



September 13, 2019

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CC: Dr. Peter Salama, Executive Director, Universal Health Coverage / Life Course
Dr. Clive Ondari, Coordinator, Medicines Access and Rational Use

Re: IFPMA response to the request for public feedback on the WHO Fair Pricing Initiative

As the non-state actor representing the innovative biopharmaceutical industry before the World Health Organization, IFPMA remains steadfast in its commitment to engage in the important discussions on how to improve access to medicines, vaccines and medical care for patients worldwide, particularly in the most fragile health systems. As such, IFPMA led the industry delegation to the 2017 and 2019 Fair Pricing Forums, where industry spoke in a united voice about its pledge to partner with governments and other stakeholders in the global health community to address in a holistic manner the complex and interrelated web of impediments to access to medicines and vaccines for patients.

Access depends on so much more than price, and hinges on strengthening local healthcare systems, educating and training health care workers, strengthening supply chains, tackling waste and inefficiencies, corruption and falsified medicines, mobilizing domestic resources, achieving Universal Health Care Coverage. In short, using pricing concerns as the main surrogate for talking about inadequate access falls far short of addressing the complexity of the challenges we have to tackle together.

As part of broader discussions on barriers to access to medicines and vaccines, IFPMA is responding to the WHO consultation on the working definition of a *fair price*. As stated in our survey response, the current definition captures the interrelatedness of affordability, quality, and incentives for innovation. This implies positive incentives/benefits for all stakeholders, including patients and those involved in R&D and manufacture of health products in addition to considerations of affordability at patient and system level, and sustainability of medicine development, supply and quality.

Our views may differ on what is the right balance. Any discussion on price should not be approached as a formula, nor should it obviate the need for holistic solution to patient access hurdles. In all cases, affordability – for health systems and patients – starts with the resources governments allocate to their health systems. Underinvestment in healthcare systems, prevention and primary care results in disproportionate spending on pharmaceuticals. Strengthening healthcare systems require investment in creating reliable infrastructures and supply chains, training skilled healthcare providers who can deliver diagnostic and preventative care, as well as ensure adherence to treatments for patients.

As we engage in these discussions at a global level, we must move away from a “one-size-fits-all” solution that would conflate differing circumstances in specific healthcare system and fail to differentiate between patient and health system needs in mature versus fragile health systems. We must rather tailor solutions for access and affordability appropriate to each national context and focus on effective country level implementation. These initiatives must focus on health and economic outcomes where the unique set of national circumstances can be fully taken into account.

Looking to the future, governments should continue to recognize market incentives as essential drivers for life-saving innovations and improved health outcomes for currently identified health issues, while also planning for and preventing future pandemic and health crises. Governments are also responsible for stating and honoring their political commitment and proactive policies that would ensure that preferential differential prices offered to the developing world are not used as benchmarks for pharmaceutical products in developed countries.

With the complexity of access challenges in mind, IFPMA and the biopharmaceutical industry looks to the WHO to ensure a balanced and inclusive stewardship of *Fair Pricing Working Groups* and give consideration to:

- Assessing the policy environment needed to support differential pricing
- “Value Based” assessment of the therapeutic value to patients and broader benefits to society
- Out of pockets cost for patients, reimbursement and insurance systems
- Additional incentives (AMR and Neglected Tropical Diseases)
- Added supply chain costs such as distribution mark-ups, taxes and tariffs.

We have a shared commitment to getting medicines and vaccines to the people who need them. IFPMA and its members look forward to working with the WHO, governments and civil society to address the complex challenges that must be tackled to build more effective health systems.

Yours Sincerely,



Thomas Cueni
Director General IFPMA