



Republic of the Philippines
Department of Health
OFFICE OF THE SECRETARY

MEMORANDUM

FOR : ALL CONCERNED OFFICES FROM DEPARTMENT OF HEALTH, CENTERS FOR HEALTH DEVELOPMENT, AND MINISTER OF HEALTH - BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO

ALL PATIENT ORGANIZATIONS, CIVIL SOCIETIES, AND CONSUMER GROUP

ALL MEDICAL SOCIETIES, AND RELEVANT ALLIED HEALTH PROFESSIONALS

ALL DRUGSTORE CHAINS, INDEPENDENT DRUGSTORES, LOCAL AND NATIONAL GOVERNMENT HOSPITALS, LOCAL GOVERNMENT UNITS, AND PRIVATE HOSPITAL

ALL PHARMACEUTICAL MANUFACTURER, IMPORTER, DISTRIBUTOR, TRADER AND WHOLESALER

SUBJECT : Implementation of the Executive Order No. 104 entitled "Improving Access to Healthcare through the Regulation of Prices in the Retail of Drugs and Medicines"

DATE : 24 March 2020

On 17 February 2020, His Excellency, President Rodrigo R. Duterte signed an Executive Order (EO) No. 104 entitled "*Improving Access to Healthcare through the Regulation of Prices in the Retail of Drugs and Medicine,*" wherein 87 drug molecules (equivalent to 133 preparations/formulas) were placed under the Maximum Retail Price (MRP) and Maximum Wholesale Price (MWP). With this regard, the Department of Health hereby issues a guideline to ensure its effective implementation:

A. Maximum Wholesale Price

1. The MWP reflected is value added tax (VAT) exclusive.
2. MWP is the price given by the manufacturer / wholesaler / trader / distributor and the like, to the retailer.

B. Maximum Retail Price

1. In general, MRPs reflected in the EO are VAT-inclusive except for medicines with asterisk (*) in the annexed list.

C. Transition Period

1. All remaining stocks may be sold at the prevailing prices until 1 June 2020.
2. Regardless of the status of remaining stocks, MRPs and/or MWPs shall be strictly implemented by 2 June 2020.

D. Special Discounts

1. Special discounts such as Senior Citizens and Persons with Disabilities shall continue to be honored.
2. Burden sharing shall be in accordance with existing policies of the Department and/or arrangements between the retailers and their respective suppliers (manufacturer / wholesale / trader / distributor and the like).

E. Succeeding Tax Reforms

1. In case of any succeeding tax reforms (such as VAT exemptions), the MRP shall be adjusted accordingly.

F. Executive Order No. 821 s.2009

1. The MRP of all medicines under EO No. 821 shall continue to take effect.

G. Government Procurement of Medicines

1. For cases where existing government contracts with the awarded price exceeded the imposed MWP, the Head of the Procuring Entity may terminate the contract pursuant to Annex "I," Guidelines on Termination of Contract, of 2016 IRR of RA 9184 *otherwise known as the Government Procurement Reform Act.*

H. Applicability

1. The imposition of MRP and MWP for medicines are specific to its nonproprietary name (generic name), and its preparations/formulations regardless of its brand name.

I. Violations

1. All MRP or MWP violators shall be reported to the Food and Drug Administration (FDA), or to the Center for Health Development through the Regional Drug Price Monitoring Officer of every region.

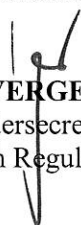
J. DOH Information, Education and Communication (IEC) Materials

1. The DOH shall release a softcopy of the standard IEC materials for the list of medicines and frequently asked questions.
2. All drug outlets shall make the said IEC materials available in a conspicuous place within their establishment which will be part of the licensing requirement of the FDA.

All Centers for Health Development Directors are hereby directed to cause the widest dissemination of this information to all its stakeholders including but not limited to the recipients stated above.

For your information and strict compliance.

By Authority of the Secretary of Health:


MARIA ROSARIO S. VERGEIRE, MD, MPH, CESO IV
OIC-Undersecretary of Health
Health Regulation Team