

## VIEWPOINT

# Access by Prescription

By following the right regimen, pharmaceutical companies can boost their ability to bring life-saving medicines to poor customers.

BY JAYASREE K. IYER

**W**orldwide, an estimated two billion people are unable to reap the full benefits of modern medicine. For reasons that range from high costs to inadequate distribution, they lack access to medications for preventable or treatable diseases such as HIV/AIDS, malaria, pneumonia, and tuberculosis. Global pharmaceutical companies, meanwhile, have both the ability to provide critical medications and an incentive to extend their reach into the regions where those two billion people live. After all, market access (for companies) and access to medicine (for patients) are two sides of the same coin. Or, to put it another way, the poor are consumers, too. How can pharma companies improve their ability to serve this base of potential customers?

The organization that I lead, the Access to Medicine Foundation, has been investigating that question for the past 10 years. We work with leading experts to study several core issues: How can pharmaceutical companies ensure that their products are affordable? Where should they direct their R&D resources? How should they manage their supply chains? We also analyze what pharma companies are doing within their own operations to make their products more readily available—and more affordable—to the world's poorest people. Every two years, we publish the Access to Medicine Index, a ranking of 20 of the world's top pharmaceutical makers that reviews their efforts to provide medical products to people in developing countries.

In recent years, many of the companies have made significant progress on this front. Even so, there is ample room for improvement: In preparing our most recent biennial

index, for example, we found that companies could provide evidence that they had considered affordability in their pricing decisions for only one-third of the products we reviewed. Large pharma companies, we believe, can and should do more to widen access to their products. In our research, we have found that it's possible for companies to increase the range of medications available to the poor while maintaining profitability.

## WRITING A NEW SCRIPT

Drawing on our work with pharmaceutical companies, my colleagues and I have identified several steps that those companies typically take when they resolve to create an effective access-to-medicine strategy. Every pharma CEO who cares about bringing vital medications to poor customers should think about pursuing some or all of these steps.

**Set clear targets** | In the 2014 Access to Medicine Index, we found that access issues have become an increasingly common area of focus in corporate boardrooms: Of the 20 companies we investigated, 19 reported that they assign board-level responsibility to such issues. By making access to medicine a top priority, these companies set the stage for developing an access strategy that aligns with their business strategy. To achieve that alignment, leaders should establish access-related targets and create incentives to meet those targets. Eisai, Johnson & Johnson, Merck & Co., Novartis, and Novo Nordisk lead the pack in this area: They have comprehensive strategies that involve systematic target setting and rigorous performance management.

Pharmaceutical company leaders also need to understand the strengths and weaknesses of their organization. They should comb through their portfolio to identify the products that people need most—especially products that target diseases for which no other treatments exist. In addition, they should examine their supply chain for barriers that may prevent their company from serving hard-to-reach communities. Perhaps a product has a particular attribute that makes it hard to store, ship, or administer to patients. In that case, leaders should

investigate whether working with a partner or using a particular technology can help them overcome the obstacle in question.

## Develop a suitable model

There is no one-size-fits-all approach to making products more widely accessible. But pharma company leaders, as they work to define their access-to-medicine offering, can learn from what other companies have done. Novo Nordisk, for example, tailors the dosage and packaging of its insulin products to suit a variety of markets. Plus, as part of its Base of the Pyramid Innovation Project,



**JAYASREE K. IYER** is executive director of the Access to Medicine Foundation. She regularly speaks on access-to-medicine topics at forums hosted by organizations such as the World Health Organization and the European Parliament.

it offers an integrated solution that supports the diagnosis, control, and treatment of diabetes among the working poor. Johnson & Johnson uses a mixed approach to ensuring access to Edurant (rilpivirine), an HIV medication. The company donates that product to intravenous drug users in China, it provides the medication at a discounted rate in many developing markets, and it uses voluntary licensing in more than 100 low- and middle-income countries. Sanofi has established a large-scale production line to improve the supply chain for semi-synthetic artemisinin, a high-demand product used to treat malaria.

Where functioning pharmaceutical markets exist, companies should aim to develop business models that will allow them to sell their products at an affordable price. But in cases of severe market failure or acute humanitarian need, they should consider using a donation model. That model is pertinent when it comes to treating neglected tropical diseases. Merck & Co., for instance, donates Mectizan (ivermectin), a drug that treats river blindness. Novartis donates both Egaten (triclabendazole), a medication that treats food-borne trematodiasis, and a multi-drug therapy for leprosy (rifampicin, clofazimine, and dapsone).

**Align expertise with need** | Pharma company leaders should pinpoint specific types of products and specific diseases that fall within their company's area of expertise, and they should look for ways to leverage that expertise. As soon as a company has a drug in development that has a good chance of reaching the market, its leaders should start making plans to maximize the future accessibility of that medication. They should consider how they can scale up production of the drug to meet potential global demand and how they can distribute and administer the drug in rural or remote places.

Companies like Sanofi, which is developing a dengue fever vaccine, and GSK, which is developing a malaria vaccine, started early to consider how supply and pricing considerations will affect the accessibility of those products. Gilead, meanwhile, recently announced that it would include products

still in its development pipeline in licensing arrangements with its partners.

**Get the pricing right** | Pharmaceutical companies should adopt pricing models that take into account people's *ability* to pay—without taking advantage of their *willingness* to pay. Sanofi, for instance, charges a fixed price in all low- and middle-income countries for Glucantime (meglumine antimoniate), a drug that treats leishmaniasis.

Other companies are adopting differentiated models that tailor prices to reach different sets of customers. In some countries, for example, Gilead has implemented a tiered pricing model in which the lowest tier covers production costs and includes no profit margin. Bayer is piloting a model that involves calculating prices on the basis of both commercial objectives and socioeconomic criteria. And GSK, in its vaccine pricing, has developed a seven-tier model; at the lowest tier, it offers products at the heavily discounted prices negotiated by Gavi, an international alliance of public- and private-sector organizations that works to make vaccines available to children in poor countries.

**Build partnerships** | Efforts by pharmaceutical companies to pool knowledge—with other companies and with public-sector entities—have become a common method of meeting the needs of the poor. This approach allows companies to share the risks and costs of bringing less commercially viable products to market. A number of companies, including AstraZeneca and GSK, have begun to share their intellectual property (IP) and open their libraries of compounds to external researchers. By doing so, they can accelerate the development of products for neglected diseases. These companies often require partners that use their IP to consider access issues in the marketing of products that result from such collaboration.

Partnerships with non-pharmaceutical companies are becoming more common as well. GSK partners with the banking firm Barclays to support financing for wholesalers and distributors that are willing to pass savings along to patients, and it is collaborating with Vodafone to test ways that

mobile technology can improve vaccine supply. Several pharma companies, meanwhile, are working with the shipping company DHL (along with other partners) to improve the delivery of drugs for neglected tropical diseases to rural areas.

**Act locally** | Integrating access to medicine into a company's core strategy should go beyond its corporate headquarters. Indeed, local engagement can become a strategic tool. Every pharmaceutical company employs staff members who have extensive knowledge of how to develop and distribute medicines. Giving these employees an opportunity to put their knowledge to use in low-income countries will enable them to deepen their understanding of local business culture and local health care needs. As a result, they will be able to build their company's capacity for expanding into these markets.

The Access to Medicine Index shows that many large pharmaceutical companies have developed an impressive range of local capacities, especially in supply chain management, manufacturing, pharmacovigilance (which involves monitoring the effects of a drug after it has entered the market), and R&D. Eight large pharmaceutical companies—GSK, Johnson & Johnson, Merck & Co., Merck KGaA, Novartis, Novo Nordisk, Roche, and Sanofi—have implemented processes and platforms that allow them to adjust their strategies to meet local needs.

## FOLLOWING UP

Pursuing the right access-to-medicine strategy isn't enough. Pharmaceutical companies must also commit to measuring and monitoring their access program and to eliciting feedback from important stakeholders. Patients, health care professionals, governments, and NGOs all play a big role in determining what a company can do to improve access to medicine in a specific country or region. Gauging the effect of a program on those groups is critical to establishing whether the program has succeeded—and to setting priorities for the next phase of bringing life-saving treatments to the world's poor. ■