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Innovation and Access to Healthcare

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I am honored to be able to share my thoughts and ideas on the important topic of innovation and access to health care. Novartis is pleased to be a part of this dialogue. I sincerely hope that today's discussion will openly address the complex challenges of access to medicines and moves us closer toward solutions.

Today, we are witnessing astounding medical progress. Many infectious diseases can be prevented or effectively treated thanks to new medicines and vaccines. Survival rates for children suffering from cancer have doubled in the last 25 years, while the incidence of strokes and heart attacks has been significantly reduced. These are just a few of many examples.

Innovation is the key to this remarkable progress. No one can deny that medical progress has positively changed the lives of millions of patients around the world. Last year, Novartis medicines helped more than 600 million patients around the world – if these patients could stand shoulder-to-shoulder, the line would circle the earth nine times.

And yet, millions more are *still* being left behind.

Diseases that are curable with modern medicines are still destroying lives. Tuberculosis kills two million people every year. More than one million men and women live with permanent disabilities caused by leprosy. And a child under the age of five dies every 30 seconds from malaria in Africa – today alone, malaria will kill 3,000 people. These are access failures.

There is no quick or easy solution – fighting disease is costly and complex, especially against the backdrop of poverty. Over the next five to six minutes, I shall outline four key principles we believe are essential for creating sustainable access to innovative medicines:

- One – the primary mission of research-based organizations like ours is to bring innovative medicines to patients. It is our role and responsibility to innovate.
- Two – providing access to medicines by making medicines available is a responsibility we share. We believe that each sphere of society - from government and charitable organizations, to medical professionals and business - has a role to play.
- Three – we must acknowledge that there is not one simple solution. We need to develop more creative models that move us from philanthropy to partnerships with shared responsibilities.

- Four – we must complement successful and proven models for innovation, and not undermine the dynamics that bring innovative medicines to patients.

Our experience with malaria illustrates these principles.

Malaria causes more than one million deaths annually, and is Africa's leading cause of mortality for children under five. This is even more tragic because malaria is curable.

In collaboration with several partners, Novartis is changing the face of malaria. In the 1990s, Novartis and our Chinese partners developed an innovative new treatment, a combination therapy called Coartem. This medicine has a 95 percent cure rate.

Novartis provides Coartem at no profit in partnership with the WHO to developing countries. During 2006, 62 million Coartem treatments were delivered to more than 30 African countries, helping to save an estimated 200'000 lives.

The Coartem story demonstrates how medical success in combating large-scale health emergencies can be achieved through a collaborative approach between industry, governments and non-governmental organizations.

This story, like almost any other success story in medicine, begins with innovation. As a research-based pharmaceutical company, innovation is our core competency and our primary responsibility. It is a role left almost exclusively to us: nine out of every ten new prescription drugs are discovered and developed by pharmaceutical companies. While academic and industrial labs share the burden of unraveling basic science, translating scientific breakthroughs into concrete medicines is left almost exclusively to industry.

But even as we achieve great leaps in medical progress, we still face the challenge of making medicines available.

Medicines cannot change poverty, inadequate infrastructure and public services, or lack of healthcare personnel in developing countries. This is where other groups, including governments, medical professionals, individuals and NGOs enter as facilitators.

And this is my second key point – the responsibility of making innovative medicines available must be *shared*, going beyond philanthropy to a model based on partnership and shared responsibility. We all have a role to play to support the right to health.

It is important to acknowledge, however, that there is not a single or simple solution. We need to develop an array of models that facilitate sustainable access. The best approaches will take into consideration the nature of each disease, the specific situation of the patients, the local healthcare systems, and the source of financing, to name just a few factors.

The Coartem model is one such model where a constant flow of international donor money finances an innovative medication provided at no profit by a pharmaceutical company for the poorest nations. We at Novartis are committed to finding more such models as we encounter new needs. For this, we shall continue to look for - and will need - governments and NGOs that will partner with us in these endeavors.

And my final - important - point before wrapping up: these new access models should complement and not endanger successful, proven models for innovation.

First, the respect for patents provides the basis for investment in research that is vital to progress. Some groups contend that patents are the main barrier to access to medicines in the developing world. The fact is, however, that nearly 95% of the items on the WHO's list of essential medicines are not protected by patents. Despite this, more than a third of the world's population still has no access to these medicines. Access to medicines is not a question of patents but one of making medicines available to patients.

Second, new access models must not undermine business in developed markets. Parallel trade or price comparisons between fundamentally different markets eventually will deprive poor patients of medicines they need by undermining the sustainability of access models.

Novartis is genuinely committed to ensuring patients have access to innovative medicines. Last year alone we invested over 750 million US\$ - two percent of our total sales - in access to medicines programs and research into neglected diseases. Our access programs reached more than 33 million patients in need.

Novartis will continue to discover and develop innovative and better medicines for patients. This is our core purpose, and our key role in facilitating access to medicines. We are very serious about our role in providing access to our products. We are equally convinced, however, that governments and NGOs also have a role to play. With dialogue, trust and respect, we know we can jointly make sustainable progress.