

note n°11

## **Essential medicines and industrial and commercial model**

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The adoption of a restricted list of essential medicines (EM) by French prescribers will have gradually an undeniable incidence on the pharmaceutical economy. The more or less close forward objective is that EM represent an increasing volume of drugs prescribed as well in ambulatory medicine as in hospital medicine. EM could reasonably occupy around 85 to 90 % of what is indicated for old patients and for patients affected by chronic diseases. Looking on the composition of the Swedish list and on the initial variants of the French list, most drugs are accessible in the form of generic medicines.

The concentration on a restricted number of medicines is then favorable to obtain considerable economies of scale in the negotiation with the producers. It becomes possible to set the economic goal in reference to the real cost of production of these health products. That would mean the just price. Two elements must be right now advanced which will impose a new economic model and will modify profoundly the market.

On one hand the rather recent transparency of the real costs of production and of the costs of the innovation. They are very distant from what claim since many years the pharmaceutical firms and their organizations.

On the other hand the putting in competition the multinational companies, such as they are presently and companies of the social and solidarity sector, exclusive producers of EM, which will not miss to be created to occupy this niche. Indeed it is of the interest of the citizens to consider that EM are common goods for all, as essential as air, water, light or food. And as such that they are made, conditioned, distributed, sold and prescribed at the best account for the patients, the families and the community.

At this point, if an important part of these goods in volume and essential in efficiency is sold in pharmacies, how to accumulate enough means to invent medicines of tomorrow?

Three remarks

1-In spite of a capital accumulation never reached previously, during the past 25 or 30 years, the innovation has gradually and durably been broken down.

2-Who will agree to finance the innovation if the financial risks are not associated with the prospect of big returns on investment ? Probably not the same who today impose these big or enormous profits, but are reluctant to run risks, which they pretend to without ever assuming them.

3- The very rare innovations are almost never the fruit of the researches made by multinational companies. They come mostly from public laboratories and/or from start-ups, often connected with the public laboratories. Multinationals companies acquiring the ready made winning patents without risk, or just inventing me-too drugs.

Then let us learn from established facts. If the EM are produced and sold out of the market, in *ad hoc* structures of the social and solidarity economy, with modest lucrative purposes, the prices could be calculated from the real cost of production. The reasonable profits being shared between:

- a substantial support for the public research. Including bonuses for innovative researchers and their teams. Respecting the individual and/or collective intellectual property of the scientists,
- a development of the pharmaceutical sector within the social and solidarity economy or in an original economic model, submitted to the usual requirements of quality, of efficiency and of success.