



## AIM calls for fair and transparent prices for pharmaceuticals

*The press regularly announces the discovery of a new drug or the purchase of promising small biotech companies for a substantial amount of money. But are the astronomical amounts that come along with these drugs such good news for patients and European health systems?*

**The opacity of current prices does not deliver better access to healthcare overall;** it has a negative impact on access to medicines in those countries that have less power to negotiate; it can lead to quota strategies and one may wonder whether democracies can operate with so little transparency on the use of health systems resources.

Moreover, there is a lack of investment by pharmaceutical companies in the relevant therapeutic areas. The current pricing models stimulate companies to invest in easy targets that bring minor innovations (the so-called “me-toos”). As an example, while the first antiviral for hepatitis C was a real advance for healthcare outcomes, the 10 drugs with minimal clinical improvements that followed Sovaldi hardly justified the amounts invested in research investment for their development. It would have made more sense to invest in areas where there is a real medical need, such as rare diseases, untreated cancers or in Alzheimer’s disease.

Another common strategy of drug companies is to enter the market with a (very) small indication in order to obtain a high price by misusing the concepts of «value» and «willingness to pay».

**As a consequence, we are pleading for corrective mechanisms to restore a balance between the interests of patients and those of shareholders.** Making innovative medicines more affordable will allow them to be used by a larger number of patients. Health expenditures and revenues of the industry should not be significantly affected, but the revenue structure of pharmaceutical companies must evolve towards a greater share of research and a lesser share of marketing and profit.

While current attempts at group negotiations between countries are still at an early development stage, member states need support and new tools in order to conduct price negotiations at national level.

**While the causes of price increases are multiple and complex, one thing is for sure: the link between the costs incurred by the company marketing the drug and the price has been completely broken.** As long as marketing expenses aiming at optimizing sales and profit are not regulated, there will be no fairness. In this respect, we are at risk of facing for costly cancer treatments a similar ethical and legal battle as the one fought 15 years ago to provide access to HIV treatments in southern countries.

**A strategic alliance of all stakeholders is needed to structure civil society’s expectations. We need to come together to work towards fair prices and undertake the necessary steps to make them reality.**

Brussels, 4 December 2019

