





INVESTING IN HIGH-RETURN AREAS: THE CASE FOR MEDICINES



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INVESTMENT IN HEALTH

Health spending

Health outcomes

Economic outcomes

Fiscal outcomes

Long-term impact

Increased healthcare spending and efficiency

Reduced length and frequency of illness and rates of disability

Increased human capital
e.g. reduced sick leave, absenteeism, early retirement etc.

Increased labour supply and productivity

Higher tax receipts

Better long-term fiscal sustainability

Reduced need for medical treatment and social care

Lower health and social care costs

Higher GDP per capita and GDP growth

WHERE WE ARE



LONG-TERM INVESTMENTS IN INNOVATIVE MEDICATIONS PROVIDE INCREASING ECONOMIC BENEFITS: EXAMPLES

Pharmaceutical innovation in Slovenia 2003 – 2009:



- **7%** fall in hospital discharges in 2010
- **85%** of the increase in drug expenditure has been offset by reduction in hospital expenditure
- **12%** more cancer deaths (age-standardised) could have occurred if innovation had not taken place

Pharmaceutical innovation in Slovenia between 2003-2009 is estimated to have contributed to **two – thirds of the decline in premature mortality**. It has resulted in a cost-per-life year saved of €3 953. This is considered significantly cost effective, when comparing to the country's GDP per capita.



LONG-TERM INVESTMENTS IN INNOVATIVE MEDICATIONS PROVIDE INCREASING ECONOMIC BENEFITS: EXAMPLES



New cancer drugs in the US between 1993-2014 reduced the amount of **days spent in hospital and thus the cost of treatment by \$5bn.**

The number of life years lost from cancer also fell, by an average rate of 0.93% per year.

Study of innovative cardiovascular medicines across 20 OECD countries found that **usage of innovative medicines led to a reduction of hospitalisation costs that was 4x greater than an increase in the direct cost of medicines.**

The development of statins between 1987-2008 to treat high cholesterol was estimated to reduce **28,000 deaths, 41,000 heart attacks, 15,000 strokes** in 2008 across Europe.

+\$433bn net gain (overall social value from extra years of life minus the cost of treatment)



**INNOVATIVE THERAPIES
CURRENTLY BEING DEVELOPED
HAVE THE POTENTIAL
TO CREATE FURTHER BENEFITS IN
THE FUTURE**

