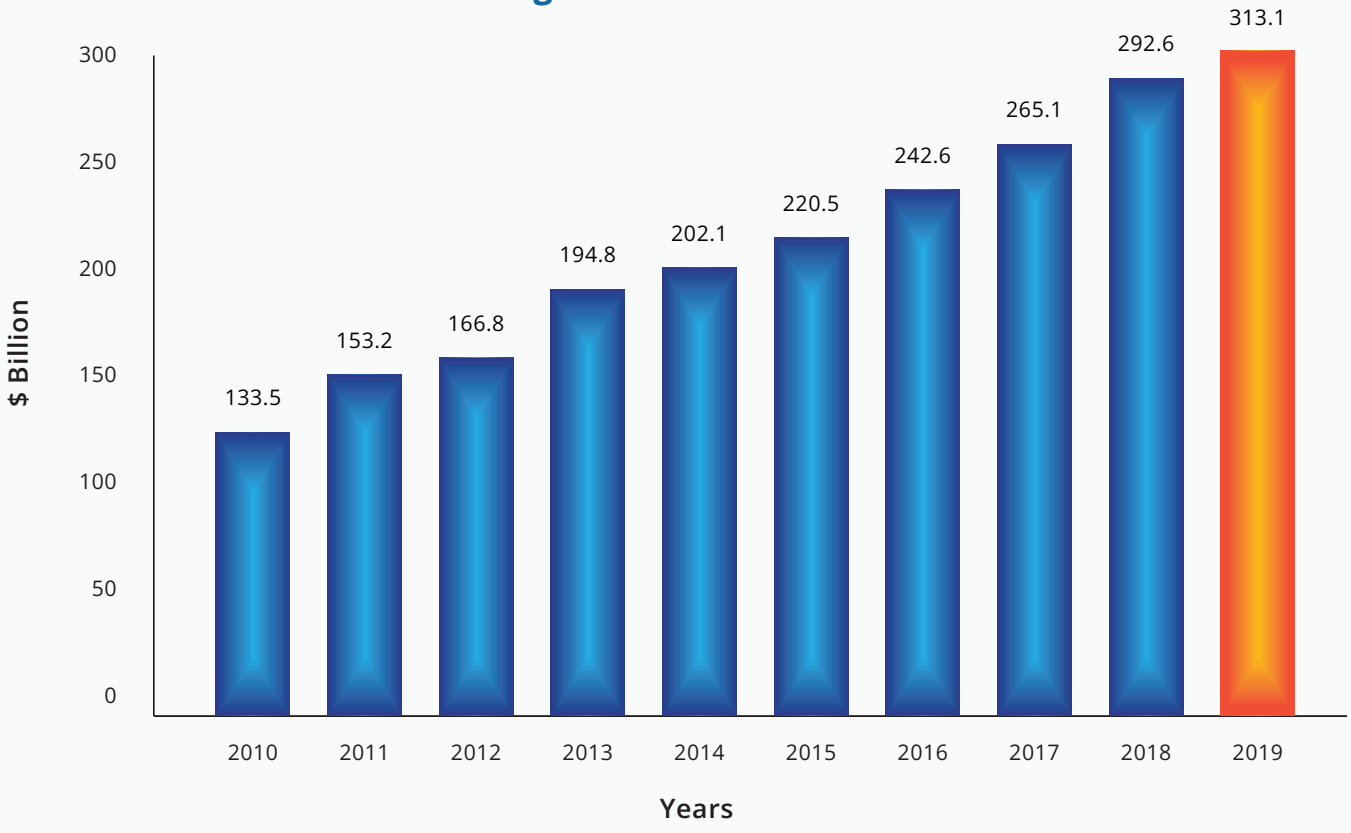
Key Findings

Generic 10-Year Savings: Nearly **\$2.2 Trillion**

Biosimilars 10-Year Savings: **\$4.5 Billion**



Annual Savings from Generics 2010 to 2019



Real-world examples:

2019 Top 5 Generic Drugs Ranked by Savings in US

| Branded Drug | Brand Pre-expiry price (Per Unit) | Generic Drug | Price of Generic Equivalent 2019 (per unit) | Percent savings |
|--------------|-----------------------------------|--------------|---|-----------------|
| Lipitor | \$3.29 | Atorvastatin | \$0.08 | 98% |
| Zofran | \$21.69 | Ondansetron | \$0.16 | 99% |
| Prilosec | \$3.31 | Omeprazole | \$0.06 | 98% |
| Crestor | \$5.78 | Rosuvastatin | \$0.08 | 99% |
| Abilify | \$21.68 | Aripiprazole | \$0.40 | 98% |



WORLD
VITILIGO
DAY

25th June

*"United by the **skin**"*

TOPIC 2: WORLD VITILIGO DAY 2024

Every year, World Vitiligo Day, celebrated on June 25, is an initiative to build global awareness and symbolize solidarity with those affected by vitiligo, a condition causing skin pigment loss.

Vitiligo is a chronic autoimmune disorder that causes skin patches to lose their pigment. This occurs when melanocytes, the cells responsible for skin pigment, are attacked and destroyed, resulting in milkywhite patches on the skin.

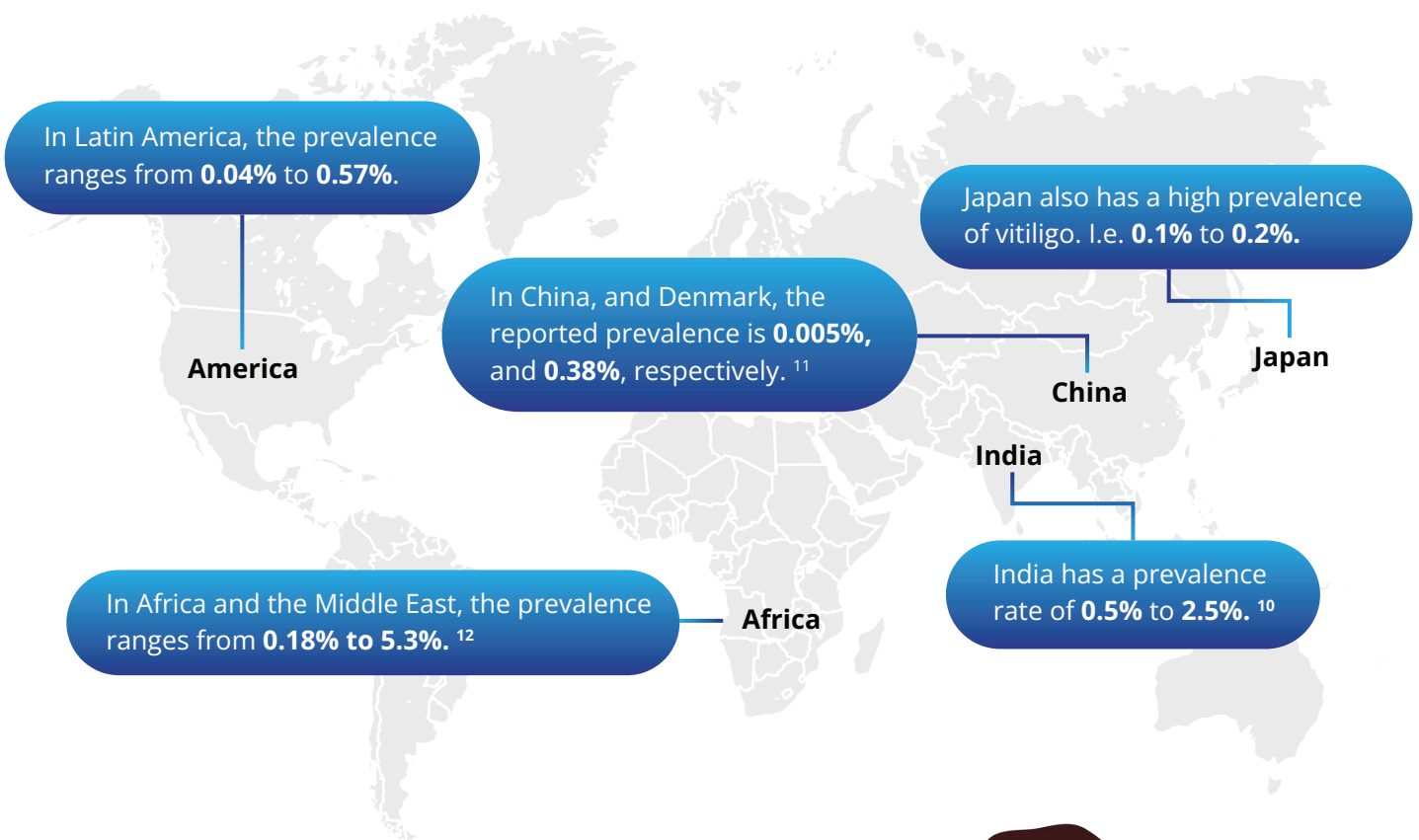
Theme for 2024

*The theme for World Vitiligo Day 2024 is "**United by the Skin**" This theme highlights the importance of acknowledging and celebrating the unique beauty of individuals with vitiligo. It encourages embracing vitiligo as a part of human diversity rather than concealing it. ⁹*

Prevalence:

Vitiligo affects 1-2% of the global population with a higher prevalence in people of African and Asian descent. World Vitiligo Day aims to raise awareness and understanding of this condition.

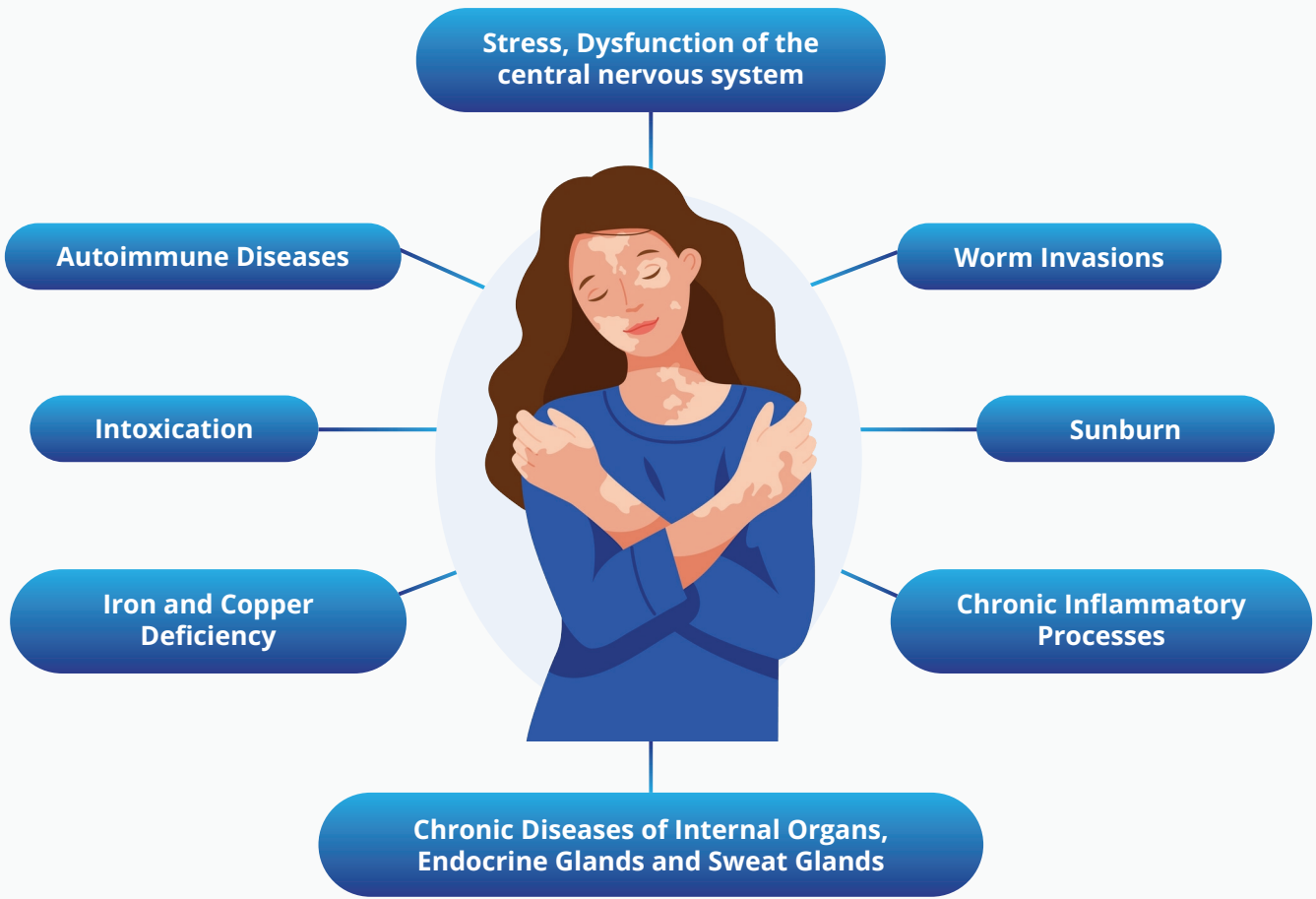
As per a few studies conducted for the prevalence in various regions we observed that:



- Family history significantly affects the prevalence of vitiligo, with rates ranging from **7.7%** to over **50%**.
- Vitiligo affects adults and children of both sexes equally, though more females are reported to have the condition.
- Nearly **50%** of vitiligo cases develop before the age of 20, and **70-80%** develop before the age of 30.

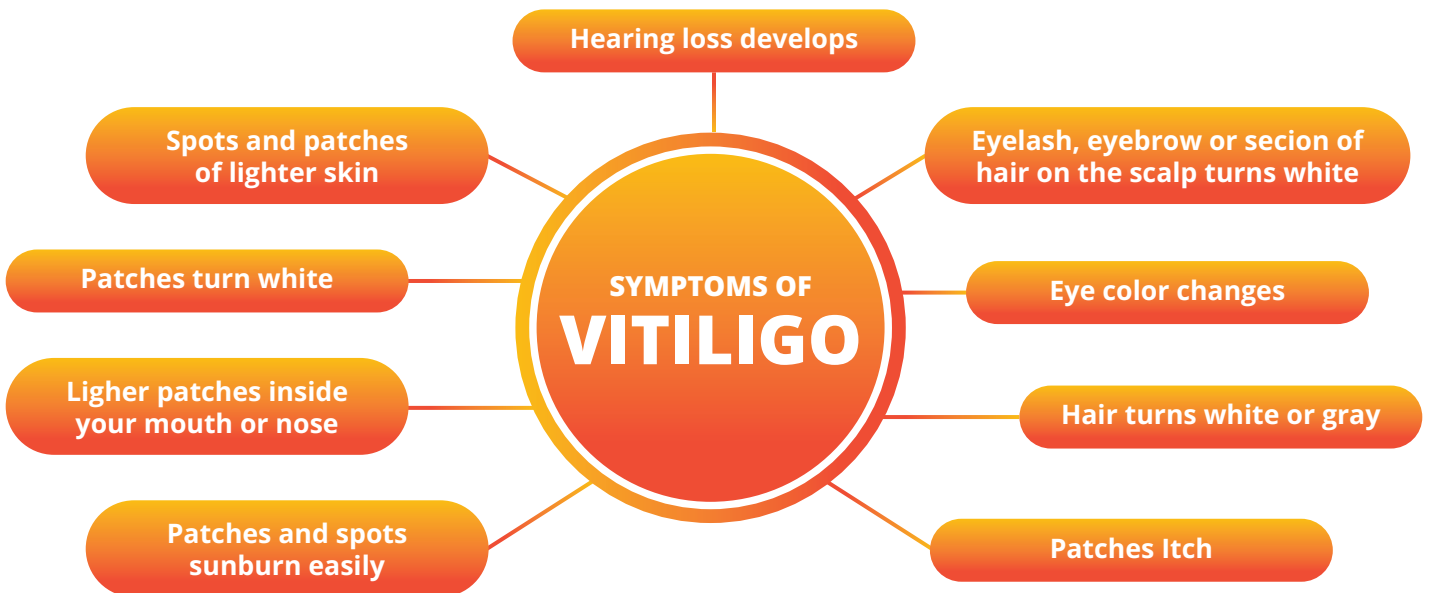


Causes of Vitiligo: ¹³



Symptoms of vitiligo:

The most noticeable sign of vitiligo is one or more areas of lighter skin. The following explains what you may notice.



Treatment:

"According to a market growth report, the global Vitiligo Treatment market size was valued at USD 1529.97 million during 2024-2031 and is expected to expand at a CAGR of 10.81% during the forecast period, reaching USD 2832.16 million by 2031." ¹⁴

While there is no cure for vitiligo, treatment may help to stop or slow down the discoloring process and can help return some color to your skin. Following are the various types of treatments with their cost, that can be used for vitiligo:

In the UAE, common vitiligo treatments and their estimated costs include micropigmentation, ranging from AED 730 to AED 5,500 depending on the treated area and sessions required, and medical micropigmentation at AED 750 per 15-minute session, with a minimum of two sessions needed. A skin patch test, costing AED 500, is often necessary before some treatments. Semi-permanent makeup to camouflage patches on the face costs between AED 1,200 and AED 5,500. Other treatments include topical corticosteroids (AED 50-100 per month), UVB light therapy (AED 500-1,000 per session), and surgical skin grafting (AED 5,000-10,000 per session).

**These estimates can vary based on location, clinic, and practitioner.*

Medications:

There isn't a specific medication to stop vitiligo from affecting your skin but there are certain drugs that can slow the speed of pigmentation loss, help melanocytes regrow, or bring color back to your skin. Medications to treat vitiligo could include:

Corticosteroids:

Prednisolone is the other name for Corticosteroids. Its estimated cost ranges from around **20 AED** to **30 AED** in UAE.

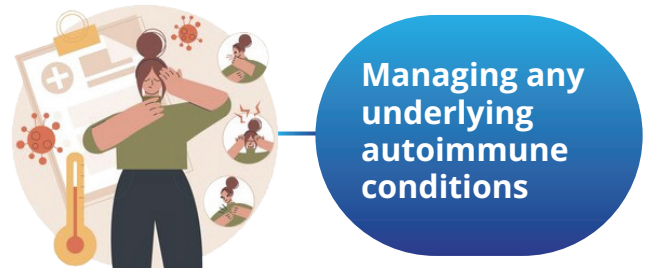
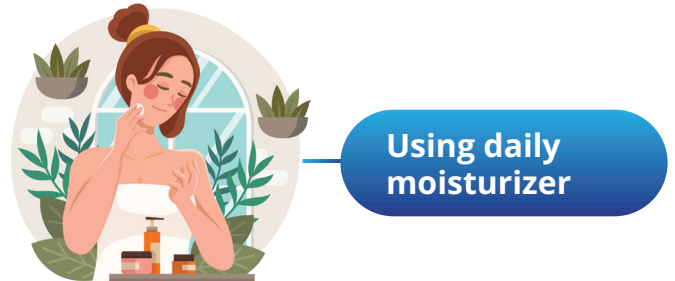
Tacrolimus:

Tacrolimus is the Generic Name of Prograf and Astagraf XL. It is used to manage vitiligo by reducing inflammation and promoting repigmentation of the skin. The estimated cost range for a bottle is around **1000 AED** to **1500 AED**.

**These prices are approximate and can vary based on various factors including pharmacy location, discounts, and insurance coverage.*

Preventions:

Since the causes of vitiligo are varied, there is no known way to prevent it. However, you can reduce your risk by:



World Vitiligo Day promotes awareness, leading to earlier diagnosis and cost reduction. From an insurer's perspective, vitiligo treatment is usually covered, but coverage can vary. Insurers handle claims for treatments like medications, light therapy, and surgery. With 1% of the global population affected, treatment costs are significant. Insurers can support patients by covering topical corticosteroids, UVB therapy, surgical grafting, and re-pigmentation tattooing. Understanding vitiligo is crucial for insurers to effectively support patients and manage claims. Although it's not life-threatening, its psychological and social impacts can be profound. Medical advancements can lead to more effective treatments, improving life quality for those with vitiligo.

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How we can help



Pricing and Predictive Analysis



Fraud Waste and Abuse



Cost Containment Alternative



Performance Monitoring and Analytics



Profit Optimization



Provide Network Structure

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