

Lessons Learned from Europe: Price Setting Policies Erode Biopharmaceutical Leadership

Before adopting price setting policies,
Europe led the world in biopharmaceutical innovation.



Until the 1970's the majority of innovative medicines were developed in Europe.



As European governments adopted stringent price setting measures, output fell and this leadership slipped away.



After adopting these measures, Europe trails the United States in R&D investment by more than 40%.*

Now biopharmaceutical innovation in the United States delivers more new medicines than the rest of the world combined.

America leads the world in medical innovation because of the unique research ecosystem. The coronavirus only highlights how important it is to have American companies and scientists finding new treatments and cures to protect our citizens.

American innovation is responsible for 57% of all new medicines that treat patients around the world **



International reference pricing would threaten American leadership in biopharmaceutical innovation.

International reference pricing is a form of government price setting in which U.S. bureaucrats would determine the value of our medicines based on how foreign governments and politicians value these treatments and cures.

If the United States adopted European-style price setting policies, it would have resulted in an estimated **117 fewer new medicine compounds** being developed between 1986 and 2004.***

We need U.S. innovation in new treatments and vaccines.
Tell policymakers to protect American biopharmaceutical innovation.

*Günter Verheugen, Vice-President of the European Commission for Enterprise and Industry. 2005. "Biotechnology's contribution to an innovative and competitive Europe." Lyon, April 14, 2005.

**The Milken Institute (<http://assets1c.milkeninstitute.org/assets/Publication/ResearchReport/PDF/CASMIFullReport.pdf>)

***Financial Effects of Pharmaceutical Price Regulation on R&D Spending by EU versus US Firms, Pharmacoconomics (<http://pubmed.ncbi.nlm.nih.gov/20617857/>)