CEOs at Pharmaceutical Organizations of Japan, U.S. and Europe Discussed About Future of Pharmaceuticals
Digital Technologies Can Reduce Medical Expenditure
Innovative Technologies Should be Appropriately Evaluated

How CEOs at pharmaceutical organizations see the future of pharmaceuticals? CEOs at pharmaceutical organizations of Japan, U.S. and Europe joined together to discuss about the matter in Tokyo. They also met Prime Minister Shinzo Abe to hand-deliver their joint statement containing requests such as the enhancement of healthcare system to appropriately evaluate innovation, and the shift to a new healthcare system utilizing various kinds of medical data.

Talking about the future of pharmaceuticals, they agreed on the utilization of big data and cutting-edge digital technologies.

David A. Ricks, President at IFPMA (Chairman and Chief Executive Officer at Eli Lilly and Company), stressed, "A new type of medical care fusing biotechnologies and digital technologies will be applied for chronic diseases to reduce the rising medical expenditure." Olivier Brandicourt, Chairman at PhRMA (Chairman of the Board and Chief Executive Officer at Sanofi), talked, "The use of AI can identify antigens with the strong immune system. That enables vaccines, which are most cost-effective in all medical treatments, to be developed effectively."

George Nakayama, President at JPMA (Representative Director, Chairman and Chief Executive Officer at Daiichi Sankyo), said, "If we have a database linking medical information and genomic information, that would enable us to conduct more effective clinical trials, which realize a great transformation in medicine." Having said that the ongoing construction of integrated database in Europe "has a difficulty as the region is divided into many countries," Jean-Christophe Tellier, Incoming-President at EFPIA (Chief Executive Officer and Chairman of the Executive Committee at UCB), stated, "Japan having an advantage in accumulating a huge amount of data in a single country should proactively use such valuable information for patients."

In the U.S. and Japan, many treatments such as gene therapy drugs, cell therapy drugs and oligonucleotide therapeutics have been successively approved recently. Ricks emphasized that these technological innovations are "great advantages for humankind." However, there are growing concerns that these expensive new medicines increase pressure on the medical care financing. With regard to this, Ricks expressed his view that innovation must be appropriately evaluated by saying, "Prices should be decided according to the products' values." Brandicourt also argued, "Japan has been controlling its pharmaceutical spending with a system to regard new drugs' values highly (Prime Maintenance Premium: PMP) and the penetration of generic drugs."

However, the eligibility for the PMP which had been a key driver to invite innovation to Japan was largely downsized by the drug pricing reform implemented in April 2018. Tellier pointed out, "That would ruin access to valuable pharmaceuticals and future innovation." Brandicourt added,
"China has brought its population close to universal health coverage and is trying to secure people's access to new drugs through concrete steps. Although Japan has the potential to remain amongst the global leaders in the pharmaceutical arena, it is also clear that the competition with other countries is proving increasingly fierce. The county may lose its position as a global leader. We can work with the Japanese government to identify and address barriers and challenges that are undermining the country's competitiveness."

Concerning Japan's medical policies such as drug pricing, Nakayama stressed, "If we consider it as investments with a long-term perspective, not focusing on single fiscal year's costs, this will bring innovation which improves people's health and leads to the formation of a vigorous society. If we transit to this 'angel's cycle (virtuous circle),' the financing will rather improve. Japan is now at the turning point of whether the country goes into a bright future or not."

Photo caption:
Fireside chat by CEOs at pharmaceutical organizations of Japan, U.S. and Europe