Transparency of (real) pharmaceutical costs
Ellen ‘t Hoen, LLM, PhD

EPHA, 18 January 2022
Interest declaration

- Self employed. Work for not-for-profits, academia, governments, UN
- Occasional grant from small foundations and Unitaid
- Our work is open access and freely available on:  
  www.medicineslawandpolicy.org
Medicines Law & Policy

Medicines prices vs. production cost (target)

<table>
<thead>
<tr>
<th>Cancer medicines</th>
<th>Lowest-highest list prices in EU</th>
<th>Target price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bortezomib (Multiple myeloma)</td>
<td>$982 (Spain) - $1,123 (UK) per month</td>
<td>$255 per month</td>
</tr>
<tr>
<td>Dasatinib (Chronic myeloid leukaemia)</td>
<td>$2,146 (UK) - $3,624 (Latvia) per month</td>
<td>$12 per month</td>
</tr>
<tr>
<td>Everolimus (Breast cancer)</td>
<td>$3,155 (UK) - $3,958 (Latvia) per month</td>
<td>$1,086 per month</td>
</tr>
<tr>
<td>Gefitinib (Lung cancer)</td>
<td>$1,786 (France) - $2,568 (Latvia) per month</td>
<td>$13 per month</td>
</tr>
<tr>
<td>Imatinib (Chronic myeloid leukaemia)</td>
<td>$2,261 (Latvia) - $32,906 (Spain) per year</td>
<td>$172 per year</td>
</tr>
<tr>
<td>Erlotinib (Lung, pancreatic and others)</td>
<td>$26,416 (France) - $36,678 (Latvia) per year</td>
<td>$240 per year</td>
</tr>
<tr>
<td>Lapatinib (Breast cancer)</td>
<td>$33,549 (Spain) - $49,887 (Latvia) per year</td>
<td>$4,020 per year</td>
</tr>
<tr>
<td>Sorafenib (Kidney and liver cancer)</td>
<td>$45,162 (France) - $67,877 (Latvia) per year</td>
<td>$1,450 per year</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Human Immunodeficiency Virus (HIV) and Hepatitis C Virus (HCV) medicines</th>
<th>List price/ pill in UK</th>
<th>Target price/ pill</th>
<th>Current price/ treatment in UK</th>
<th>Target price/ treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daclatasvir (HCV)</td>
<td>$379.44</td>
<td>$0.08</td>
<td>$31,872.96</td>
<td>$6.72</td>
</tr>
<tr>
<td>Darunavir (HIV)</td>
<td>$12.90</td>
<td>$1.45</td>
<td>$387 a month</td>
<td>$43.50 a month</td>
</tr>
<tr>
<td>Efavirenz+emtricitabine+tenofovir (HIV)</td>
<td>$23.09</td>
<td>$0.15</td>
<td>$692.70 a month</td>
<td>$4.50 a month</td>
</tr>
<tr>
<td>Ledipasvir+sofosbuvir (HCV)</td>
<td>$603.26</td>
<td>$1.02</td>
<td>$50,673.84</td>
<td>$85.68</td>
</tr>
<tr>
<td>Sofosbuvir (HCV)</td>
<td>$541.40</td>
<td>$0.57</td>
<td>$45,477.60</td>
<td>$47.88</td>
</tr>
<tr>
<td>Tenofovir disoproxil fumarate (HIV)</td>
<td>$8.85</td>
<td>$0.07</td>
<td>$265.50 a month</td>
<td>$2.10 a month</td>
</tr>
</tbody>
</table>


Andrew Hill et al, ‘Target prices for mass production of tyrosine kinase inhibitors for global cancer treatment’ (BMJ Open, 2015) https://bmjopen.bmj.com/content/6/1/e009586

Importance of price & cost transparency

- Good for consumers and patients (secret prices are hardly ever low prices)
- Corrects the information imbalance
- Informs policy debate e.g. to determine level of R&D incentives
- Is good for academic research
- Is essential for good governance and democratic processes and public confidence
Leading up to the World Health Assembly 2019 ..

- **UN High Level Panel on Access to Medicines 2016**
- **Lancet Commission on Essential Medicines Policies 2016**
- **WHO Fair Pricing Forum 2019**
  - Call for transparency on pricing and cost
  - Proposed transparency resolution to the 72nd WHA on **price, R&D cost, patent status** information 2019
Transparency of costs and net prices

An emerging global norm

2019 World Health Assembly Resolution 72.8 on the transparency of the medicines market urges Member States:

– To publicly share information on the net prices of health products
– To support dissemination of and access to the costs of clinical trials
– To work collaboratively to improve reporting by suppliers of sales revenue, prices, units sold, marketing costs, subsidies and incentives

Initial co-sponsors: Andorra, Brazil, Egypt, Eswatini, Greece, India, Italy, Kenya, Luxembourg, Malaysia, Malta, Portugal, Russian Federation, Serbia, Slovenia, South Africa, Spain, Sri Lanka, Uganda

Adopted by WHA 72 - Germany, UK, Hungary disassociated

www.medicineslawandpolicy.org
Evidence of legal measures to improve the transparency of markets

Key findings:

• National legislation in France, Italy and Spain;

• Online repositories of prices of medicines;

• Pooled procurement;

• Clearing-house method.

→ Much scope to implement the WHA transparency resolution

Report: https://apps.who.int/iris/bitstream/handle/10665/342474/9789289055789-eng.pdf
Swiss Federal Office for Public Health
'Specialty’ medicines

- Public database
- Information shared:
  - maximum price
  - rebate amount (if available)

- Ex. Pertuzumab (Perjeta)
  - max. price: Fr. 3304.10/vial
  - Health insurers reimbursed Fr. 452.33/box purchased for indication

http://www.xn--spezialittenliste-yqb.ch/ShowPreparations.aspx
Medicines Law & Policy

Will C-19 pandemic drive greater transparency?

Pfizer Gets a Booster Shot From Its COVID-19 Vaccine

Pfizer's annual revenue since 2016

* official guidance as reported on July 28, 2021

Source: Pfizer
Conclusions

• Review of EU pharma legislation opportunity to introduce greater transparency re cost and pricing

• Opportunity to implement the WHO transparency resolution

• EU countries to collaborate in procurement and share pricing info
Thank you!

@ellenthoen

For background sources please visit:
www.medicineslawandpolicy.org
http://tripsflexibilities.medicineslawandpolicy.org/
https://apps.who.int/iris/bitstream/handle/10665/342474/9789289055789-eng.pdf

Our Covid pages:
https://medicineslawandpolicy.org/covid-19/

Our Brief on Pharmaceutical Incentives in the EU:

Sign up for our newsletter!

www.medicineslawandpolicy.org