Free Drugs ≠ Quality Care

RIO DE JANEIRO, BRAZIL—Thanks to the persistence of a niece, Luis Silva, 50, made his way to the highly regarded AIDS clinic at the Evandro Chagas Clinical Research Institute one morning in June. After suffering persistent fevers and night sweats, Silva in August 2005 had sought medical care at a clinic near the poor neighborhood where he lives. An HIV test indicated that he had been infected, but Brazilian regulations require a second, confirmatory test before doctors order expensive immune tests, which in turn are needed before they can prescribe antiretroviral drugs. The doctors treated what they thought was a pulmonary infection, and for a time Silva's condition improved, so he skipped the second test. But then the slightly built man lost 20 kilos and developed a hacking cough, which led him to several other doctors, who offered little help. Finally, his niece, who is a nurse, brought him here.

A chest x-ray taken that day showed strong evidence of tuberculosis, and Silva's doctor said she was all but certain that he has AIDS. Still, even she had to wait 10 days for the lab to determine his HIV status, as only pregnant women have access to the rapid test that can give results in a few hours. The clinic's director, Valdiléa Veloso, notes that many other facilities in Brazil routinely run out of HIV test kits. "It's crazy," says Veloso. "It would have been much better for the government to have made the decision about rapid tests years ago."

Delayed reactions. Luis Silva (*left*) had to jump through many hoops to see whether he was HIV infected and eligible for treatment.

As progressive a stance as Brazil has taken on HIV/AIDS prevention and care, it remains a middle-income country offering uneven health care services. "In Rio, it's not uncommon to receive in the emergency room HIV-infected people who were not treated," says Pedro Chequer, who twice headed the country's national AIDS program and now works for the Joint United Nations Programme on HIV/AIDS. "The health care system here is collapsing."

Activist Ezio Tavora dos Santos Filho recently completed a report of the tuberculosis care offered in Brazil, which he notes is in the "shameful position" of being 15th on the World Health Organization's list of 22 countries that have a high TB burden. "It's indefensible," says Tavora. According to his report, federal, state, and city TB programs are only now beginning to work together, as officials recognize that 12% of HIV-infected people are coinfected with TB.

Solange Cesar Cavalcante, who heads the TB program for Rio, notes that unlike HIV/AIDS, TB is not a "sexy" topic and so far has not mobilized affected communities. Says Cavalcante, "Tuberculosis is trying to learn from the AIDS program." –J.C.

Tripping on TRIPS

Between 1997 and 2004, the average annual cost of antiretroviral therapy in Brazil dropped from $6240 per patient to $1336. That decline allowed the country to treat more people without increasing its budget for AIDS drugs. But because Brazil has steadily purchased more imported drugs, in 2005 the per-patient annual cost jumped to $2500 (see graph, p. 485). Forecasts suggest that costs will continue to climb unless the country violates patents or negotiates better deals with Big Pharma.

At the crux of Brazil's current dilemma are the World Trade Organization's patent rules, known as the Trade-Related Aspects of Intellectual Property Rights (TRIPS). In 1996, when Brazil decided to offer HIV cocktails, it passed a law that enforced the TRIPS agreement. The new regulation meant that Brazil could legally produce anti-HIV drugs patented before the signing—but not the improved antiretroviral drugs and new classes of drugs that have come to market over the past 10 years. Today, Brazil's Ministry of Health spends 80% of its $445 million annual budget on imported antiretroviral drugs. And the ministry estimates that between 2006 and 2011, the annual cost of purchasing just three of these drugs—Merck's efavirenz, Abbott's lopinavir/ritonavir, and Gilead's tenofovir—will jump from $145 million to $248 million.

If the government instead made the drugs at the state-owned pharmaceutical company Farmanguinhos, the ministry says the country would save $769 million over that period. "If there's no change in the price of second-line drugs, no country like Brazil will be able to afford them," says Luiz Loures, a Brazilian epidemiologist who works at UNAIDS.

"Brazil has the technical capacity to produce all of the drugs," says Paolo Teixeira, who ran Brazil's AIDS program from 2000 to 2003 and now works as a consultant for São Paulo's AIDS program. And he says that gives the country a strong negotiating tool when purchasing antiretroviral drugs in bulk from Big Pharmas. Essentially, the government has said, "If we don't like your price, we'll violate the patent and make the drug ourselves." This is allowed under the TRIPS agreement, which says signatories can invoke what is known as a "compulsory license" to address public health emergencies. No country has yet done so, however, because of fear of damaging international trade relations. Brazilian President Luis Inácio Lula da Silva twice has promised to use the compulsory-license clause for anti-HIV drugs but has backpedaled both times, complains former AIDS program head Chequer. "They were cowards by not doing that," says activist Tavora. "That could be very useful to all of us, to the whole world."

David Greeley, Merck & Co.'s spokesperson for Latin America, says if Brazil invokes compulsory licensing, it will ultimately harm the people the government is trying to help. "We've tried to convey to our counterparts in Brazil that it's not in the long-term interest for Brazil to adopt this stance," says Greeley. As with other Big Pharmas, Merck invests in research and development of new products because intellectual-property regulations exist, he says. "Intellectual property is an incentive to innovation, not a barrier to access," he maintains.

Retaining the lead

In the Rio suburb of Jacarepaguá, there are clear signs that the government once again wants Brazil to lead the charge against Big Pharma with more than rhetoric. Jacarepaguá's Estrada dos Bandeirantes has long housed the gleaming offices of international giants such as Abbott and Roche, both of which have crossed swords with Brazil over pricing of their anti-HIV drugs. In August 2005, a new resident moved into the neighborhood: Farmanguinhos, the government-owned drugmaker.

Farmanguinhos's new factory, once owned by GlaxoSmithKline, has five times the pro-

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