

Affordable medicine plan goes global

November 14 2008

An innovative plan to get new life-saving drugs into the hands of millions of people around the world who need medicines but can't afford the massive costs will be unveiled to key decision makers in London and Washington over the coming weeks.

"Pharmaceuticals have become an increasingly important part of health care, and you see that in the soaring amounts of money spent on them in developed countries like Canada and developing countries," says Aidan Hollis, an associate professor of economics at the University of Calgary and a key architect of the Health Impact Fund.

The steep cost of drugs has contributed to the deaths of millions of people in the developing world from diseases such as HIV-AIDS says Hollis. "And we're seeing this now play out with many new cancer-care drugs that are priced at a level even people in developed countries can't afford."

The Health Impact Fund, devised by Hollis and Thomas Pogge, Leitner Professor of philosophy and international affairs at Yale, will be presented to key government leaders, international aid agencies, NGOs, and pharmaceutical company representatives at Oxford, Cambridge, London, and Georgetown universities over the next three weeks.

"Currently, funding for drug innovation is based on people in rich countries paying taxes and drug insurance premiums to cover the exorbitant costs. Unfortunately, to sustain this system, poor people get excluded – and the world is mainly comprised of poor people," says

Hollis.

Hollis and Pogge propose a 'pay for performance' scheme in which drug companies would have the option to register their products with the HIF and sell the product for no more than the cost of production and distribution. In exchange, they would receive a stream of payments based on the assessed global health impact of each drug. The bigger the impact on worldwide health, the bigger the payout. And if there's no measurable health impact, there's no reward. Firms would only register their products if they expected to earn more from the HIF than from selling their products at high prices.

"The idea is that it's not the responsibility of the drug companies to ensure that everyone has access to these medicines. Charity by for-profit companies is not a sustainable solution," says Hollis. "By reorganizing the way we pay for pharmaceutical innovation, we can achieve wider access without extra costs. Patients win, and pharmaceutical companies also win."

Peter Singer, a bioethics professor at Princeton University and one of many collaborators involved in the project says: "The beauty of the scheme is that it gives economic support to the idea that all human lives are of equal value."

The estimated cost of this fund would be \$6-billion annually, paid through a consortium of governments. Patients and insurance companies would then cover only the marginal cost of production and distribution. The key is getting buy-in from a number of governments worldwide.

Hollis admits that the timing is bad to be asking for cash during the current global economic crisis when the attention of the world's governments is focused elsewhere. But that doesn't mean the critical issue of drug accessibility is going away. "The U.S. has nearly 50 million

people without health insurance who may not be getting the drugs they need and that's likely to increase with the weaker economy."

Pogge says Barack Obama's recent presidential election win suggests that the U.S. is more likely to be interested in such a proposal, which presents a unique opportunity for the country to regain some of the good will and moral stature it has lost in recent years.

"One very big difference this financial crisis makes is that we have to emphasize that the Health Impact Fund is advantageous for both rich and poor countries. It mustn't be perceived as merely a development-aid project. And I think that's relatively easy to do because in rich countries we also have problems with expensive drugs that insurance companies and national health systems won't pay for."

"Everyone can benefit when we treat research and development of pharmaceuticals as a global public good."

The project website, with the downloadable book, can be found at:
www.healthimpactfund.org

Source: University of Calgary

Citation: Affordable medicine plan goes global (2008, November 14) retrieved 25 April 2024 from <https://medicalxpress.com/news/2008-11-medicine-global.html>

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