

Reconciling innovation and sustainable health care systems – what next for Europe?

Press release

Bad Hofgastein, 4 October 2012 – A lunch workshop entitled „Reconciling innovation and sustainable health care systems – what next for Europe?“ at the European Health Forum Gastein addressed the issue of access to pharmaceutical innovation during the crisis and the options for Europe in the context of health systems financial sustainability. The issue of differential pricing for innovative prescription pharmaceuticals was discussed as a potential option to replace ineffective regulation along the lines of external price referencing. Differential pricing highlights the ability to have different prices between countries with different levels of affordability. This should in principle enable faster access to needed treatments and further promote solidarity towards patients.

David Taylor, professor of Pharmaceutical Policy, University College, London said: “The theoretical prediction of price differentiation is that it is welfare-increasing. Practically, this would translate into prices for prescription medicines that are affordable by different countries and avoiding the damaging effects of external price referencing and likely distortions arising from the operation of the single market.” Panos Kanavos, Reader in International Policy, LSE said: “Ultimately, the European Union and the Member States will have to re-balance the focus between static efficiency - or maximizing the short-term benefit from a given budget - versus dynamic efficiency - in terms of incentivizing R&D investment with a view to maximizing the discovery of effective treatments for the benefit of patients and society.”

While we have embraced price transparency for prescription medicines in the EU, recent developments in the direction of risk sharing and managed entry schemes suggest that this may no longer be the case. Speakers and participants discussed ways forward and agreed that the implementation of differential pricing was one area of policy-making that needs to be developed further.

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