

Round Table Discussion

Drug development incentives to improve access to essential medicines

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It is hardly a matter of controversy that, as a general principle, access to essential medicines is an issue of human rights. The Universal Declaration on Human Rights makes reference to the right to medical care (Article 25) and the right to share in the benefits of scientific advancements (Article 27). Countless declarations — such as those relating to access to treatment for acquired immunodeficiency syndrome (AIDS), the WHO revised drug strategy and the WTO Doha Declaration on TRIPS and Public Health — have focused on the need for governments to promote access to medicines for all. The interesting question is not whether access to medicine is a human right but, rather, how governments intend to give practical effect to these lofty aspirations.

We live in a world of vast disparities of incomes and opportunities, which translate into vast disparities of access to decent housing, medical services, education and many other elements relevant to human rights. Often, too, there are vast disparities in terms of access to medicines, but this need not be inevitable.

Medicines are knowledge goods, sharing an important characteristic with many other knowledge goods. It may be expensive to develop a medicine, but it is often not expensive to copy one. An AIDS drug such as stavudine that sells for US\$ 3800 for a year of treatment in the United States is copied as a generic product for about US\$ 21 for a year of treatment.

While it is nearly impossible to avoid having to make tough choices for scarce physical goods and services, knowledge goods are different. Scarcity is a deliberate choice, enforced through social mechanisms such as patents, which create monopolies and predictably drive prices far above the costs of making copies. Do we need to make knowledge goods expensive, and then deal with the inevitable disparities of access associated with high prices? Or can we imagine different

incentives for drug development that would coexist with pricing at marginal cost?

In 2005, Representative Sanders introduced HR 417 in the US Congress. This legislation is a working model for a new paradigm for drug development — the Medical Innovation Prize Fund — that would provide huge rewards for the development of new drugs without introducing artificial scarcity for new inventions. It would go much further towards choosing abundance over scarcity, by creating a rational, evidence-based system for rewarding inventions to provide better health outcomes. It also provides incentives to develop products that would address global public health problems, including new treatments for neglected diseases such as malaria or emerging health problems such as severe acute respiratory syndrome (SARS) or avian flu.

The Medical Innovation Prize Fund would eliminate market monopolies for medicines in the United States, driving prices close to marginal costs. It is not an attack on intellectual property but a new system of intellectual property: one that separates the market for innovation from the market for the physical copies of the knowledge good.

The Prize Fund approach would require a new global trade framework to deal with the issue of sharing the global burden of the costs of research and development. In a separate but related effort, a new global trade framework has been proposed that would obligate governments to support R&D, but would give them much flexibility in the mechanisms they adopt to do so. It would also create a system for identifying and stimulating R&D in the areas of the greatest need and priority, including new medicines for poor populations.^{1,2}

Taken together, the Medical Innovation Prize Fund and the medical R&D treaty² trace a serious and important road map towards fulfilling the lofty aspirations of human rights to essential medicines, in a manner that is consistent with sustainable financial support for R&D on new medicines. ■

Competing interests: none declared.

1. Hubbard T, Love JP. A new trade framework for global healthcare R&D. *PLoS Biology* 2004;2:e52DOI:10.1371.
2. *Call for global R&D health treaty resonates loudly*. European Commission Research Headlines, 25 March 2005. Available from: http://europa.eu.int/comm/research/headlines/news/article_05_03_25_en.html

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