



PRESS RELEASE

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## **Leem condemns the misleading propaganda campaign of Médecins du Monde**

Leem is aware of the advertising campaign being run by Médecins du Monde (Doctors of the World) on the subject of drug pricing.

**It intends to respond in the strongest terms to the outrageous and exaggerated claims made by Médecins du Monde.** Imagining for one moment that pharmaceutical companies speculate on the worsening of diseases such as breast cancer is not only detrimental to those manufacturers, but also shockingly disrespectful to the millions of people who battle every day to overcome the disease.

**Above all, the arrival of major therapeutic innovations in infectious diseases or oncology is good news for patients.** Such innovations hold out the prospect of cure or extended life expectancy for very large numbers of patients.

**They will also pose a major challenge for our healthcare system.** This system will have to change profoundly if it is successfully to address the fact that diseases previously fatal soon after diagnosis are increasingly becoming chronic conditions. This is why Leem has for many months now been demanding a structural reform of our healthcare system by improving the way it anticipates the emergence of therapeutic advances, by developing its management capabilities and by introducing a strategy aimed at adapting this system to embrace innovative treatments.

Given these major challenges, the issues surrounding the pricing of innovative medicines must not prevent us seeing the forest for the trees.

Leem restates:

- ✓ that expenditure on pharmaceuticals is now the most tightly controlled part of the ONDAM (National Healthcare Spending Target), and that pharmaceuticals contribute well beyond their share in health spending, to the total amount of savings planned annually in the French Social Security Finance Act (50% of savings, but only 15% of total healthcare expenditure)
- ✓ that pharmaceutical company revenue has declined over the last five years, and that in 2016 - as in 2015 - the French Parliament has voted in favour of a 1% reduction expenditure on pharmaceuticals. France is now the last of the major European markets to remain in recession, while embracing innovation has helped the other markets of Europe return to economic growth

- ✓ that the majority of pharmaceuticals are offered at especially low prices, and that in economic terms, pharmaceuticals are the most efficient healthcare solution in the majority of cases. For example,
  - it costs less than €10 to cure a gastric ulcer, thereby avoiding the staggering cost of surgery previously necessary
  - it costs less than €20 to treat acute pneumonia
  - it costs less than €1000 in vaccines to protect someone against 12 serious diseases like polio, diphtheria and measles for an entire lifetime.

Regarding the prices charged for innovative pharmaceutical products, Leem points out that:

- ✓ prices charged for these drugs are set by the French Economic Committee for Health Products following negotiation with manufacturers. So it is never the case that manufacturers set their own prices unilaterally -
- ✓ prices charged for these drugs are based primarily on the assessment of products by two independent government committees, whose central focus is the added therapeutic value delivered by the new product
- ✓ from the manufacturer's point of view, this price must cover not only new product research costs, but also the development of those products (11½ years on average) and the risks attached to their development (only 7% of pharmaceutical products that reach phase 1 clinical trials will be marketed)
- ✓ These prices do not reflect past investment: they enable future investment to discover new treatments that will benefit patients. This is an appropriate occasion for Leem to restate the fact that the pharmaceutical industry has one of the highest commitments to R&D, investing an average of 15% of revenue in developing new products. This rate often rises to more than 30% in the most innovative companies.

In terms of prices charged for new treatments, **Leem proposes**, quite independently of the current negotiations between manufacturers and the French Economic Committee for Health Products, **to align the overall increase in the portfolio of reimbursable pharmaceutical products with that of the ONDAM (+1.75%)**. This proposal is designed to provide guaranteed access to new treatments for all those patients who need them, without imposing any strain on the health-related sector of social security spending.

**Far from serving the best interests of patients, outrageous stigmatisation campaigns contribute only to bolstering artificial and ideological differences. The pharmaceutical companies and their 100,000 employees call on Médecins du Monde to stop fighting the wrong battle.**

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