

New prescription drugs typically sold first in US: Report

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Most new prescription drugs are sold first in the U.S. before they reach other nations, but ultimately important medications are sold across most wealthy nations within about a year of first sale, according to a new

RAND [report](#).

Researchers say the study's findings have implications for the debate over whether efforts to reduce high prescription costs in the U.S. could hurt patients' access to the newest drug treatments.

"Other wealthy nations—all of which have much lower [drug prices](#) compared to the U.S.— see the introduction of new medications within a few quarters of when they are first sold globally," said Andrew Mulcahy, author of the report and a senior health economist at RAND, a nonprofit research organization. "While the U.S. is often the first country where [new drugs](#) are sold, the most clinically and economically important new drugs are available broadly."

U.S. policymakers are pursuing methods to reduce drug prices in the U.S, where the net prices for brand-name drugs are more than three times higher than in other wealthy nations. Critics of the cost-cutting efforts have suggested such policies could prevent or slow the sale of new medications in the U.S.

Previous studies have found that at least some new prescription drugs are sold only in select countries, and that drugs sold more broadly often are gradually introduced across countries.

Mulcahy used information from IQVIA MIDAS to examine the availability and timing of market entry for 287 new drugs launched between 2018 and 2022 in the U.S. and 26 comparison countries that belong to the Organisation for Economic Co-operation and Development (OECD).

Of 287 new drugs launched from 2018 to 2022 in the U.S. and 26 other countries, 57% were sold in the U.S. and other countries by the end of 2022. Smaller shares were sold only in the U.S. (17%) and only in other

countries (26%).

In 2022, more than 90% of the U.S. spending for new drugs was for medications also sold in other countries. The top 10 new drugs by spending in the U.S. in 2022—including those treating diabetes, [autoimmune disorders](#) and cancers—all were sold in multiple other countries. New drugs sold only in the U.S. or only in other countries accounted for just modest spending shares.

In terms of timing, more than half of new drugs were sold first in the U.S. The gap between U.S. launch and sales in other countries was about one year on average. This varied across new drugs and the specific comparison country, and drugs sometimes launched first outside the U.S.

While most drugs that have considerable revenue potential are sold in many countries, the marketing of new medications happens first in countries such as the U.S. where there is more latitude for manufacturers to set prices, according to the analysis.

"Important medications with large potential markets generally are sold across all [wealthy nations](#) within a year of when they are first introduced," Mulcahy said. "Policymakers may want to consider this as they look for ways to lower prescription medication costs in the U.S."

More information: Comparing New Prescription Drug Availability and Launch Timing in the United States and Other OECD Countries, (2024). [DOI: 10.7249/RR788-4](https://doi.org/10.7249/RR788-4)

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