

French Social Security Finance Bill for 2020

Leem calls for a moratorium on price cuts

For several months now, Leem has been warning of the consequences of ten years of disproportionate economic regulation, not only in terms of the appeal of France for inward investment in research and manufacturing, but now, and even more urgently today, in terms of the issues surrounding treatment access and availability for patients, one of the most visible and dramatic effects of which is supply disruption.

The significant increase in stresses and disruptions in the supply of drugs is a priority issue for pharmaceutical companies, whose central commitment is providing French patients with the treatments they need safely, securely and as quickly as possible.

This worldwide problem has worsened in recent years as global demand for drugs rises and production chains, technologies, inspections and regulatory requirements become ever more complex. Added to which the production of active ingredients is concentrated in relatively few manufacturers and countries.

Following last Thursday's announcements by the French Prime Minister and the Minister for Health and Solidarity in response to disruptions in the supply of drugs, Leem is now calling on the Government to declare a moratorium on drug price cuts as part of the PLFSS (Social Security Finance Bill) for 2020.

The introduction in the Social Security Finance Bill of a new obligation to increase stocks of medicinal products of major therapeutic interest, accompanied by financial penalties for companies that fail to comply, adds a new level of complexity to the operating conditions in economic terms for a very broad range of drugs.

"If it were to be combined with further price cuts for drugs whose prices have risen to exorbitant levels in recent years, this restrictive measure would increase the risk of even worse supply disruptions. A moratorium would introduce a measure of coherence that would facilitate the deployment of the new system by promoting the creation of safety stocks", emphasises Leem Chairman Frédéric Collet.

Leem highlights the fact that that France has some of the lowest prices of any major European country¹, and that the effective price cuts introduced in the last five years now total €5 billion.

¹ See *Revue français des Affaires sociales*, "an international comparison of prices and discounts", 2018.

These low prices have negative consequences on the supply of drugs by discouraging some suppliers from operating in, or even remaining in, the French market. They also promote parallel exports of drugs to those of our European neighbours where prices are higher.

Leem restates its full commitment to the Government to implement all necessary measures to limit any supply disruptions in the best interests of patients, and reminds observers that in February this year, it brought forward a series of proposals to achieve precisely this objective.

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