

THE RIGHT MEDICINE

THE RIGHT PATIENT

THE RIGHT TIME

- ◆ Patient Welfare
- ◆ Value for Money
- ◆ Fairness in the NHS
- ◆ Investing in the Future



A MANIFESTO FROM THE ABPI

2006

FOREWORD

by Nigel Brooksby, President of the ABPI



At the ABPI we have been thinking about what more we can do to improve patient welfare and support the NHS. We believe we should concentrate on two areas. First, making sure that the right patient gets the right medicine at the right time – and that includes tackling the lottery of postcode prescribing. Second, helping the NHS budget go further.

The NHS was built on the principle of fairness. Yet there is nothing fair about the way in which medicines are currently prescribed. There is no doubt that many people are being denied treatments that could make them better or improve their quality of life.

Making sure that patients get the right medicines when they need them is obviously in part a moral issue. But it is also a practical, financial one because wise prescribing can save money for the NHS overall.

Evidence shows that if the right medicines are prescribed at the right time, fewer people will end up needing expensive hospital care. Consider this fact: the average cost of a day in hospital is nearly £250; the average cost of a prescription is less than £11. Paying for prevention or treating the patient in the community is better for the patient and better for the taxpayer.

I believe that the pharmaceutical industry therefore has a role to play not only in saving lives, but also in saving money.

At the ABPI, we are proud of the contribution we have made to improving the health of the nation. Our scientists have pushed back the boundaries of knowledge, eliminated diseases and improved life for millions. But we believe there is now more that we can do.

In part that will mean maintaining the highest possible ethical standards. We will not defend any examples of bad practice within industry itself. But it will also mean being prepared to become more actively involved in the debate about the future of healthcare in the UK and to play our part in helping the country strike the right balance between the rising expectations of patients and a finite NHS budget. This document is intended as a contribution to that debate.

Putting Patients First

“We try never to forget that medicine is for the people. It is not for the profits. The profits follow, and if we remember that, they have never failed to appear”

George W Merck, December 1950.

The pharmaceutical industry exists to help make people better. So our first priority is to make medicines that are effective and safe. The public needs to be able to have complete confidence in the medicines they are prescribed. That is why the UK pharmaceutical industry has always been very carefully regulated and operates to the highest international standards. New compounds are discovered every day, but every single one must be tested to see if it really helps combat illness with the way the body works. We are ever vigilant. Even when medicines are approved by regulatory authorities, the pharmaceutical industry is continually monitoring to make sure that they are still working well. This is because there is nothing more important than patient welfare.

The industry is regulated in every aspect of its operations: research and development, product licensing, pricing, distribution, sales and marketing.

We have:

- Worked with Government and international authorities to support strong approval procedures to ensure safe and effective medicines for patients. New, Europe-wide legislation is now being implemented. This includes even stronger requirements on the conduct of clinical trials and the need for continuing safety monitoring.
- Proposed and supported the introduction of a new Code of Practice, which raises the existing high standards even higher. The Code is administered by an independent authority which includes representatives of doctors, pharmacists and patient groups with an independent legally qualified chairman. Recent changes include insisting that all promotional material contains prominent information on any adverse reactions.

- Supported properly-controlled animal testing. We have done this by ensuring that the industry sticks to its '3 Rs' approach towards animal testing. That is to reduce, refine and replace where ever possible the use of animals in research. Animal testing is a last resort, not a first port of call. But it is an essential part of establishing the safety of medicines and is also required by regulators before the medicine can be used in humans.

We will:

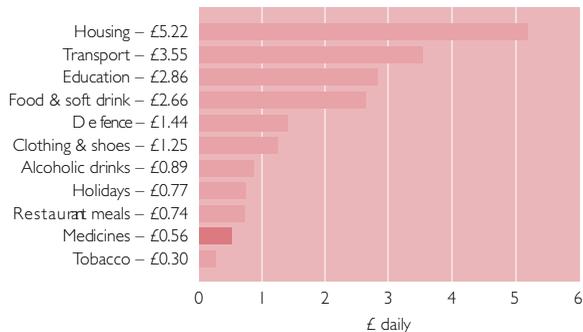
- Continue to make sure that all medical tests and trials are conducted to the highest ethical and legal standards.
- Make sure our R&D goes into creating genuinely new and improved medicines that add significantly to the health of the nation. We only want to develop medicines that produce a meaningful improvement to patients' lives. 40 per cent of all medicines introduced in the last 10 years are in the government's top priority areas of cancer, heart disease, mental health and diseases of the elderly.
- Make the results of clinical trials openly available on a public register.
- Suspend, name and shame those member companies who fail to live up to our new Code of Practice. It is time to get tough with the very few who might damage the good will and reputation of the many.

Delivering Value for Money

Medicines are cheaper today in real terms than ten years ago. The pharmaceutical industry is playing its part in cutting the cost of the UK medicines bill and helping deliver value for money for the taxpayer. The cost of NHS medicines fell last year and is set to continue to fall over the coming years. In addition:

- Prices of medicines have fallen more than 21 per cent in real terms over the last decade.
- The average prescription costs the NHS less than £11.
- We spend just 56 pence a day per person on medicines – less than we spend on alcohol or holidays.
- Medicines account for just 11 per cent of total NHS costs.
- GPs in the UK spend £205 on medicines per person every year. This is far lower than the amount spent by GPs in the US (£493), France (£290), Belgium (£270), Ireland (£221) and Germany (£220).
- In some areas of health priority such as cancer, the differences are even greater.
- British doctors are prudent prescribers, prescribing fewer medicines than other EU countries. They prescribe just over 13 prescriptions per person every year, whereas French doctors prescribe over 40 prescriptions per person every year.
- We use fewer new, modern medicines than most of our EU partners, and many more generic medicines than most countries in Europe.

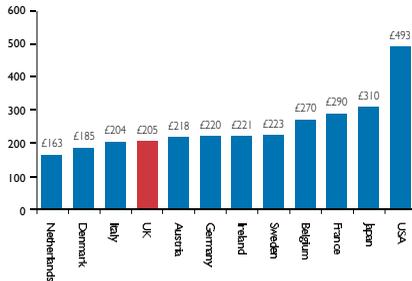
Average daily expenditure
per person
(UK 2004/2005)



We have:

- Worked with the Government, through the mechanism of the Pharmaceutical Price Regulation Scheme (PPRS), to bring down the cost of the NHS medicines bill. We reduced our prices by 7 per cent in the last round of negotiations in 2005.
- Worked with Government to facilitate the take-up of cheaper generic drugs, thereby cutting the NHS bill and advancing widespread availability of low cost medicines to patients. Supporting the use of generics when appropriate frees up money to spend on new medicines and creates headroom for innovation.
- Introduced tough Codes of Conduct which prevent pharmaceutical companies from boosting their sales by aggressive marketing to doctors and other healthcare professionals and promote appropriate prescribing.
- Worked with NICE in its work to ensure that the most cost-effective medicines reach patients on the front line.

Amount spent per person by pharmaceuticals sales (2004)

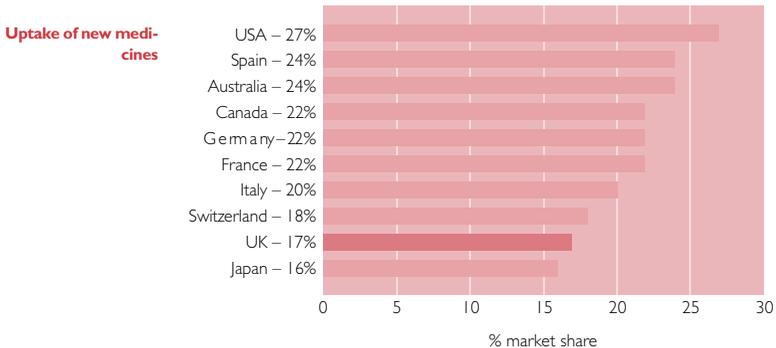


We will:

- Continue to work with the Government to make sure that the taxpayer receives the best possible value for money.
- Work with the Government and NHS to enhance productivity at the front line of treating patients, where savings could be made which could be spent on delivering the right medicines to more people at the right time.
- Help lead a national debate on how we can ensure that the NHS budget is spent most effectively on delivering the best health outcomes. We will do this as the longest standing independent sector partner of the NHS since 1948.

Fairness in the NHS

The NHS was built upon the principle of fairness – but at present prescribing is neither fair nor consistent. Patients suffer from the postcode lottery with great variation according to where you live. Patients are also often treated with a particular medicine when there are now much more effective ones on the market. One of the consequences of the system in the UK is that effective new medicines, developed in the UK, are used much more widely abroad than they are at home. We believe this needs to change.



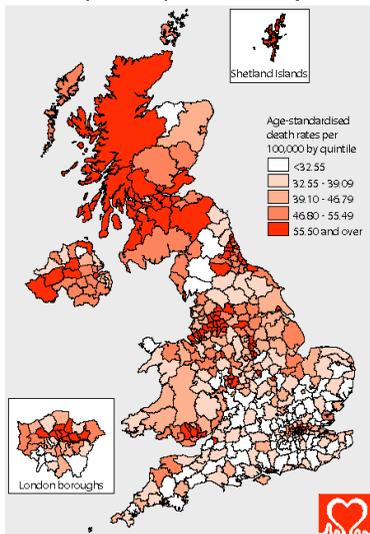
We have:

- Worked with the Cancer Tsar to analyse differences in uptake of medicines to treat cancer in different parts of the country.
- Set up a working party with DoH, DTI and the Treasury to analyse variations in the uptake of medicines in other disease areas and to make recommendations.
- Worked with the DoH to compare uptake of various medicines between the UK and other countries and to publish annual indicators.

We will:

- Play our full part in leading a national debate about trying to work towards fairness in prescribing and ending the current postcode lottery.
- Engage openly with patients, patient groups and research charities to understand and help meet their needs.
- Help reduce health inequalities, by improving equal access to medicines across the country. It is only fair and right that everyone should have access to the best medicines around.

Age-standardised death rates per 100,000 population from CHD for men under 65 by local authority, 2002/2004, United Kingdom



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“While there has been real progress in the NHS, there is one area where improvement has not been fast enough. It is still the case that where you live has a huge impact on your well-being and the care you receive. These health inequalities remain much too stark – across social class and income groups, between different parts of the country and within communities.”

Rt Hon Tony Blair MP

“Our health, our care, our say: a new direction for community services”

White Paper published in January 2006

Investing in the Future

A sound research base is essential if investors in the industry are to choose the United Kingdom as the preferred base for their manufacturing. If the UK wants to keep its world-leading pharmaceutical industry, the environment has to be right. There needs to be fair and appropriate financial investment from the Government which we will match with innovation and life-saving breakthroughs.

- British science and the British pharmaceutical industry has an enviable reputation – of the top 100 medicines in the world, 18 were discovered in the UK: more than any other country except the USA.
- Staying in that position is an expensive business – for every 10,000 compounds identified in research, only 1 will finally make it into a new product. And only 3 in 10 of those will ever recover their costs.
- The PPRS has capped industry profits for 50 years. It has played its part in helping strike the right balance between protecting taxpayers' interests, return on investment for investors and fostering innovation, but if we are serious about science as a country we must ensure that we maintain the right conditions for research and development.

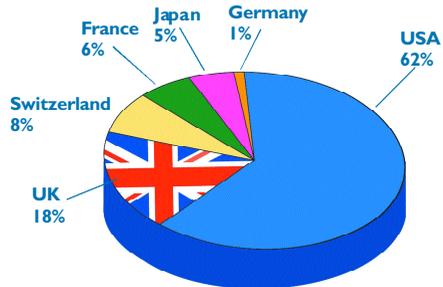
We have:

- Invested – in 2004 alone – more than £3.2 billion in UK research and development. That's equivalent to £9 million every day.
- Spent more on research than any other sector of the UK economy and employed more scientists.
- Employed 73,000 people and generated another 250,000 jobs in related industries.
- Exported £12.2 billion last year, creating a trade surplus of £3.4 billion. We are consistently in the top three of all industries for export surplus earnings.
- Established ourselves as the jewel in the nation's industrial crown. Not only do we save lives, but we inject cash and capital into the heart of the British economy.

We will:

- Work with the Government to ensure that we have a regulatory and fiscal environment that encourages innovation and cutting edge British science.
- Work with the Government to see how we can best support new and smaller businesses, because they drive new and big medical breakthroughs.
- Work with the Government and its advisory bodies to see how we can make sure that the approval process in the UK is as effective as possible – medicines brought safely but more quickly to market will ensure a quicker return on investment thereby encouraging more investment in British science.
- Work with the Government to ensure fair prices for modern medicines – fair for both the NHS and the innovating companies.

Origin of the world's top 100 prescription medicines 2004



The Way Forward

We all have a shared interest in improving the health of the nation. The pharmaceutical industry wants to engage wholeheartedly in a national debate about how we can achieve that. The principles of Patient Welfare, Value, Fairness, and Investment will underpin everything that we say and do. Our aim is to help shape a future where patients have access to the right medicines at the right time and, in so doing, we help to save lives and make the NHS budget go further.



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