

KEI Intervention on Agenda Item 13.4: Evaluation and Review of the Global Strategy and Plan of Action on Public Health, Innovation, and Intellectual Property

Delivered by Zack Struver, KEI, at the Department of Health and Human Services WHA Listening Session on May 5, 2017.

Knowledge Ecology International supports domestic and international efforts to promote the progressive delinkage of drug prices from the costs of research and development.

The current system for financing R&D rewards new innovations by allowing drug companies to charge high prices. High prices contribute to limited access for patients through restrictive formularies and high copayments, and also drive higher insurance premiums and taxes for all U.S. taxpayers. U.S. payors, including Medicare, are facing significant budget constraints because of these high prices.

Delinkage is the opposite of high prices and limited access, and is defined broadly as the use of anything but high prices and monopolies to incentivize new innovations. Progressive delinkage would incrementally replace expensive patent and regulatory monopolies with alternative incentives for innovation, including end product prizes and other forms of cash rewards, as well as with expanded upstream subsidies, tax credits, and grants.

Other means of lowering prices while maintaining monopolies will inevitably harm innovation. Delinkage is the only approach that balances the goals of access, affordability, and innovation.

In order for delinkage proposals to move forward, key global health actors, including the United States government, must keep an open mind and support sustained discussions at international fora, including the WHA.

The GSPoA evaluation is intended to guide the programme review, which will be used to help set the future WHO agenda on intellectual property and innovation. The evaluation, however, contains only three references to delinkage, and otherwise only vaguely refers to alternatives to high prices. The United States should acknowledge the flaws in the evaluation and encourage the WHO to incorporate delinkage as a key aspect in the programme review.