

License to Heal

Manifesto Access to medicines

cooperating Political Youth Organisations & Partners



This manifesto is addressed to the Dutch members of the house of Representatives in the Standing Committee on Public Health, Welfare and Sport

Limited access to drugs is a global problem. Essential medicines are unavailable for a third of the world's population¹. This is not only a problem in developing countries. Even in developed countries, like the Netherlands, access to medication is in jeopardy. The limited accessibility to drugs is caused by the current model for medicine development. This is based on market exclusivity through patents. Based on this system, pharmaceutical companies can keep their prices artificially high. The high prices of specialist medication threaten to cause patients not being able to gain the medication they need, and put hospitals under pressure.

The cooperating Political Youth Organisations are convinced that drugs and other medical products should be accessible to everyone. We feel supported in this matter by several international treaties, in which the universal right to health has been recorded². To realise general accessibility, all stakeholders in the development of medicine need to take their social responsibility. Since stakeholders cannot or will not take this responsibility in the current system, the government needs to set a framework.

Eventually, a sustainable financing model should be developed that increases both the accessibility and the innovation of drugs. In this manifesto, we propose a number of solutions that contribute to the creation of such a model, and build on minister Schippers' vision on medication. For long-term results, the government needs to set conditions for collective financing of medical scientific research and the development of drugs in cooperation with knowledge institutes. For short-term results, clear conditions must be attached to the inclusion of medication in the basic health insurance package, preferably in a European context. These solutions are further explained below.

Collective financing: license conditions

Knowledge institutions, such as universities, execute a large part of the fundamental research and discover a quarter of the drugs³. The government finances this medical scientific research, but sets no conditions on the price and accessibility of resulting medication. Now, pharmaceutical companies receive an exclusive license from knowledge institutions without additional conditions, leaving them free to ask high prices that do not correspond to the research and development costs. This makes the prices of these drugs so high that accessibility is in jeopardy. This cannot be justified to the tax payer. That is why the government should attach conditions to the licences of knowledge institutions, to guarantee the global accessibility of drugs discovered at knowledge institutions. This could be done by having the Technology Transfer Offices at these institutions incorporate conditions in the licences.

Access to medication is limited in both developed and developing countries. However, it is important to acknowledge that access to both new and basic medicine is limited in developing countries. Access to drugs is in jeopardy for a larger number of patients in developing countries than in developed countries as well. That is why different licensing conditions are needed for different parts of the world.



Developed countries

In the Netherlands and other developed countries, the accessibility of drugs must be guaranteed while innovation is maintained at the same time. When only one company receives permission to produce and sell a drug, the government must set conditions via the licenses of knowledge institutions to guarantee the accessibility of the medication. The company must be transparent regarding the cost structure and is held to a limited profit margin. The use of legal constructions that inflate prices, like follow-up patents, will be forbidden.

Developing countries

The government must, in cooperation with knowledge institutions, guarantee access to medical products in developing countries by providing permission to several companies to produce and sell the medical product in developing countries. This ensures competition and lower prices, increasing access. Knowledge institutions can realise this by sharing their patents on medicinal substances with a Patent Pool. The use of legal constructions that inflate prices should be forbidden through the use of conditions.

Conditions attached to reimbursement

The solution above makes it possible to secure the accessibility of drugs discovered at Dutch knowledge institutions in the long run. To guarantee access to medication from other sources in the short run, a different solution is needed. The government must set clear conditions for the inclusion of drugs in the basic health insurance package (reimbursement system in the Netherlands). These conditions must be focused on making pharmaceutical companies behave in a socially responsible manner, by among other things, being transparent regarding the costs of research and development, cost structure of prices and by having a responsible profit margin. The drug must also be cost-effective and have a proportional impact on the medication budget. All stakeholders, especially patients and doctors, must be brought together to discuss when a treatment is cost-effective and has a proportional impact. The goal should be that patients have access to new treatments while simultaneously guaranteeing the accessibility of the entire healthcare system.

Preferably, conditions will be set on the reimbursement of medication in cooperation with like-minded European countries. The current medication coalition consisting of the Benelux and Austria should also incorporate these conditions to strengthen the joint negotiation position. At the European level, there should be a plea to be able to nationally set extra conditions on trade licences that make access to the medicinal market possible.

We urge the addressees to develop a legislative proposal, in close cooperation with subject specialists, in which the principles below will be incorporated:

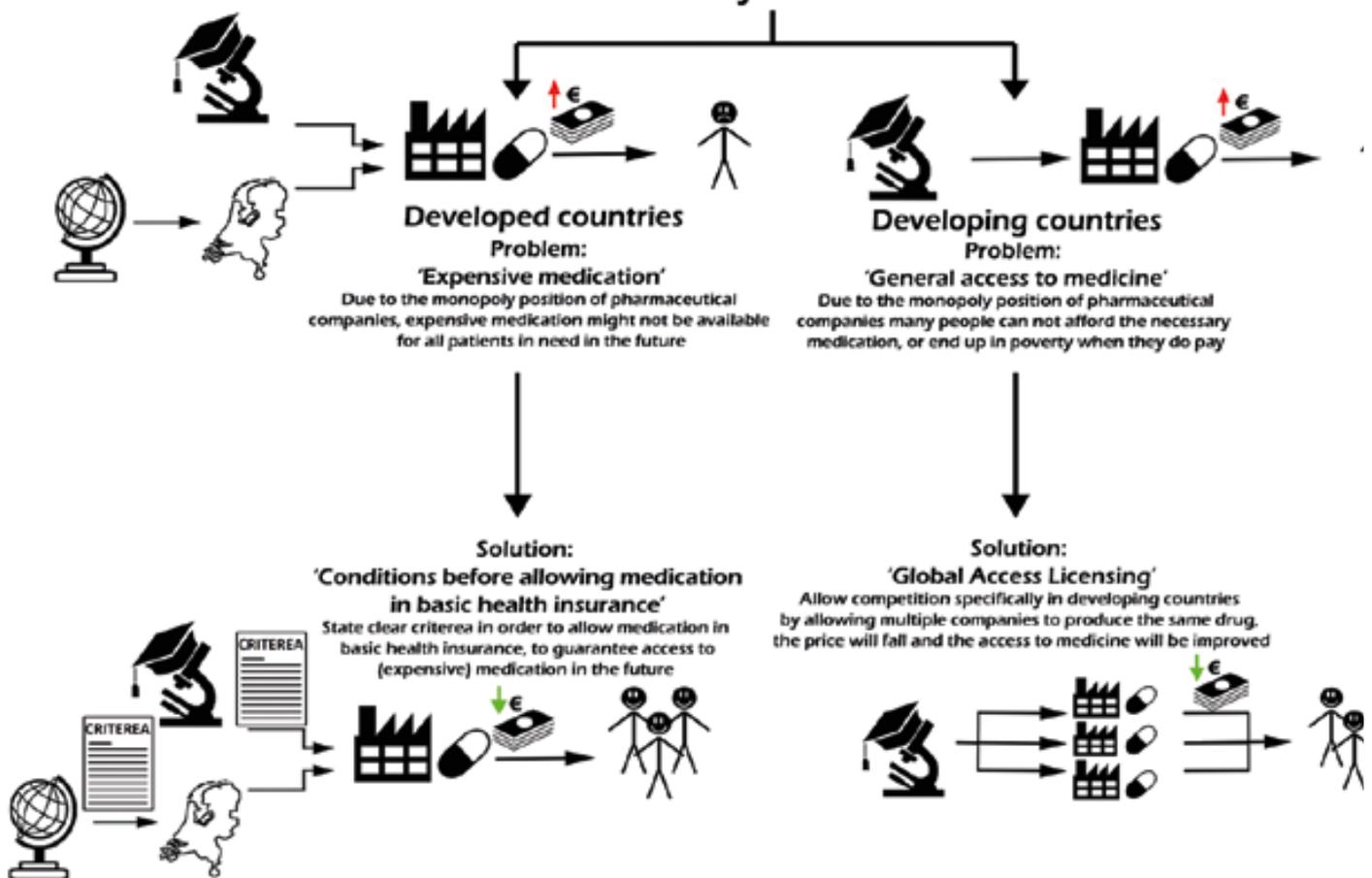
1. The government needs to set conditions on collective financing of medical scientific research and drug development to guarantee accessibility to medication. The following conditions should be incorporated in the licences that knowledge institutions, financed with collective goods, provide:

- a. In high-income countries, the licence-taker must be transparent regarding the cost structure of the resulting medicine and should hold himself to a limited profit margin.
- b. The accessibility in developing countries must be guaranteed by making generic competition possible through non-exclusive licences in these countries.
- c. Legal constructions to inflate prices are not allowed.

2. Clear conditions should be set regarding inclusion of medication in the basic health insurance package. This is most effective when the Netherlands demands this jointly with the existing medication coalition of European countries. To guarantee the accessibility of medication, these conditions must, among other things, consist of:

- A: Transparency regarding the costs of research and development and the complete cost structure
- B: A limited profit margin set by politicians
- C: Cost effectiveness
- D: A proportional impact on the medication budget

Accessibility of medication



1. Hogerzeil HV, Mirza Z. The world medicine situation 2011: access to essential medicines as part of the right to health. Geneva: WHO; 2011. Available at: <http://apps.who.int/medicinedocs/documents/s18772en/s18772en.pdf>
2. International Covenant on Economic, Social and Cultural Rights (ICESCR, 1966) en Sustainable Development Goals (2015)
3. Kneller R. The importance of new companies for drug discovery: origins of a decade of new drugs. *Nat Rev Drug Discov.* 2010 Nov; 9(11):867-82.

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