

ISSUES FOR DISCUSSION AT HEALTH MINISTERS ROUND-TABLE, OECD FORUM 2004
THE CONTRIBUTION OF RESEARCH AND INNOVATION SYSTEMS TO
IMPROVING THE PERFORMANCE OF HEALTH SYSTEMS

Health care innovation has transformed the practice of medicine over the course of the last century. Technological innovations, particularly in the fields of biotechnology, genetics, and information and communication technologies, are bringing substantial benefits in the prevention, diagnosis and treatment of disease, as well as access to care.

Such research and innovation is costly and is predominantly carried out in the private sector, drawing on knowledge created, in part, in the public sector science base. Innovation is also a risky process with many promising leads failing at successive hurdles before a safe, efficacious and high quality product is brought to the market.

Meanwhile, many OECD countries are seeking to establish health priorities. In principle, such priorities should take account of, and help guide, the direction of innovation – so a better match is delivered between innovation and a society's health needs.

However, there is only limited information on the practical steps that OECD member countries take to deliver such a match. Whilst a range of possible policy measures can influence innovation, such as direct research funding and premium pricing agreements for high priority innovation, current measures often lack coherence and clarity in the way they are applied. Indeed, some healthcare policies do not seem to take any account of the impact they have on innovation. Similarly, a number of countries are using foresight-type exercises (such as horizon-scanning) to identify possible future technologies, but there is little evidence of adapting health priorities to advances in the science base.

To avoid sending mixed or conflicting signals to innovators, it seems sensible that OECD countries consider how to develop and implement policies that deliver and direct incentives towards a better match between innovation and health priorities. Such consideration would have to take account of the realities of the innovation cycle, barriers, costs and likely investor behaviour. An aim could be to promote the development of more coherent innovation policies that take account of the evolving impact of R&D on health system performance, and deliver more efficient and purposeful R&D resource allocation – in both public and private sectors.

OECD health ministers and round-table participants might like to discuss whether a closer convergence between innovation strategies and health priorities is desirable and begin to share views on possible considerations that need to be borne in mind in taking steps in this direction.

Issues for discussion

- **Do current government policies provide sufficient support for innovation?**
- **Are innovations in the health sector (e.g., new medicines and treatments) well-focused on addressing health conditions that are viewed as the highest priority?**
- **Are new models and partnerships needed to deliver greater convergence between innovation, health care needs and sustainable health care financing?**