

PRESS RELEASE

COVID-19: The Pharmaceutical Industry at a Crossroads

Experts see opportunities for a paradigm shift in healthcare and publish a new book. The AIHTA examines pharmaceutical research, production and pricing.

Vienna, June 2020 – Vienna, June 2020 – Thirty-seven experts from the Austrian healthcare sector are already looking beyond the next wave of infections. They regard both the limitations of the healthcare system exposed during the COVID-19 crisis and the measures taken by public authorities as an opportunity to address long-standing shortcomings within the healthcare system and to implement meaningful reforms. To this end, they have published an edited volume that presents these perspectives in a well-founded and accessible manner. The publication not only calls for a fundamental rethink of pharmaceutical supply planning and preventive health measures, but also highlights opportunities and practical pathways for change. The contribution by the Austrian Institute for Health Technology Assessment (AIHTA) focuses on the research, production and pricing of medicines and advocates a re-regulation of this commercially driven sector.

The COVID-19 crisis has brought many strengths, but also weaknesses, of our healthcare systems to light. It became evident that healthcare systems built on strong public funding were initially successful in providing adequate protection for both patients and healthcare professionals. The rapid mobilisation of more than EUR 7 billion in public funding for COVID-19 interventions also demonstrated the strengths of such systems. At the same time, however, fundamental weaknesses were exposed, contributing to increased vulnerability among populations. These issues are addressed clearly in the recently published book *Rethinking Health: Corona as an Opportunity for a Turning Point in Healthcare*, where 37 experts discuss them and propose practical solutions. The Austrian Institute for Health Technology Assessment (AIHTA) focuses on the key themes of research, pharmaceutical manufacturing and pricing.

Profit as the Primary Priority

“Our current system of research funding in healthcare places a strong emphasis on commercialisation rather than on the actual burden of disease within society,” says **Priv.-Doz. Dr Claudia Wild**, Director of the AIHTA. “This has resulted in substantial support for research addressing lifestyle-related diseases, while research into communicable diseases has been neglected despite their enormous risks and potential for harm.”

In their book chapter *“The Pharmaceutical Industry”*, co-authored with **Christoph Strohmaier** and **Gregor Götz**, Dr Wild outlines further weaknesses in the healthcare system that have now

become evident. With regard to pharmaceutical manufacturing, she highlights the logistical dependence on low-wage countries such as China and India, which can lead to supply bottlenecks and medicine shortages during periods of exceptionally high demand.

The authors call for a fundamental rethink of how medicines are produced and marketed. Despite the influence of powerful lobbying groups, they believe that the aftermath of the COVID-19 crisis presents a unique opportunity to achieve such change. In their view, the pandemic has dispelled the myth that only the private sector is capable of delivering technological breakthroughs in pharmaceutical and medical device development. Publicly funded research already plays a crucial role in advancing the development of new medicines. However, while the risk of failure in publicly funded basic research is considerable, the commercial profits generated at the end of this costly process are largely privatised and captured by pharmaceutical companies. The COVID-19 pandemic could become a catalyst for changing this direction.

A Change of Course

The authors also present concrete proposals for this new orientation. Public funding for research and development should, in their view, be granted only to organisations willing to accept predefined conditions that serve the public interest.

At the most basic level, this should include a commitment to public access to all research results generated through such funding (*Open Science*). Further options could include ensuring royalty-free access to all health-relevant products resulting from publicly funded activities, as well as reconsidering and reforming patent protection frameworks.

The authors are encouraged by the fact that several of their proposals are already being implemented in certain COVID-19 initiatives. In some cases, objectives and milestones are agreed upon before funding is awarded, and the conditions for market access to effective medicines arising from publicly funded research are partially defined from the outset.

With their criticisms and proposed solutions, the AIHTA experts and their fellow contributors are aligned with ongoing discussions at both the **United Nations** and the **European Union**, where increasing attention is being paid to separating research and development costs from the final prices of medicines, or even to completely decoupling individual stages of the pharmaceutical value chain.

The AIHTA's evidence-based analyses can provide valuable information to support this debate and contribute to the future development of healthcare policy in Austria.

Reference

Sprenger, Martin & Martin Schriebl-Rümmele (eds.) (2020). *Rethinking Health: Corona as an Opportunity for a Turning Point in Healthcare*. Unteraichwald: Ampuls Verlag. ISBN 978-3-9519818-0-2.