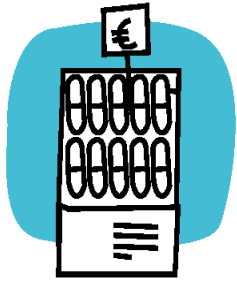




Unit 3: Are medicines an economic good like any other ?



3. Rules for determining drug prices in France

- Hello, I'm Maurice-Pierre Panel. I am chairman of the French Economic Committee for Health Care Products (CEPS). I will be briefly presenting the policy determining drug prices in France. The role of the CEPS The CEPS is a major actor in drug-pricing policy. It steps in before other agencies such as the French National Agency on Drug Safety whose role is to authorize products the French National Authority for Health, which evaluates drugs and the authorities that register drugs on the reimbursable drugs list. The CEPS is an inter-ministry committee bringing together the French Ministry of Economy and Finance the Ministry of Industry and the Ministry for Solidarity and Health. It also gathers officials from both compulsory and supplementary health insurance. The CEPS sets the price of a reimbursable drug during the product's launch. Before they can be sold in pharmacies or used in hospitals, we have to set a price for them. Over time, we reduce the prices for these products as product prices change constantly, usually going down. These reductions depend on the goals set by the government for the CEPS through the social security financing acts which are voted yearly by Parliament. Throughout 2016 there was a series of controversies and debates over excessive drug prices as it was referred to by petitioners such as the League against Cancer or the advertising campaign funded by Doctors of the World. It is a good sign that the question of drug prices is the object of public debate. In this debate, my role as chairman of the CEPS is to stick to applicable price setting rules. It is important to highlight the fact that these rules are transparent and set by the law. In fact, there are three criteria to set the price of a drug. 1st criteria to set drug prices: therapeutic value. The first is therapeutic value. The price is set depending on the drug's therapeutic contribution. Is this drug more effective than products already on the market? Or is there comparable efficacy? 2nd criteria to set drug prices: using a comparator drug. The second criteria is the use of a comparator drug. We look at which drugs are already on the market. We look at their prices and depending on the supplementary or equivalent contribution of the new drug we determine its price. 3rd criteria to set drug prices: population. Finally, we look at the population to be treated. Is this drug used to cure rare illnesses only affecting a few dozen people in France? Or does it concern a very large population? Think of hepatitis C which affects tens of thousands of people or drugs used to treat tobacco addiction which could potentially concern several thousands of people. These three criteria therapeutic value, comparator, and population are the main measurements used by the CEPS. How do we measure these criteria? How are these three factors actually measured? They are measured by the French National Authority for Health whose role is to evaluate each drug and give the results of this evaluation to the CEPS so we may set the prices. This is a very complex process but it is based on clear rules that are set in law which anyone can take a look at. Finally, the debate on drug prices also concerns spending. Sustainable spending by public authorities. As there is currently a debate about drug prices thought to be too expensive we are thinking a lot about sustainable spending by public authorities. It is important to note that today after the arrival of new hepatitis C drugs and new treatments for cancer the spending on drugs is under control. If we look at the data published by public institutions on the evolution of drug spending since 2009 spending is stable. This doesn't mean we won't worry about the future or won't have debates about criteria determining drug prices. It means that this debate must be peaceful and sensible and take into consideration the issues we are facing: the arrival of new combination treatments and new gene therapy treatments such as the new cancer treatments expected for the end of 2018 more likely to arrive in 2019 and 2020.

