

**House of Commons Health Committee**

**Inquiry into the influence of the pharmaceutical  
industry**

**A submission from the American Pharmaceutical Group**

**APG**

**11 August 2004**

## 1. The American Pharmaceutical Group

The American Pharmaceutical Group (APG) was set up in 1985 to improve understanding of the industry, and the healthcare contribution of the American companies.

The APG companies include all the major UK-based pharmaceutical companies with American parents. They account for over 35 per cent of National Health Service (NHS) sales of prescription medicines by the UK-based industry, making it the largest national grouping in the country. As the US is the most competitive market for medicines in the world, responsible for over half of the developed world's R&D, the APG adds a special perspective.

The aims of the APG are to:

- Ensure an overriding commitment to better patient care and information.
- Maintain a reputation and standing as a high quality, responsible and well-informed Group, making a constructive contribution to health care policy and debate.
- Advise how the UK can attract inward investment from the US.
- Take a lead role on policy issues affecting health care and pharmaceuticals, such as patient empowerment and competition.

### *The influence and achievements of APG companies*

It is almost impossible to imagine an NHS without modern vaccines, without medicines for pain and infection, for diabetes and gastric disorders, for cancer and heart disease, and for a multitude of other conditions. It would be a service in which the large mental NHS hospitals of the 1950s - the so-called Cinderella services - would still be with us today.

This is a world that has been transformed for NHS patients. The pharmaceutical industry in general and APG companies in particular are proud of their massive contribution towards the reduction of suffering among patients in the UK. **The industry has done more good for the public than probably any other sector in the country.**

The APG believes that these tremendous successes should be understood, appreciated and encouraged. It is recommended that this should be the base from which the industry should be viewed by the Health Committee.

The positive aspects of the pharmaceutical's industry's influence can also be seen in medical education, clinical guidelines and supporting non-directed research.

All APG companies will do even more for patients in the future. Advances in all the main diseases will flow from APG research and innovative medicines, assuming that the right conditions for the industry are provided. If the right conditions are absent, the industry will suffer but, more to the point, so will a large section of the patient population.

## 2. Influence through public/private partnerships

The APG has always welcomed and supported the principles of co-operation and partnership between the private sector and the NHS, within a framework in which the service to the NHS patient remains almost entirely free at the point of delivery and is based on clinical need. This co-operation is very true of the pharmaceutical sector, but has been greatly extended in recent years and has very often involved companies with US parents.

This was illustrated by the present Government bringing in the private sector to work with the public sector in the design and construction of new NHS hospitals and healthcare centres, to

such an extent that currently 90% of new hospital schemes now operational under the NHS Plan were delivered under the Private Finance Initiative.

However co-operation does not stop there. 80 Treatment Centres will provide at least 250,000 additional NHS operations a year by end-2005, almost half of them provided by the private sector; and extra use of the independent sector is being made by the NHS, particularly in orthopaedics.

In many ways, the pharmaceutical industry has been the trail-blazer in this development. Co-operation with Government was developed in the 1990s through the Ministerial Industry Strategy Group and later through the Pharmaceutical Industry Competitiveness Task Force. This has helped provide the stability and understanding that is required.

In addition, co-operation on the ground has been achieved by APG companies working with the NHS on such projects as:

- A personal development programme for Mental Health Act Commissioners
- Palliative care pain management for advanced and/or metastatic cancer
- Nutritional screening of older patients
- Review of medications by pharmacists and improving prescribing for over 65s
- Implementing medicines-taking concordance
- An induction programme for Primary Care mental health link workers.

The boundaries between the public and private sectors are being blurred in these areas, so that a more balanced approach to the policy-making and delivery of healthcare is being achieved.

### **3. The challenge to the UK-based industry**

Yet despite the strengths of the UK-based pharmaceutical industry, of which the APG is a leader, and the co-operative approach between the industry on the one hand and the Government and the NHS on the other, the future of the pharmaceutical industry in this country cannot be taken for granted.

The biggest rival to the UK is no longer found in the continent but across the Atlantic. The last decade has seen a significant shift in the pharmaceutical industry away from Europe and in favour of the US:

- Europe was responsible for discovering 97 new molecular entities between 1988-92 but, by 1998-2002, this had fallen to 68. Over the same periods the US numbers rose from 52 to 77, overtaking Europe (source: July 2003 G10 Medicines Conference).
- Between 1990 and 2002 pharmaceutical spending in Europe on R&D rose from €7,941m to €19,800m; but over the same period spending in the US rose from the €5,342m to an enormous €27,890m, far above the level of Europe (source: *ibid*).
- Europe accounted for 37.8% of the world pharmaceutical market in 1990, falling to 25.4% in 2002. By contrast, the percentage for the US and Canada rose from 31.1% to 50.9% over these years (IMS World Review 2003 and IMS Consulting).

The consequences of a further decline of the industry in the EU are that competitive R&D resources are reduced, which means slower development of new medicines and hence a lower standard of care for patients than would otherwise be the case. The EU and the UK in particular would also carry less weight in the global pharmaceutical economy and hence in their international work on access to medicines in developing countries.

### ***Low utilisation of new medicines***

There are specific areas of concern in the UK. Out of 10 comparator developed countries (Australia, Canada, Germany, France, Italy, Japan, Switzerland, UK and US), the UK had the lowest take-up of new medicines launched within the last five years, and the proportion is falling. On current trends, the UK has been already or soon will be overtaken soon by Japan, the only country with a worse record, so UK patients will receive more dated medicines than any other comparator country. (PICTF Indicators 2003, published April 2004)

One aspect (but only one aspect) of this poor take-up is the persistence of postcode prescribing across the NHS, although NICE was established in part to eliminate this. All patients should have the right to know about the best medicines that are available and to receive them, so that postcode prescribing is eliminated. However patients suffering from diseases such as cancer and rheumatoid arthritis, and conditions like schizophrenia, and many others, are not receiving the medicines they need. Professor Mike Richards, the NHS Cancer Director, has found that although variation in usage of cancer drugs lessens over time:

*...it does exist across the country and cannot be accounted for by differences in casemix and, for most drugs, is unlikely to be accounted for by cross boundary flows alone. (Report of the review undertaken by the National Cancer Director, June 2004)*

## **4. Relations with voluntary bodies and health professionals**

The APG takes seriously its relations with voluntary bodies, which are open and transparent. APG member companies believe that patients are entitled to and should receive proper information, as allowed by law. Patients increasingly expect this and that a new generation of “informed patients” is on the rise. The All-Party support given to this concept is welcome.

There is a commonality of purpose in informing patients between voluntary bodies and APG member companies. Both sides work together towards a common aim, to empower patients and their families, putting into practice the aims of patient information.

The APG abides by the Association of the British Pharmaceutical Industry’s (ABPI) Code of Practice, (April 2003, Clause 19) which requires that:

- There must be a declaration of sponsorship of meetings and in related papers
- Meetings must have a clear educational content
- The hospitality associated with meetings must be secondary to their nature

The APG endorses the Guidelines set out in June 2000 by the Long-term Medical Conditions Alliance, which includes the following statement:

*We encourage the use of available funding so long as the [Voluntary Health Organisation’s] independence is not compromised in any way and so long as there is total transparency in the relationship. Contracts between the parties are helpful in this respect, and indeed are sometimes required by law.*

In its dealings with health professionals, APG members are governed by the ABPI Code of Practice. All APG members belong to the ABPI. The Committee may wish to note that this Code of Practice was created almost half a century ago, goes beyond UK legal requirements, is widely regarded as successful and effective, and is regularly reviewed and updated.

APG members are also members of the Pharmaceutical Research and Manufacturers of America (PhRMA), and abide by its strict Code on the Interactions with Healthcare Professionals (July 2002) in relation to marketed products and related pre-launch activities.

## **5. Clinical trials**

All clinical trials are made available by APG companies to the licensing authorities so that they can judge the safety, quality and efficacy. Information is also made available to health professions through scientific journals and medical publications.

The APG is attracted by the concept of a publicly available register of late-stage clinical trials, on the grounds that patients should have more information about medicines. This could be achieved by building upon the ABPI Clinical Trials Register.

This should be in respect of licensed medicines, as those which fail to obtain approval are of most interest only to competitors and might deter companies from testing products in sensitive areas if publication was obligatory.

However there are some serious issues to be resolved:

- Whether the trials registered should include not just those carried out in the UK, but should be extended to all trials in the EU and, in the medium term, to those elsewhere. After all, the industry is a global one.
- Achieving agreement with the potential audiences on what information is most useful. For the general public and healthcare professionals not participating in trials, a short summary of the final data may be of value, with any database being most effective if the details to be included are agreed across the industry. For patient participants in clinical trials, the existence of plans for certain studies may be important, and the opportunity to participate in such studies is a clear benefit from early awareness.
- Whether the writing and circulation of summaries of clinical trials should be drafted and made available by the companies themselves or by a responsible third party (perhaps at European Union level). The perceptions of the public would be an important factor.

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