Valley War Machine 2021 2022 WTO Medicines Topic

Public Investment Counterplan

Restricting IP to make medicines more accessible (A) places the economic burden of universal health care on corporations rather than the state and (B) is self-defeating because IP protections are key to promoting innovation in the first place.

Thus the counterplan: the agents of action in the AC should commit to international investment in universal health care according to the principles laid out in the 2019 UN “Political Declaration of the High-level Meeting on Universal Health Coverage,” [<https://www.un.org/pga/73/wp-content/uploads/sites/53/2019/05/UHC-Political-Declaration-zero-draft.pdf>] **according to which** nations would make significant investments in health care to ensure equitable access to everyone regardless of national origin. **Instead of stealing IP from producers, states should fulfill their burden of care and pay for the necessary health care and medications.**

1) Universal health care promotes everyone’s well being because it improves both global health and international economic and political stability;

2) Corporations are willing to cooperate with international initiatives that ensure the equitable distribution of medication while leaving IP protections intact;

3) These initiatives pay for themselves in the long run in the form of lower health risks, fewer negative impacts to the global economy, and greater global stability.

**“**That is why **the political declaration on universal health coverage** **adopted** last month by 193 countries **at the U**nited **N**ations **is** so **important** for patients but also for healthcare providers overall.  **Let’s hope the rhetoric is** swiftly **matched by action. Achieving UHC** by 2030 **means helping people across the globe access** the good quality and affordable **healthcare** they need **without** suffering **financial hardship.** It also means either **doubling health coverage** within ten years or leaving up to 5bn people without essential healthcare” let alone **[and] accessing innovative medicines and treatments** the pharmaceutical industry can provide.  Health for all, in the words of Tedros Adhanom Ghebreyesus , director-general of the World Health Organization, is a smart economic choice. **Investing in UHC** enables **increases** in **GDP via** productivity gains. Invest US$1 in immunisation and you will get $54 back ” in **saved healthcare costs and wages not lost due to illness,** along with broader societal benefits. Healthy individuals create wealth and shared prosperity. **The benefits for individuals, families, communities, businesses, and national economies are enormous.** How innovative medicines are priced can be a major barrier to access for patients in low- and middle-income countries (LMICs) when patients have to pay for their medicines out of pocket. Obviously, even with a UHC system, affordability of healthcare services may remain challenging.  However, **the biopharmaceutical industry is ready to improve access to** quality **medicines**. It is sensitive to the debate about cost and pricing. **Through innovative financing mechanisms, transformative treatments are already** now r**eaching patients. New partnerships**, not least **with industry, are enabling health authorities to reach many more patients** in LMICs.”

Cueni, Thomas. “Rich countries must pay more to achieve health for all in poorer countries.” *Financial Times,* October 29, 2019.

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#### The pandemic’s effect on the medical industry puts us on the brink – health services can only recover if they continue to innovate and catch up Thelwell 21:

The **COVID-19** virus **has had a profound impact on global healthcare** provision, focusing care on the virus and causing the postponement of many routine and serious operations for other conditions. **It will** likely **take years for health services to catch up**. Yet amid the chaos, the virus has kickstarted **a fast-tracking of innovation** that could be the **[is] key to delivering a level of healthcare provision in the future** fitting to the changing demographics of the global population. There is, as the saying goes, no harder taskmaster than necessity. The past 12 months have seen unprecedented disruption to multiple industries, but the COVID-19 pandemic has also led to change taking place in months that would previously have taken years. Restaurants have pivoted overnight to home delivery services offering chef-created food to be finished off at home, while Tesco doubled its number of weekly delivery slots to 1.2 million – a figure that, before lockdown, was planned to take at least two years. Unsurprisingly, frontline health services also had to change rapidly to face the crisis: students were thrown into frontline services; former staff were recalled; NHS workers were re-deployed from non-essential services and business facilities were repurposed into new hospitals in weeks. Healthcare systems, typically wary of untested change, sprang into action to address the crisis. But perhaps the most remarkable success story has been that of vaccines. Less than a calendar year after the world woke up to a global pandemic, there are three vaccines approved to be used in the UK and USA with several others lined up for regulatory approval. The speed of the global rollout has been nothing short of sensational – quite unlike a typical rollout of new vaccines that, in ‘normal’ circumstances, might take more than a decade to come to market. The pandemic has acted as a powerful impetus for change in the healthcare industry. Recent research from McKinsey has shown that two industries which have most increased their focus on innovation are the pharmaceutical and medical device sectors. But why is this so important and will it continue once COVID-19 is under control? Rebalancing the scales **Innovation in medical technology (medtech) is uniquely important to the future of healthcare** for two fundamental reasons. On an economic level, costs associated with the pandemic led to a £5.1bn deficit for the NHS in England in the first four months of the financial year, compared with the pre-pandemic budget. Some of the factors which have contributed to this deficit include extending the workforce to meet the healthcare demand; absences from sickness; providing extra bed capacity; and, at the beginning of the lockdown, higher costs of prescribing. But healthcare systems around the world were battling the demographic odds even before the first outbreak of COVID. Over the course of a century, from 1950 to 2050, it is estimated that the proportion of people in employment, compared to those in retirement, will change from 14 adults in work to every one in retirement, to two in work to every one retired. An ageing global population causes strain for healthcare systems for more than one reason: older people generally need more care but, with less people employed and more retired, there are fewer taxpayers to fund this. This is further complicated by the advances in medicine which are continuing to take place. There are now medical conditions that people can happily live with (assuming the right treatment is given), which only a few decades ago would have had a significant impact on life expectancy. This is cause for celebration, but the increased longevity of patients places yet more burdens on healthcare systems which were already squeezed, even before COVID-19. This is where technology has an important role to play. **Innovation in medicine has historically been driven by pharmaceutical interventions that are expensive to develop**, **take time to gain regulatory approval and require significant clinical testing to ensure the interventions do no harm**. **Medical technology promises an alternative – using innovation in technology to develop electronic devices that can be deployed simply and effectively to address multiple medical issues without the risk of harmful side effects[,]**. This has the potential to **transform[ing] both the effectiveness and the cost of healthcare in the 21st century**. **Technology is** increasingly being seen as **the bridge between unlimited demand and limited resources – enabling healthcare systems to develop new ways to treat conditions and rebalancing the scales to reduce the financial pressure on healthcare services**, while at the same time **[and] enhanc[e]**ing **patient outcomes**. … Carrying the torch **New technologies and innovations** have the potential to **improve patient outcomes, reduce the strain on healthcare professionals and, ultimately, save** **healthcare systems money across the globe**. **The pandemic has been pivotal to** enacting **changes** to the **[in] infrastructure of healthcare** which has assisted healthcare professionals in making the switch to innovation-enabled care. **This momentum must** now **be maintained**. Healthcare systems do not have an innovation problem; the issue is about replication: in the past, successful projects and changes to clinical practice have rarely been reproduced elsewhere in the system. The pandemic has changed this, allowing innovation to break through with greater pace. Long may it continue.

#### The medical industry relies on IP protections to further innovation—R&D is expensive and risky, the reason so many life-saving medicines exist today is due to patent protections being sufficient incentive for companies IFPMA 21:

**Innovation ecosystems are sustainable when governments,** research institutions, and business collectively **address** the **elements necessary to drive investments in new technology and science,** underpinned by a stable and transparent rule of law and an incentive system to attract the right talent, expertise, and investment. Open dialogue and collaboration with all stakeholders, including the private sector, is critical to the policymaking process to create policies that support the emergence of sustainable innovation ecosystems. **Innovation** in technology dependent sectors, **requires a significant risk appetite**. However, **without innovation, there would not be any advancement in the science and the arts. Recognizing this dichotomy early on, countries have rewarded and incentivized researchers through the intellectual property (IP) system to undertake the risks needed to provide the solutions. Thus, effective and predictable intellectual property systems have proven to provide an important incentive for investing in innovation and enable innovative ideas to be commercialized and scaled. A stable intellectual property system provides the certainty necessary to build confidence for investments in the creation of technologies. Intellectual property incentives also support technological partnerships by providing the legal framework necessary for collaborative innovation** and the exchange of technology and knowledge. Effective intellectual property regimes bring clarity and certainty to the market, encouraging the introduction of technology to new places and enabling innovative ideas to be scaled. In addition, an effective **enforcement regime, ensures no individual in the country is robbed of years of research,** skill building, creation of arts. It lends confidence in the country to its people that their rights are protected and surety of law. In short, IP incentivized the innovator/creator by way of a limited term protection to disclose his creation or invention to the public and spurring future research to take place, thus, striking the right balance between the interests of innovators and the wider public interest. The IP system aims to foster an environment in which creativity and innovation can flourish.[[1]](https://www.ifpma.org/subtopics/ip-2/#_ftn1) Role of Intellectual Property in the Biopharmaceutical Industry The **biopharmaceutical industry’s business model is based on competitive R&D, intellectual property** **(IP),** the incentive for innovation, and a science-based regulatory system. Our industry **plays a key role in providing the world with the medicines,** treatments and vaccines that save and improve the lives of people across the world. **Intellectual Property Rights incentivize innovation, research and development and allow the biopharmaceutical industry to improve existing and bring new medicines, vaccines** and treatments to people and in turn help improve and save lives. The **industry has developed over 650**[**[2]**](https://www.ifpma.org/subtopics/ip-2/#_ftn2) **new medicines for the world’s emerging health needs in the last twenty years, also focusing on treatment of cancers, cardiovascular diseases, and diabetes**. Today, with **more than 8400 drugs in development across all therapeutic fields**[[3]](https://www.ifpma.org/subtopics/ip-2/#_ftn3), the industry still drives the exploratory research, taking care of translating early research into patient-ready treatments. As shown by recent studies, a **strong IP system and protection allows faster launch and access to new medicines for patients across the world**, both in developing and developed countries. In fact, having a **strong IP system allows for incentives for the introduction of many medicines which would not be otherwise available**.[[4]](https://www.ifpma.org/subtopics/ip-2/#_ftn4) With the success rate of clinical trials being less than 12%[[5]](https://www.ifpma.org/subtopics/ip-2/#_ftn5), inventing, developing, **and launching new medicines is a long, resource-intensive and risky process.** However, despite setbacks, risks and uncertainty, the industry continues to invest in pharmaceutical R&D.[[6]](https://www.ifpma.org/subtopics/ip-2/#_ftn6) The temporary and limited period of protection given by patents is part of the factors incentivizing the industry to keep investing in the uncertain and long process that is pharmaceutical R&D. **In return for this limited protection, the IP system requires the patent applicant to publicly disclose the invention** so to allow others to learn and build upon prior advances, **creating a perfectly balanced policy system.**

IFPMA. “Intellectual Property Incentives Matter. Innovation Saves Lives.” *IFPMA*, 12 Apr. 2021, www.ifpma.org/subtopics/ip-2/.

#### Innovation saves millions of lives, halves mortality rates, responds to public health crises, and reduces medicine costs Jenner:

Many lower and middle-income countries are making important investment in developing their healthcare infrastructure as part of their commitment to achieving Universal Health Coverage. Increasing access to new medicines and vaccines can help sustain such investment by reducing the need for costly surgical interventions and hospitalization. In many cases, the **use of innovative medicines** by health systems can pay for themselves several times over. One study found that a reduction in the age of drugs used reduces non-drug spending 7.2 times as much as it increases drug expediture, with most of the savings coming from reduced hospitalization and physician office-visit expenditures. Vaccines, for instance, have proven to be one of the most effective preventative technologies in the fight against infectious diseases with an almost unparalleled impact on public health, saving the lives of over 2.5 million children each year. Estimates show that increasing access to six vaccines (including new vaccines for rotavirus and malaria) **could save USD 6.2 billion in treatment costs globally. Increased productivity** due to averted illness **could gain** the world **an additional $145bn**. The upfront cost of procuring vaccines is dwarfed by these benefits. **In addition to** these **economic benefits,** the **innovation** we bring along **has transformed the lives of millions of patients all over the world.** For instance, **improvements in existing cancer treatments have cut** annual **death rates by half** in the United States. High cholesterol and **other** heart **diseases, which required extensive treatment** in the 1970s, **can now be easily managed** with oral therapy. Our industry has played a crucial role in researching and developing the medicines that have contributed to this. The mission of the life sciences industry – in New Jersey, across the United States and around the world – is as ambitious as it is straightforward: to research and develop new medicines, therapies, medical devices, technologies and diagnostics to detect, treat and cure disease and improve the quality of life for patients. Driven to improve global human health, for more than 100 years, the life sciences industry – which includes biopharmaceutical, biotechnology and medical technology, device and diagnostics companies – has helped people live longer, more productive and fulfilling lives. **Medical innovation has consistently responded to the challenge in times of crisis and is currently at the forefront of the battle against the COVID-19 pandemic** as it has been through so many other health emergencies. **Discovering and developing new medicines,** therapies, medical devices and technologies **is a complex, time-consuming, expensive and risk-laden process** that life sciences companies willingly undertake, spending more than $100 billion annually in search of alleviating human suffering. **The societal value of new medical innovation lies not only in improving human health, but in doing so in a cost-effective manner that brings efficiency to the delivery of health care.  When medical breakthroughs can cure a disease** rather than requiring an organ transplant, or when chemotherapy can be administered orally rather than by infusion, **the patient, the health care system and the economy all benefit**. MEDICAL INNOVATION: EXTENDING LIFE – SAVING LIVES **Collectively, new therapies have been among the greatest contributors to increased life expectancy over the past century. U.S. life expectancy** at birth h**as risen from 47 years** at the turn of the 20th century **to 78 years today. New therapies accounted for 73 percent of the increased life expectancy in 30 developing and high-income countries** between 2000-09. U.S. **cancer survivorship alone has more than tripled** since 1970, **with nearly 16.9 million** cancer **survivors alive** in the country as of January 1, 2019. **This number is expected to increase to 22.2 million by 2030. As of 2018, the cancer death rate** for men and women combined **had fallen 31 percent from its peak in 1991.** This decline translates to **3.2 million deaths avoided.  Biopharmaceutical innovation**, through improvements in treatment**, has contributed to 76 percent of the improvements in mortality rates for HIV/AIDS patients and 60 percent of improvements in life expectancy** for breast cancer patients. **Heart disease mortality has been improved by 52 percent due to advancements** in medicines. MEDICAL INNOVATION’S ADDED VALUE – COST SAVINGS AND ECONOMIC PRODUCTIVITY In addition to improving patient outcomes, medical innovation offers other, often underappreciated benefits – reducing costs in the health care system and increasing economic productivity.  With new technologies and therapies that can detect and treat a disease earlier in its onset, and medicines to manage chronic disease, the cost of health care can be significantly reduced. Less than 10 cents of the U.S. health care dollar was spent on prescription medicines in 2019. This percentage has remained unchanged since the 1960’s. In 2013, the Congressional Budget Office (CBO) started to incorporate the savings from prescription medicines into the cost of Medicare policies. For every 1 percent increase in the number of prescriptions, the CBO incorporates a 0.2 percent decrease in spending on medical services.  According to the Centers for Disease Control and Prevention, improved medication adherence can save $100-$300 billion annually in direct health care costs. Between 1980 and 2010, advanced medical technology helped cut the number of days patients spent in hospitals by 58 percent. Treating people with chronic disease (e.g., heart disease, stroke, cancer, diabetes, obesity, arthritis) (about half of all U.S. adults) accounts for 86 percent of our nation’s health care costs. **By investing in** prevention and **treatment** of the most common chronic diseases, the **cost of treatment in the U.S. could decrease by $218 billion per year, and the impact of disease on the economy would be reduced by $1.1 trillion annually.** MEDICATION ADHERENCE – KEY TO IMPROVED OUTCOMES AND REDUCING HEALTH CARE COSTS Medication **adherence is a critical factor in improving patient outcomes** and bringing efficiency and cost savings to the health care system. Of the approximately 187 million Americans who take one or more prescription medications, it is estimated that up to one-half do not take their medications as prescribed, with more than 1 in 5 new prescriptions not being filled. Non-adherence in the U.S. is estimated to result in approximately 125,000 deaths and at least 10 percent of hospitalizations. Medication **non-adherence costs the U.S. roughly $330 billion annually in unnecessary medical expenses**, as estimated by Express Scripts in 2015. An extra $1 spent on medicines for adherent patients with congestive heart failure, high blood pressure, diabetes and high cholesterol can generate $3-$10 in savings on emergency room visits and inpatient hospitalizations. Adherence to medications for congestive heart failure could result in $22.4 billion saved in the U.S. over a 10-year period. Nearly 1 million hospitalizations could be avoided with better adherence to, and treatment with, hypertensive medicines. LIFE SCIENCES RESEARCH AND DEVELOPMENT – RESOURCES AND RISK IN SEARCH OF THE NEXT TREATMENT  Thousands of scientists go to their labs every day in search of the next treatment, therapy or technology to improve human health and alleviate the suffering of patients.  With the odds heavily against success, life sciences companies invest billions of dollars annually to support the work of these dedicated scientists in their quest to discover the next medical breakthrough.  America’s biopharmaceutical industry in total invested $102 billion in U.S. research and development in 2018. **The biopharmaceutical industry is responsible for 17 percent of R&D spending** by U.S. businesses, the single largest share of any industry. **91 percent of drugs are developed by the private sector** with no direct government role. **On average, it costs $2.6 billion and takes 10-15 years to discover, develop and bring a new medicine to market. Only 5 of 5,000 compounds** that enter preclinical testing **will enter a clinical trial, and only one** will be **commercialized**. **Only 12 percent of new molecular entities** that enter clinical trials eventually **receive FDA approval**. **Only 2 of 10 new medicines** that come to market **will be deemed a commercial success – meaning** they will **produce revenues that exceed** the average R&D **cost**. **More than 7,000 medicines currently are in development** around the world for cancer, cardiovascular disease, diabetes, HIV/AIDS, immunological disorders, infectious disease and other disease states. **Of these 7,000 treatments, 70 percent are potential first-in-class therapies,** meaning they use a completely new approach to fighting disease.

Jenner, Andrew. “Value of Innovation.” IFPMA, IFPMA, 23 Feb. 2016, www.ifpma.org/subtopics/value-of-innovation/.