

International Drug Pricing and Patient Outcomes: 3 Facts to Consider

The drug pricing debate is complex, political and emotional. The most important factors to consider in the drug pricing debate are **patients**. We must balance positive health outcomes with overall health care costs and future medical innovations. As policymakers delve into the drug pricing debate, it will be important to consider the following facts:

Fact No. 1 Industrialized countries throughout the world employ different policies to determine drug prices which lead to very different patient outcomes.

U.S. market prices on some medications can be initially higher than in other countries, but U.S. patients have greater access to innovative medicines far earlier than patients in countries with centralized price controls. Our competitive marketplace controls costs and provides the best care in the world while encouraging the unparalleled development of new therapies. Other governments that seek cost containment through price controls must ration and deny patient care.

U.S. MARKETPLACE	VS	OTHER COUNTRIES
<p>Competitive U.S. marketplace:</p> <ul style="list-style-type: none"> • Greater patient access to biologically appropriate treatment. • Invests in the best treatments for an individual's biology, driving better medical outcomes. • Ranks the U.S. as the world's leader in drug discovery and development. 		<p>Price-controlled systems:</p> <ul style="list-style-type: none"> • Rations patient care leading to limited access to biologically appropriate medicines. • Impairs patient outcomes because they can't get the best medicine for their treatment. • Discourages innovative treatments due to fewer industry resources to invest in research and development.

- A Tufts University study found that, due to our nation's market-based system, **73 percent of all medicines were launched in the U.S. before becoming available in Europe.**¹
- Multiple studies show that patients who have access to medical innovation and adhere to their medication regimens, **enjoy better health outcomes and the overall cost of care is reduced.**^{2,3,4,5}

Fact No. 2 U.S. cancer patients have higher survival rates than European and Canadian patients due to greater access to innovative treatments.

EUROPEAN HEALTH SYSTEM

- **The five-year survival rate for all cancers is 40 percent higher for men and 13 percent higher for women in the U.S.** than in Europe where centralized price controls exist.⁶
- **Breast cancer mortality is 52 percent higher in Germany** than in the United States, and 88 percent higher in the United Kingdom.⁷
- **Prostate cancer mortality is 604 percent higher in the U.K.** and 457 percent higher in Norway than in the U.S.⁷
- **The mortality rate for colorectal cancer** among British men and women is about 40 percent higher than in the U.S.⁷

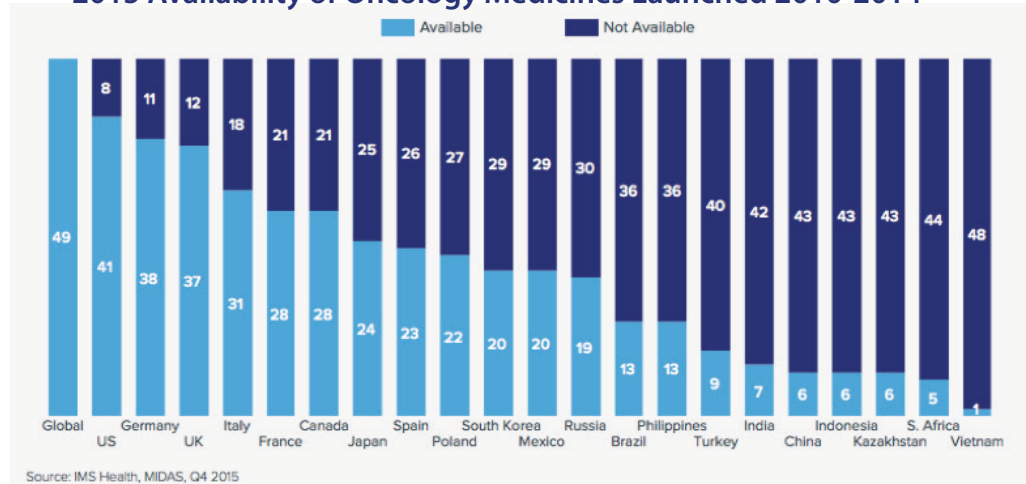
CANADIAN HEALTH SYSTEM

- Nine of ten middle-aged U.S. women (**89%**) **have had a mammogram**, compared to less than three-fourths of Canadians (72%).⁸ **Breast cancer mortality is 9 percent higher in Canada than in the U.S.**⁹
- More than half of U.S. men (**54%**) **have had a prostate test**, compared to less than 1 in 6 Canadians (16%).⁸ **Prostate cancer mortality is 184 percent higher in Canada than in the U.S.**⁹
- Nearly one-third of U.S. patients (**30%**) **have had a colonoscopy**, compared with less than 1 in 20 Canadians (5%).⁸ **Colon cancer mortality among men is about 10 percent higher in Canada than in the U.S.**⁹

“The current U.S. drug pricing system is better than most other systems one can imagine. The drug companies are turning out miracles, and we need their R&D budgets to stay strong. They need to see the opportunity.”¹³

Bill Gates, Founder
Bill & Melinda Gates Foundation

2015 Availability of Oncology Medicines Launched 2010-2014¹⁴



The rise in drug spending has disproportionately affected the U.S. in part because new oncology medicines are far more likely to be approved and prescribed in the U.S. than in other countries.¹⁵

Fact No.3

The U.S. health care system leads to less waiting time for care than patients in Canada and the U.K.

- **Canadian and British patients wait about twice as long** - sometimes more than a year - to see a specialist, to have needed surgery or to get cancer treatment than U.S. patients.^{10 11}
- **Over 800,000 people are waiting** for some type of medical procedure in Canada at any given time. In England, nearly 1.8 million people are waiting for a hospital admission or outpatient treatment.^{10 11}
- Just in the month of February, 2015 in the U.K., nearly 40,000 admitted patients did not start treatment within 18 weeks of referral, and **more than 13,000 waited more than 26 weeks.**¹²

Sources:

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⁶ Adams, Ben. Drug Pricing and Pharma Reputation: The Experts’ Views. Eye for PhRMA. 01/16/16.

⁷ Concord Working Group. “Cancer survival in five continents: a worldwide population-based study.” Lancet Oncology, Vol. 9, No. 8, August 2008, pages 730 - 756; Arduino Verdecchia et al., “Recent Cancer Survival in Europe: A 2000-02 Period Analysis of EUROCARE-4 Data,” Lancet Oncology, Vol. 8, No. 9, Sept. 2007, pages 784 - 796.

⁸ June O’Neill and Dave M. O’Neill, “Health Status, Health Care and Inequality: Canada vs. the U.S.” Health Status, Health Care and Inequality: Canada vs. the U.S., National Bureau of Economic Research, Working Paper No. 13429, Sept. 2007.

⁹ U.S. Cancer Statistics, National Program of Cancer Registries, U.S. Centers for Disease Control; Canadian Cancer Society/National Cancer Institute of Canada; also see June O’Neill and Dave M. O’Neill, “Health Status, Health Care and Inequality: Canada vs. the U.S.,” National Bureau of Economic Research, Working Paper No. 13429, Sept. 2007.

¹⁰ Nadeem Esmail, Michael A. Walker with Margaret Bank, “Waiting Your Turn, (17th edition) Hospital Waiting Lists in Canada,” Fraser Institute, Critical Issues Bulletin 2007, Studies in Health Care Policy, Aug. 2008; Nadeem Esmail and Dominika Wrona “Medical Technology in Canada,” Fraser Institute, 08/21/08 ; Sharon Willcox et al., “Measuring and Reducing Waiting Times: A Cross-National Comparison Of Strategies,” Health Affairs, Vol. 26, No. 4, Jul/Aug 2007, pages 1,078-87; June O’Neill and Dave M. O’Neill, “Health Status, Health Care and Inequality: Canada vs. the U.S.”; M.V. Williams et al., “Radiotherapy Dose Fractionation, Access and Waiting Times in the Countries of the U.K.. in 2005,” Royal College of Radiologists, Clinical Oncology, Vol. 19, No. 5, June 2007, pages 273-286.

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¹² National Health Service, England. Consultant-led Referral to Treatment Waiting Times Data 2014-15. April 2015. www.england.nhs.uk/statistics/statistical-work-areas/rtt-waiting-times/rttdata-2014-15/.

¹³ Chen, Caroline and Schatzker, Erik. Bill Gates Calls U.S. Drug Pricing System ‘Better Than Most’. Bloomberg. 6/30/16. www.bloomberg.com/news/articles/2016-06-30/bill-gates-calls-u-s-drugpricing-system-better-than-most.

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