

Ensuring health system sustainability and access to innovation



The innovation model in health needs realignment to ensure it delivers the **right innovations** at the **right prices** and **defines appropriate rewards**.

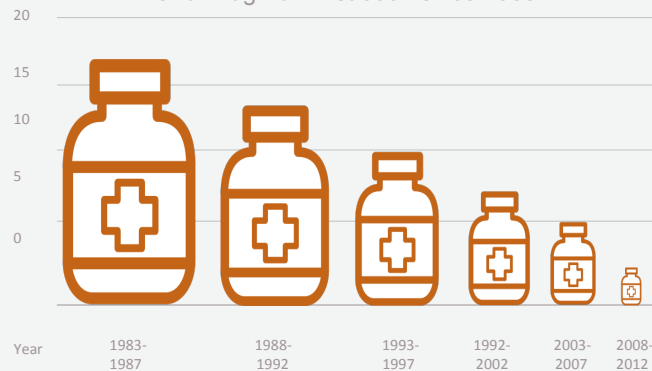
Right innovations

Important unmet medical needs are not adequately addressed by current investments in R&D (e.g. antimicrobial resistance, dementia).



Incentives must be large enough to leverage interest from industry, long-term enough to reward the end of the R&D process, and well-targeted toward all phases of the pipeline from early research to commercialisation.

Number of new antimicrobials approved by the Food and Drug Administration since 1983



Source: Adapted from Infectious Diseases Society of America, 2011 in Cecchini et al, 2015

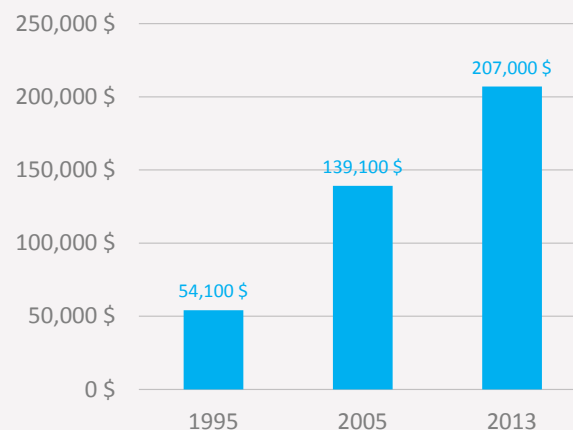
Right prices

Prices of new drugs have been soaring. In the United States, median revenue per patient for the top 100 drugs has seen a 7-fold increase in just 4 years, from 1,260 USD in 2010 to 9,400 USD in 2014.



Increases in benefits are not always commensurate to increases in prices. In oncology for instance, the price paid for a life-year gained increased by 50% for US patients in less than a decade.

Cancer Drug Price per Life Year Gained at Approval (in 2013 USD)



Source: Howard et al, 2015

Right rewards

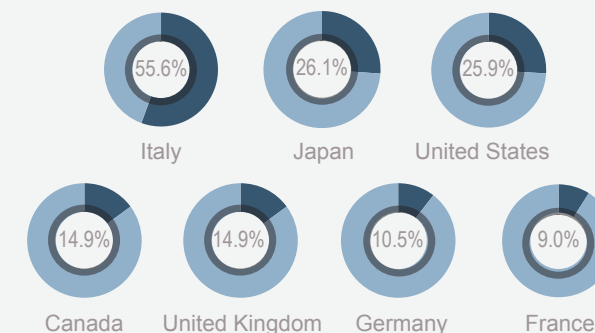
Certain new advances (e.g. in Hepatitis C) bring considerable health gains to patients and are cost-effective by standard thresholds.

However, their high prices compromise patient access and put an unsustainable strain on health care budgets.

In the case of hepatitis C, the company recouped 25 times its initial investment in R&D in less than two years. Can this be considered a fair sharing of value between innovators and the society?



Cost of treating 50% of Hepatitis C patients with sofosbuvir, as a proportion of PPP-adjusted annual total pharmaceutical expenditure



Source: Iyengar S et al, 2016

There is a need for informed international stakeholder debate on innovation and pricing policies -- investments in R&D, access to treatments, budgets, transparency and increased international co-operation -- to deliver innovative treatments to all those in need, at an affordable cost for governments.



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