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REGULATORY, PRICING, AND REIMBURSEMENT OVERVIEW

1. What are the regulatory authorities with jurisdiction over drugs, biologicals, and medical devices in your country? Drugs, biological and medical devices are regulated by the Directorate General of Medicines, Supplies and Drugs - (known in Spanish as DIGEMID)

2. What is the regulatory framework for the authorization, pricing, and reimbursement of drugs, biologicals, and medical devices?

3. What are the steps to obtaining authorization to develop, test, and market a product?

The regulatory frameworks for authorization, pricing and reimbursement of drugs, biological and medical devices are the following:

- Law N° 29459, Law on pharmaceutical products, medical devices and sanitary products
- Supreme Decree N°014-2011-SA
- Supreme Decree N° 016-2011-SA

For the manufacture of a pharmaceutical product, it is necessary to obtain its Sanitary Registration. It should be noted that obtaining the sanitary registration of a product authorizes its owner for the manufacture, import, storage, distribution, marketing, promotion, dispensation, sale or use thereof, under the conditions established by local regulations.

In that regard, there are two figures that can be presented. On one hand if the owner is a local laboratory, able to directly manufacture the products to later commercialize them or it can order the manufacturing service to a national or foreign laboratory. Regardless, the laboratories must comply with the requirements and sanitary conditions established in local law and have the Certificates of Good Manufacturing Practices, Good Laboratory Practices, Good Distribution Practices, Good Storage Practices, Good Dispensing Practices and Good Practices of Pharmacotherapeutic Follow-up and others approved by DIGEMID. Regarding foreign laboratories, certificates of Good Manufacturing Practices are recognized in high surveillance countries or countries of mutual recognition with Peru.

Considering the aforementioned, the manufacture of a pharmaceutical product, must be carried out by an authorized national laboratory, which must maintain all the conditions by which manufacture of the product was authorized.

In that regard, for the fabrication of pharmaceutical products local laboratories must have certificates of Good Practices, the Sanitary Authorization issued by DIGEMID and the Operating License issued by the local government.

In order to obtain the Sanitary Authorization as a laboratory they must comply with the following requirements:

a) Production areas, storage and pharmaceuticals forms to fabricate;

b) Technical Director;

c) Sketch of the location of the establishment;

d) Sketch of the distribution areas of the laboratory. In the storage area the useful volume of storage must be indicated en cubic meters for each area;e) Flow diagram of the production processes, by pharmaceutical form, indicating the quality controls for each stage of the process;

f) Zoning license;

g) Sketch of critical support systems;

h) List of critical equipment for production and quality control;

After obtaining the Sanitary Authorization, they must obtain the certificates of Good Practices issued by the DIGEMID.

In case the manufacturing laboratory carries out the quality controls (tests) on the inputs, the intermediate products or devices and the finished product or device, it can do so in accordance with what the Good Laboratory Practices establish.

Regarding the commercialization authorization, the fees will depend on the product whose Sanitary Registration is being requested and range from \$400 to \$1,200.

Regarding the Sanitary Authorization for registration as a laboratory the fee is of around \$250

Regarding the Sanitary Authorization for registration as a drugstore the fee is of around \$150

5. For how long are marketing authorizations/registrations valid? How are marketing authorizations/registrations renewed?

6. How does the authorization process differ between brandname products and generic products? Are there differences for local manufacturers versus foreign-owned manufacturers?

7. How are combination products (drug + drug, drug + biologic, drug + device, biologic + device, drug + biologic + device) regulated? Sanitary Registrations are valid for 5 years and they can be renewed starting one year before their expiration date. For the renewal the owner of the registration must present all the requirements for registration except for studies supporting the efficacy and safety of the product.

The authorization process is the same for both type of products. No distinction is made between a local manufacturer and a foreign manufacturer.

Products may be commercialized in kits prior to communication to DIGEMID as long as they maintain the conditions by which their Sanitary Registration was granted.

4. What are the approximate fees for each authorization?

8. How is compliance with regulation monitored and evaluated? Is the regulatory regime comparable with the U.S. Food and Drug Administration or the European Medicines Agency expectations and requirements?

9. What is the potential range of penalties for noncompliance?

10. Is there a national healthcare system? If so, how is it administered and funded?

Every batch of products entering the market is subject to a quality control. Furthermore, local health authorities may inspect establishment that store, distribute, commercialize pharmaceutical products and confiscate the products for analysis in any step of the fabrication, storage, distribution or commercialization process.

Confiscations can also be made at bonded warehouses for imported products. The regulation regime is very strict and as such it could be said that it is comparable to the European and American standards.

The range of penalties for noncompliance goes as follows:

- Warning against the owner or legal representative or technical director
- Suspension of the Technical Director
- Fines
- Cancellation of the Certificate for Good Practices
- Suspension of the Sanitary Registration
- Cancellation of the Sanitary Registration
- Temporary suspension of the fabrication or commercialization activities
- Temporal closure of part or all facilities
- Definitive closure of the establishment or its facilities.
- · Confiscation of products, devices, materials and/or machinery

The national healthcare system is composed of the following bodies:

- Social Health Insurance (EsSalud)
- Health Ministry
- Regional and Local Governments
- Health of the Armed and Police Forces

The healthcare system is financed through the Government as a subsidy.

The public and private healthcare systems work separately.

The prices of drugs and devices are not regulated in Peruvian regulation. However there is an obligation to report the prices to DIGEMID's Price Observatory.

Regarding medicines and devices used by patients in the national healthcare system, the drugs and devices are subsidized by the Government. Private payers only play a part in the sense that the subsidy is financed by taxes that they pay.

Drugs and devices used by patients using the private healthcare are paid by themselves directly or with an insurance company.

healthcare? 12. Are prices of drugs and devices regulated and, if so,

11. How does the government

(or public) healthcare system function with private sector

how?

13. How are drugs and devices used by patients paid for? What roles do public and private payers play? 14. Who dispenses drugs and devices to patients and how are those dispensers compensated?

Drugs and devices are dispensed to patients by drugstores and pharmacies with the corresponding Sanitary Authorizations. Regarding compensation, medicines are always purchased in a commercial transaction which is afforded by the Social Health Insurance (when using the national healthcare system) or by the patient if no healthcare system is used.

15. What are the professional and legal responsibilities of those who dispense drugs and devices? What role do they play in providing patient care, information, and safety? The pharmaceutical chemist who assumes the technical direction of a pharmaceutical establishment is responsible for compliance with the requirements of the quality of the products that are elaborated, imported, exported, stored, distributed, dispensed or sold in them, as appropriate. Likewise, they are responsible for compliance with the Good Practices that correspond to the establishment and other sanitary regulations in force, as well as that the acquisition or distribution of pharmaceutical products, medical devices and sanitary products is only carried out by authorized establishments.

Finally, while not under any obligation to provide information to the patient, any information that they provide must be accurate with the properties of the product.