

Pricing for new drugs lacks transparency

8 December 2014

The system that allows patients rapid access to expensive new treatments lacks transparency and penalises small and low-income countries unable to negotiate lower prices with pharmaceutical manufacturers. Writing in the *Journal of the Royal Society of Medicine*, the authors of an essay on market-access agreements for anti-cancer drugs, say that while the underlying strategy is to help reduce the likelihood of health systems paying for treatments that turn out not to be cost-effective, the agreements can also be seen as an opportunistic way for pharmaceutical manufacturers to keep official prices high.

The authors of the essay, from University College London and the Mario Negri Institute for Pharmacological Research in Milan, conducted a comparative analysis of market-access agreements in oncology in the English and Italian [health systems](#). Dr Livio Garattini, of the Mario Negri Institute, said: "England and Italy were the first countries to introduce market-access agreements on specific drugs almost a decade ago and our aim was to assess the experiences of both countries."

There are two types of market-access agreements. Financial-based schemes, favoured by the English NHS, focus on the budget impact of a new [drug](#) and consist of price/dose discounts. Performance-based schemes, predominant in the Italian health system, involve collecting clinical evidence and lead to payment only for patients responding to the new therapy.

"The emotive nature of cancer makes it difficult for health agencies to resist calls for reimbursement of even extremely expensive drugs with marginal efficacy," said Dr Garattini. "While performance-based schemes are not without political appeal, they contribute little to robust clinical assessment in practice. Simple financial-based contracts seem more efficient as a means for health services to reduce outlay on costly [anti-cancer drugs](#) and achieve access for patients."

However, the financial arrangements between [pharmaceutical manufacturers](#) and the health systems paying for the new drugs are kept commercial-in-confidence, leading the authors to conclude that when market-access agreements lead to prices which are not transparent, the schemes simply penalise those countries which rely on external reference pricing. "This lack of transparency raises an issue of public interest on the international level," said Dr Garattini.

More information: Market-access agreements for anti-cancer drugs, [DOI: 10.1177/0141076814559626](#)

Provided by SAGE Publications

APA citation: Pricing for new drugs lacks transparency (2014, December 8) retrieved 21 April 2021 from <https://medicalxpress.com/news/2014-12-pricing-drugs-lacks-transparency.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.