



Measuring what matters

31 January 2023

Sanofi is an innovative global healthcare company. We provide life-changing treatment options and life-saving vaccine protection to millions of people globally, while putting sustainability and social responsibility at the centre of our actions.

In Australia, where we have been operating for more than 40 years, our diverse portfolio of medicines and vaccines, includes:

- 60+ medicines funded on the Pharmaceutical Benefits Scheme (PBS)
- Seven vaccines funded on the National Immunisation Program (NIP), and a further 10 available for private purchase
- Two therapies funded via the National Blood Authority (NBA)
- Six medicines funded on the Life Saving Drugs Program (LSDP).

Our enduring commitment to clinical research, which is vital to transforming the practice of medicine, is exemplified by our partnership with the Queensland Government, University of Queensland, and Griffith University. In December 2022, we announced a partnership to establish and fund a global Translational Science Hub in Queensland. The TSH represents an investment of \$280 million across the partners.

We welcome the opportunity to respond to the Treasury's consultation for Measuring What Matters.

Recommendations:

For Australia to introduce a community well-being indicator that measures the time from when a new medicine or vaccine is registered by the Therapeutic Goods Administration (TGA) to when it is accessible via one of the Federal Government's public health programs:

- The PBS for medicines
- The NIP for vaccines
- The LSDP for medicines to treat people with rare and life-threatening diseases
- The NBA for blood products.

For the well-being indicator to be benchmarked against comparable OECD peers.



We applaud the Federal Government's decision to develop a stand-alone Measuring What Matters Statement in 2023. We are dedicated to chasing the miracles of science to improve people's lives. We have focused our submission on the societal benefits of maintaining good health for individuals and communities.

The OECD framework indicators for well-being rightly capture the important role social determinants of health i.e., non-medical factors (e.g., education; employment, income, and job security; working life conditions; food security; housing; early childhood development; and social inclusion) play in influencing health outcomes.

One significant contributor to good health and well-being that is not captured in the framework is timeliness of patient access to innovative medicines and vaccines. A government's willingness to invest in health and innovation by providing fast and equitable access to new treatments creates a virtuous cycle. It signals to global pharmaceutical companies that Australia values new health technology, which in turn provides the impetus for more investment into clinical research.

Conversely, it is not ethical to conduct clinical trials in a country where patients do not have reliable, timely and affordable access to innovative therapies. Therefore, we believe there is value in introducing an indicator to measure the time from registration of a new treatment or vaccine to when it is accessible via one of the Federal Government public health programs. For example, the PBS for medicines, the NIP for vaccines, the LSDP for medicines to treat people with rare and life-threatening diseases, or the NBA for blood products.

There is strong evidence to support such an indicator, including but not limited to:

- *Measuring the Impact of Pharmaceutical Innovation in Australia 1998–2018*¹ authored by US economist, Professor Frank R. Lichtenberg, published in 2019.
- *The Value of Vaccines: A Tale of Two Parts*, a peer-reviewed publication from November 2022 by Biointelect in conjunction with the Centre of Policy Studies, Victoria University.

Professor Lichtenberg's 2019 research paper¹ revealed pharmaceutical innovation improves patient outcomes, reduces hospital demand, and is cost-effective. Professor Lichtenberg's findings showed²:

1. Pharmaceutical innovation is responsible for almost all the decline in premature (pre-age 90) mortality between 1998 and 2015, and about half of the increase in the mean age at death from cancer between 2008 and 2018.

¹ Sanofi, in conjunction with Medicines Australia and three other pharmaceutical companies, provided financial support for the research

² <https://www.medicinesaustralia.com.au/wp-content/uploads/sites/65/2020/11/Med-Aus-Lichtenberg-Report-12pg-Booklet.pdf> Accessed January 2023

2. Pharmaceutical innovation is responsible for reducing the days care in hospital. The new medicines launched between 1986 and 2000 were estimated to be responsible for a 7.3% (1.71 million days) reduction in hospital days in the year 2015.
3. The new medicines that were launched during 1987 and 2003 were very cost effective. Overall, the cost per life-year gained before age 90 would not have exceeded \$5,900 AUD when the effect of new drugs on hospital utilisation is considered.

The research paper, *The Value of Vaccines: A Tale of Two Parts*, demonstrated the connection between access to vaccines, good health outcomes and a strong economy. In assessing Australia's response to COVID-19 the paper revealed³:

- Without vaccinations the COVID-19 pandemic and subsequent lockdowns were estimated to have impacted the Gross Domestic Product (GDP) of Australia by an estimated AUD\$395 billion.
- The timely rollout of COVID-19 vaccinations is estimated to have reduced the impact of the pandemic on the economy to an estimated \$214 billion, resulting in a positive incremental benefit of \$181 billion.
- The COVID-19 vaccinations rollout was also estimated to have contributed to large positive effects for tourism exports (\$28 billion), education exports (\$26 billion), employment (142,000 jobs) and government finances (\$259 billion).

This research is evidence that fast, equitable, reimbursed access to innovative medicines and vaccines is important in delivering positive health outcomes to individuals and populations. Unfortunately, Australia is not keeping pace with our global peers on this measure.

*Medicines Matter: Australia's Access to Medicines 2015-2020*⁴ standardises timelines for medicines registration and reimbursement across 20 healthcare systems within comparable OECD countries, including Australia. It states:

1. Australia ranks 17th for number of reimbursed New Molecular Entities (NMEs)
2. Australia has remained in 15th position out of 20 for the proportion of reimbursed NMEs
3. The top 3 countries reimbursed >60% NMEs in ≤ 3 months while only 15% of NMEs were reimbursed in Australia in ≤6 months.

³Fox, N.; Adams, P.; Grainger, D.; Herz, J.; Austin, C. The Value of Vaccines: A Tale of Two Parts. *Vaccines* 2022, 10, 2057. <https://doi.org/10.3390/vaccines10122057> (funding for the research provided by Pfizer Australia)

⁴ <https://www.medicinesaustralia.com.au/wp-content/uploads/sites/65/2022/11/Medicines-Matter-Australias-access-to-medicines-2015-2020.pdf> Accessed January 2023

Fast and equitable access delivers economic benefits for the country, including reduced hospital stays and increased productivity. Importantly, earlier reimbursed access to new treatments can be achieved without undue burden on the overall health budget. For example, the United Kingdom has an average time to reimbursement of 198 days⁴ (compared to 413 days in Australia) but spends less on pharmaceuticals than the OECD average⁵.

The indicator we propose would assist the Federal Government formulate policy priorities for health. It would be measurable, comparable, reliable, and understandable by decision-makers and key stakeholders. Further, it should be aligned with the updated National Medicines Policy (NMP)⁶, released in December 2022. The NMP also aims to deliver equitable, timely, safe, and affordable access to high-quality medicines and medicines-related services for all Australians. The NMP aims to drive world-class innovation and research, including translational research, and the successful development of medicines and medicines-related services in Australia.

The importance of policy settings that encourage innovation is reinforced in the 5-year Productivity Inquiry: Key to Prosperity interim report. It states: “productivity growth — producing more outputs, with the same or fewer inputs — is the only sustainable driver of increasing living standards over the long term.”⁷

In summary

We believe there is value in introducing an indicator to measure the time from registration to reimbursed access for new medicines and vaccines, and to benchmark this against comparable OECD peers. It is a measure that is understandable and meaningful. It will help guide good policy and help engage the wider community.

We would welcome the opportunity to discuss our submission further.

⁵ <https://www.medicinesaustralia.com.au/wp-content/uploads/sites/65/2021/06/Medicines-Australia-Facts-Book-2021.pdf> Accessed January 2023

⁶ <https://www.health.gov.au/resources/publications/national-medicines-policy?language=en> Accessed January 2023

⁷ <https://www.pc.gov.au/inquiries/current/productivity/interim1-key-to-prosperity/productivity-interim1-key-to-prosperity.pdf> Accessed January 2023