

How can we get pharma companies to do more for global health? Try ranking them

September 21 2016, by Nicole Hassoun

The World Health Organization [reports that a third of the world's population](#) cannot access important medicines for some of the world's most devastating diseases, like malaria and tuberculosis.

There are many reasons these drugs are out of reach of so many people, but the fact that few medicines to treat diseases like malaria and tuberculosis are developed and that the prices are high for the drugs that are developed are major factors.

I study ethics and work on questions about the obligations of pharmaceutical companies, and I believe that these companies have a moral and legal obligation to ensure access to essential medicines. The legal human right to health is embodied in Article 12 of the International Covenant on Economic, Social and Cultural Rights. It [states that everyone has a right](#) "to the enjoyment of the highest attainable standard of physical and mental health." This right is essential for protecting individuals' ability to live minimally good lives.

When companies set high prices, lobby to extend patent protections on important medicines and do not develop enough [new drugs](#) for neglected diseases, they fail to live up to these obligations.

I head the Global Health Organization, which produces an index assessing the impact of drugs that treat some of the world's most devastating diseases. As I argue in a recently [published article](#) in The Journal of Law, Medicine and Ethics, this could create an incentive for

companies to live up to their obligations. For instance, in the future if consumers in the developed world know which companies are doing the most for [global health](#), they may choose to purchase products from those companies.

Why are drugs so expensive?

In parts of Africa and Asia about half the population cannot get the drugs that they need for diseases like malaria, tuberculosis (TB) and HIV/AIDS. This is often because these drugs are under patent and profit-driven companies can charge high prices for them even in poor countries. Moreover companies push to extend their patents through lobbying and international trade agreements.

For instance, delamanid, one of two new treatments for multidrug-resistant tuberculosis, must be taken with several other medicines, and the regimen can cost [US\\$1,000 to \\$4,500](#) for a six-month course of treatment. This is more than what [most people make in a year](#) in many developing countries. Few developing country governments can afford the expense.

Companies say [patent protection is essential](#) for doing research and development on new drugs and technologies. But historical evidence suggests that patents may [not be a particularly effective way of promoting new research](#). Indeed, until recently, several key innovator countries such as Italy, Germany and Switzerland had relatively weak patent protection.

Why are so few essential medicines developed?

The fact is that even with patents on important medicines for the world's most widespread and devastating diseases, few are developed. Of the

1,393 medicines marketed between 1975-1999, only [16 were for tropical diseases](#).

The patent system on its own does not seem to be creating enough incentive to address the health problems in poor countries. Companies cannot make enough money from selling drugs to poor people in developing countries to [justify the research and development expense](#).

While there are many innovative [strategies](#) that [lower the costs of existing drugs](#) and encourage the development of [new ones](#), they are [not sufficient](#) to fully address the problem. For instance, even with increased funding for global health, from 2000-2011, only [1 percent of new chemical entities approved were for neglected disease](#).

There is little reason to think we can reform the patent system to push companies to develop enough drugs for neglected diseases any time soon, but consumer action in developed countries may give companies another incentive to produce, and lower the prices on, drugs for neglected diseases. This is where the Global Health Index comes in.

Supporting companies supporting the common good

The Global Health Organization is supported by a [collaboration](#) of researchers from universities and civil society organizations from around the world. We developed the Global Health Index to measure [drug](#) impact in terms of [Disability Adjusted Life Years](#) saved – which incorporates both sickness averted and deaths prevented by looking at the need for the medicines, their effectiveness and access to them.

The index can show which drugs are making a real difference and which are not. As late as 2010, for instance, some relatively ineffective drugs for HIV/AIDS were still widely used. This is probably due to high prices for better alternatives. So, if companies lowered prices for the more

effective drugs, more lives might be saved. So far, we've found that drugs on which Sanofi, Novartis and Pfizer held the patent had some of the largest impacts, while Eli Lilly, Kyorin and Bayer's drugs had the smallest impacts.

Companies are paying attention to the index because it can [affect brand perception](#).

As Sanofi executive François Bompard [says](#), the Global Health Impact Index is "a good way for people to compare their performance, and... [it gives them] an incentive to do better and be more creative." The index creates a stronger incentive for companies [to be better corporate citizens](#).

We plan to expand the Global Health Impact Index beyond malaria, tuberculosis and HIV/AIDS to help provide an incentive for companies to develop medicines for other neglected tropical diseases such as worms and schistosomiasis.

Future iterations of the Global Health Impact Index, in conjunction with other measures of corporate social responsibility like the [Access to Medicines Index](#), might be the basis for boycotts of poorly rated companies or socially responsible investments. People could lobby insurance companies to include products from companies that perform well on the Global Health Impact Index in their formularies.

In the future, we envision a Global Health Impact label, like a Fair Trade label, for companies to use on all of the over-the-counter products they make – everything from pet vitamins to painkillers. The hope is that consumers in developed countries will prefer to purchase everyday medicines from companies with better rankings on the Global Health Impact Index. Similar ethical labels like "Fair Trade" have had a [large impact](#) in some places.

Millions of people suffer from devastating diseases in developing countries. By using data about what companies are doing for global health, we all might be able to push them to live up their obligations.

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