

Global scheme to cut price of expensive hepatitis drugs boosts treatment rate

July 29 2019, by Kate Wighton

An initiative to improve access to high-cost hepatitis C treatments in poorer countries has resulted in more people being treated for the disease.

This is the finding of a new study from Imperial College London, published in the journal *The Lancet Global Health*.

The global scheme, which allows the patented drugs to be manufactured under so-called voluntary licenses, aims to ensure high cost medications are affordable to lower income nations.

The cost of medications accounts for 16.5 percent of [healthcare](#) budgets of high income nations, and the cost of effective drugs for diseases like [hepatitis](#) C and cancer puts them out of reach for many poorer countries.

However the new research, from Imperial College Business School and Imperial's Department of Medicine, suggests voluntary licenses have the potential to overcome the challenges of price.

The study, the first of its kind to address the impact of voluntary licenses, has found evidence they have been associated with an increase in uptake of hepatitis C treatment in lower income nations.

Helping more people receive treatment

Voluntary licenses are issued with the permission of a pharmaceutical manufacturer, and allow companies in lower and middle income countries to make patented medications that normally can only be produced exclusively by the pharmaceutical manufacturer.

In some cases, these are managed by the Medicines Patent Pool, a UN-backed agency, which is currently looking to expand its remit from infectious to non-infectious disease. Voluntary licenses are issued to one or more company—these companies can then compete, driving prices down.

Voluntary licenses have been in place for HIV drugs for a number of years, but in 2014 these agreements were extended to other disease areas, including hepatitis C.

Hepatitis death toll

This condition causes liver damage and affects around 71 million people worldwide, killing 700,000 every year.

Hepatitis C is caused by a virus, and can be treated effectively by anti-viral drugs. However, these medications are too expensive for many patients in poorer countries.

And so in response to this, in 2014 two drug manufacturers—Gilead and Bristol-Myers Squibb—allowed their hepatitis C antiviral drugs to be manufactured in lower and middle income countries under voluntary licensing agreements.

The research team analyzed the effect of these licenses, by assessing the number of people treated for hepatitis C between 2004 and 2016 in 35 lower- and middle-income countries.

Out of these nations, 19 had voluntary licenses in place for hepatitis C medication—including countries heavily affected by the disease including Egypt, India and Pakistan, while 16 didn't.

Life-saving initiative

The results revealed the countries with the licenses in place had an annual increase in patients accessing treatment of 53.6 per 1000 patients diagnosed.

This is beyond what you would expect for countries without licenses in place, explained Bryony Simmons, study author from the Department of Medicine: "Voluntary licenses appear to be a useful tool to lower costs and significantly reduce the time-scale for accessing patented medicines in poorer countries. Our results should be used to advocate for an expanded scope of license agreements."

Dr. Marisa Miraldo, co-author and associate professor of health economics from Imperial College Business School, said, "The financial sustainability of health systems greatly depends on affordable prices of care. The historical trend of exorbitant margins for novel drugs, not only takes its toll in terms of life losses, but also risks the financial sustainability of health systems. With bankrupt health systems there is no market to the industry. Voluntary licenses are one of the many initiatives that can save lives in a more affordable manner. This study suggests these initiatives do work—and can have a substantial improvement in access of hepatitis C treatment."

Professor Graham Cooke, co-author from Imperial's Department of Medicine added: "These initiatives—which companies are under no obligation to sign up to—could potentially be lifesaving. This new evidence will hopefully support the expansion of these licenses to include new countries and new treatments."

More information: Bryony Simmons et al. Effect of voluntary licences for hepatitis C medicines on access to treatment: a difference-in-differences analysis, *The Lancet Global Health* (2019). [DOI: 10.1016/S2214-109X\(19\)30266-9](https://doi.org/10.1016/S2214-109X(19)30266-9)

Provided by Imperial College London

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