

# UN Panel Discussion

# Millennium Development Goals

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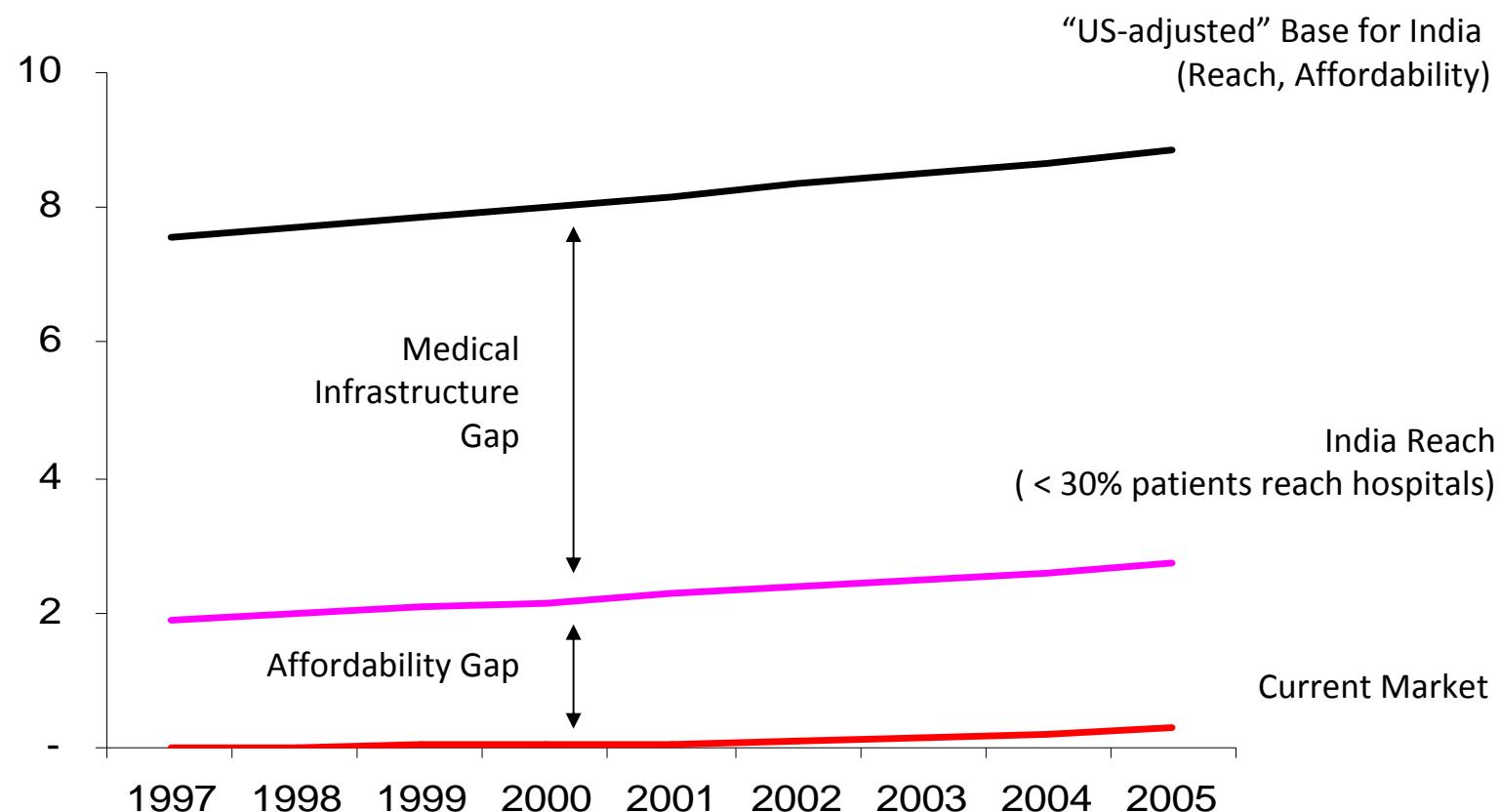
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# A role for everyone....

North	South
<ul style="list-style-type: none"><li>• Large branded companies</li><li>• Strong engine of innovation</li><li>• Almost all new drugs are developed in the north</li><li>• Meeting unmet medical need</li></ul>	<ul style="list-style-type: none"><li>• Smaller generic companies</li><li>• Improve affordability</li><li>• Improve access</li><li>• For both- north and south</li><li>• Lower development costs</li><li>• Cipla's \$1/day HIV-combination drug program</li></ul>

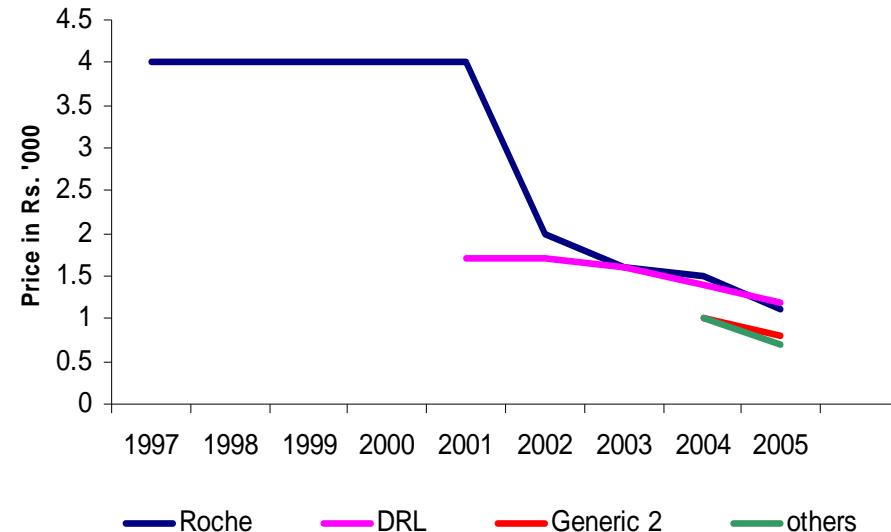
# Affordability and Accessibility- (South-south cooperation)

## Case Study: GCSF



# Affordability and Accessibility (South-south cooperation)

## Case Study: GCSF (cont.)

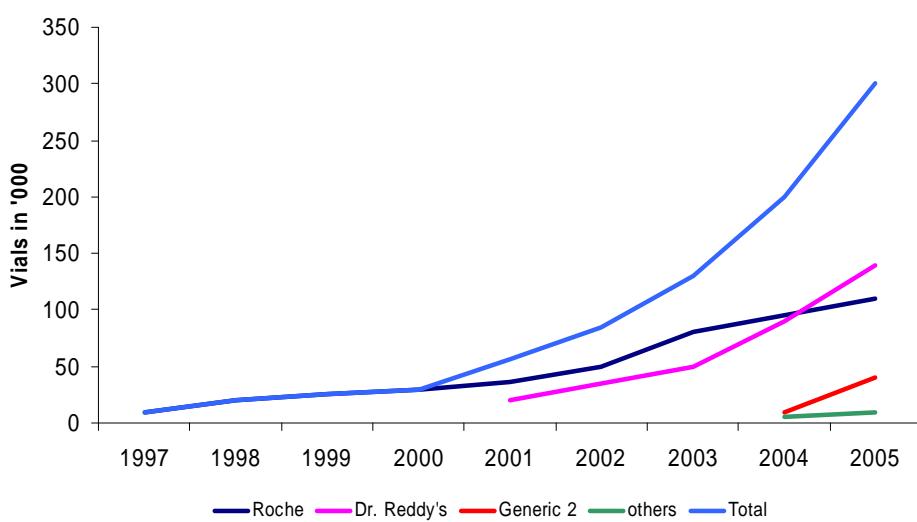
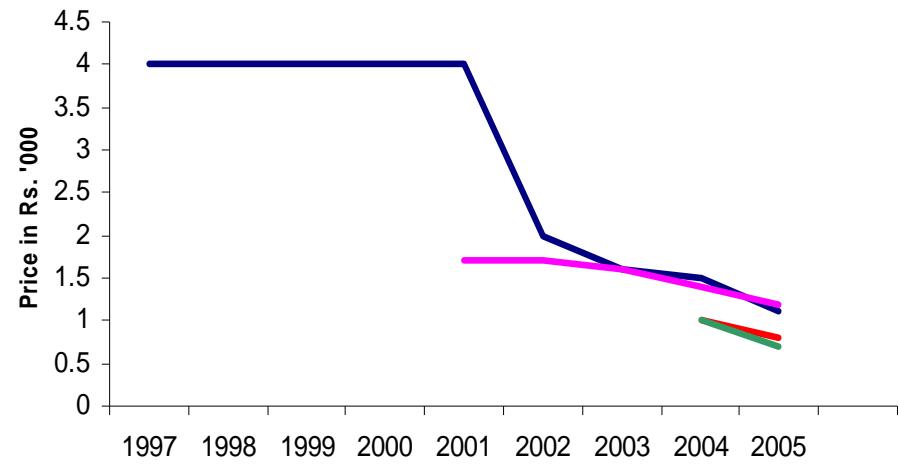


### GCSF: Price Drop

- Generics entry at about half the price of innovator
- Price dropped by innovator to similar levels as generic competitor

# Affordability and Accessibility (South-south cooperation)

## Case Study: GCSF (cont.)



Source: Dr. Reddy's Analysis

### GCSF (Neupogen): Price Drop

- Generics entry at about half the price of innovator
- Price dropped by innovator to similar levels as generic competitor

### GCSF: Market Growth in Vials

- Market grown by 10 times post generics entry (implies suboptimal price elasticity)
- Total profits increase for industry
- Accessibility and affordability increase for patients

## Need to expand the discourse beyond HIV and Malaria....

- Some success in managing HIV- importance of North-south and south-south cooperation
  - Life expectancy of HIV-positive patients beyond 65 years. 3x5 Initiative
  - Anti-retro viral drugs since 1996 have dramatically reduced mortality
  - Lower cost combination drugs . Cipla's \$1/day program
- Epidemiologic Shift: Rising scourge of Cancer and Cardio-vascular disease in the LIMIC
  - Shift from infectious diseases to chronic diseases
  - 8 Million Cancer deaths annually. 70% in LIMIC.
  - More patients die of cancer than HIV, Malaria and TB put together
  - The ratio of the mortality rate to incidence is 0.69 in Africa for breast cancer, as compared with 0.19 in North America
  - Healthwise, the Northern Hemisphere and the Southern Hemisphere outside of sub-Saharan Africa are more alike than different," - Barry R. Bloom, former Harvard School of Public Health dean.

## Importance of 'south-north' co-operation...

### Indian companies play an important role in bringing down pharmaceutical costs in the USA

- Pharmaceutical costs are only 10-12% of total healthcare costs
  - Wal-Mart's \$4 program for hundreds of generics. \$4 for 30 days of supply of prescription drugs
  - Upon patent-expiry, generics available at 5% price of the brand price before
- More than 70% of total prescriptions being written in the US are filled with generics.
- In first half of 2009, Indian companies received more ANDA approvals in the US than US-generic companies
- In first quarter of 2010, 62% of the DMFs filed with FDA were from Indian companies. (Dr Reddy's filed the largest number of DMFs in that quarter)

## Some thoughts and simple concepts

- Like HIV, focus on early detection and prevention
  - 1/3rd of cancers can be prevented
  - 1/3rd of cancers can be cured if detected early
  - Cost of treatment is 4 times more if detected late
  - Same is true for Cardio-vascular disease
- It's possible to fundamentally expand access and affordability to medicines through a market-based approach
  - FDA approved generic cancer drugs sold at 5% of brand-price in the USA
- Public-Private partnership & NGO-Private partnership
  - Consolidate the market to high-volume and standard 'trade-dress' from the fragmented reality today
  - Shift to harmonizing trade-dress and regulatory filings
  - Clinton Foundation's model on delivering ARVs through volume-purchase negotiations

# Thank you