

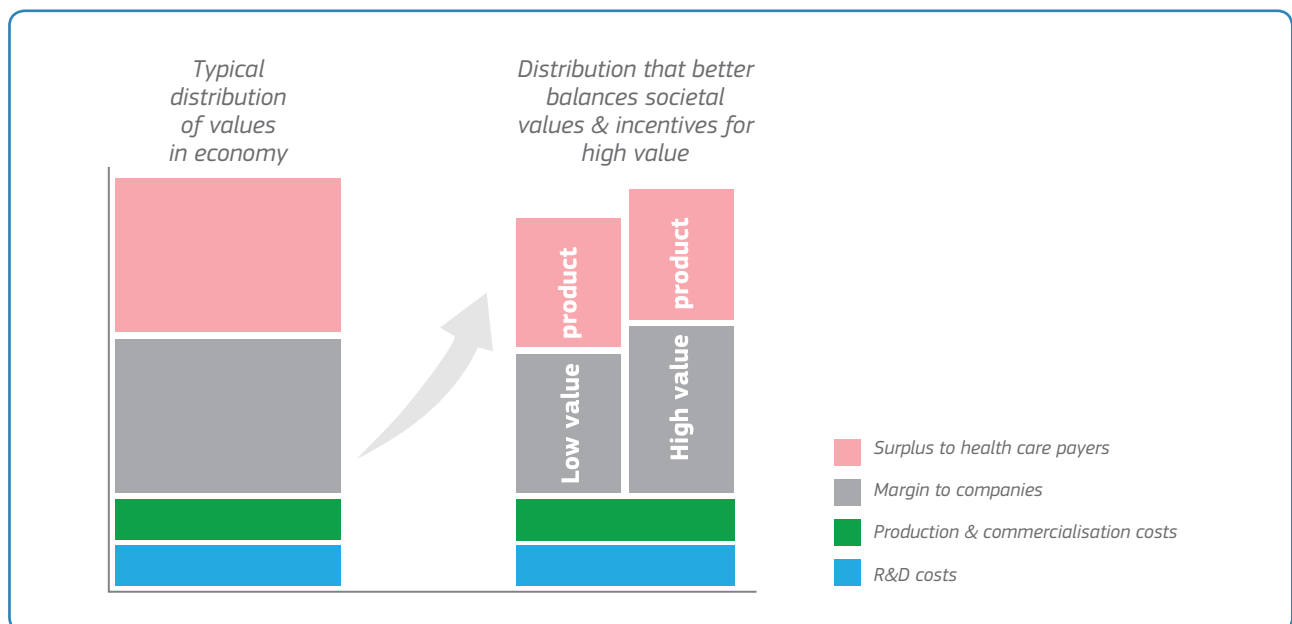
IMPROVING ACCESS TO INNOVATIVE MEDICINES

Opinion by the Expert Panel on Effective Ways of Investing in Health (EXPH)

Why should payment models for high-cost innovative medicines be improved?

A number of innovative medicines and **various other health technologies** have the potential to reshape healthcare systems, but outdated or even absent payment practices and models **slow their adoption into EU healthcare systems**. The current national pricing models in the EU reward innovation, though high societal value overall is not always directly pursued. Evidence suggests that **9 in 10 medicines authorised have only marginal clinical advantages for patients**, while prices of new medicines are often set at higher level to cover R&D, production and other costs. This does not only put **pressure on the health systems' financial sustainability**, but it also puts at risk patients' timely access to lifesaving treatments.

A payment model has to balance all the four elements of the value chain.



Payment systems need to move into a new direction: **it is the acquisition of a service that should be paid for (treatment), not a product (pill)**. Non-linear payment systems, such as bundling, price volume agreements, differentiation across geographies and indications could be a way forward. In addition, **multilateral country cooperation, partnerships and dialogue platforms** among all relevant stakeholders could promote mutual learning and fuel the development of new models that ensure the equity and sustainability of health care systems.

Intergenerational effects, reflecting the time profile of benefits, should be explicitly be addressed as well. **Patents** may also be another tool for the payers. Improving **health technology assessment (HTA)** and strengthening cooperation across countries will provide better estimates of the value of new products.

What solutions does the Expert Panel propose?

As setting the price for new, innovative medicines is a dynamic process involving various factors, it requires a **revised health system design and more than one type of payment**. The expert panel therefore suggests defining a set of **basic principles**.

PRINCIPLES	ACTIONS
Using several mechanisms to promote and reward high value innovations	Identify neglected areas and launch international price initiatives
Setting better rewards for higher therapeutic value of new medicines in the context of health technology assessments (HTA)	Assess value of new products of uncertain benefit
Guaranteeing a better price and cost information and promote transparency	Assess performance of existing payment methods and ask for R&D costs, marketing costs and production costs
Strengthening the bargaining power of health systems	Fully tap the possibilities from innovative procurement; set buyers' clubs; and step up efforts to encourage and reward innovation

Government challenges

- **Definition, commissioning** and **monitoring** procedures
- **Negotiation** power
- **Dispute-resolution** mechanisms
- Decisions based on **real world data**
- Balance between **early access** and **quality-guarantee**

Design of payment models

- Creating **dialogue** platforms
- **Partnerships** with payers, HTA bodies, regulators, industry and key stakeholders
- Multilateral country **cooperation**



About the Expert Panel on Effective Ways of Investing in Health

The Expert Panel's mission is to provide sound and independent advice in the form of opinions in response to questions (mandates) submitted by the Commission on matters related to health care. The opinions of the Expert Panel present the views of the independent scientists who are members of the Expert Panel. They do not necessarily reflect the views of the European Commission.

For more information and to read the opinions in full:

https://ec.europa.eu/health/expert_panel/home_en