

The International Association of Mutual Benefit Societies (AIM), gathering not-for-profit insurance organisations from across the globe, mutual and public health insurance funds, will launch its calculator for fair medicines prices in Europe. At this opportunity AIM also draws the attention to the need of solidarity with regard to access to vaccines to help to overcome this pandemic.

**The General Assembly of AIM, in its meeting on 10 June 2021, declares:**

1. **AIM welcomes the efforts of the European Commission and the WHO in stepping up access to COVID19 vaccines across the globe;**
2. **Pricing of medicine and vaccines should be an enabler to equal access to health care;**
3. **Global access to vaccines is needed for all and at a fair price;**
4. **No one is safe until everybody is safe;**
5. **A paradigm shift is necessary in price negotiations towards fairer prices;**
6. **Fair prices are a pre-condition for a solidarity-based health care systems across the world.**

**AIM welcomes the efforts of the European Commission and the WHO in stepping up access to COVID19 vaccines across the globe**

AIM welcomes that the European Commission has announced a Team Europe initiative on manufacturing and access to vaccines, medicines and health technologies in Africa.<sup>1</sup> Indeed AIM, in its Africa Declaration of November 2019 has called to reinforce and equip African health care and social protection systems in Africa as well as paying attention to invest in the African pharmaceutical sector.<sup>2</sup> AIM also subscribes to the call of the Heads of International Monetary Fund (IMT), World Bank Group (WB), World Health Organization (WHO) and World Trade Organization (WTO) for financing actions by government leaders “(...) to accelerate end to COVID-19 pandemic.”<sup>3</sup>

**Pricing of medicine and vaccines should be an enabler to equal access to health care**

The development and innovation of medicines is costly and should be rewarded. Yet medicines should be affordable for all. And prices are too high, not transparent, and not accessible to all equally. We call on the EU and national governments to (jointly) engage with the pharmaceutical industry to negotiate on fair pricing of medicines to enable access to important medicines for all citizens. This applies in particular for access to COVID vaccines and treatments: it is in everyone's interest that the entire world population is vaccinated as soon as possible. It is a social responsibility of all parties involved, including the pharmaceutical industry, to work towards this. To contribute constructively to the discussion on medicine prices, AIM today will present a calculator for fair medicines prices in Europe.

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<sup>1</sup> See: [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_2594](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_2594)

<sup>2</sup> See: [https://www.aim-mutual.org/wp-content/uploads/2020/11/AIMDeclarationCOVID19\\_Africa.pdf](https://www.aim-mutual.org/wp-content/uploads/2020/11/AIMDeclarationCOVID19_Africa.pdf)

<sup>3</sup> See: <https://www.who.int/news/item/01-06-2021-new-50-billion-health-trade-and-finance-roadmap-to-end-the-pandemic-and-secure-a-global-recovery>

## **Global access to vaccines is needed for all and at a fair price**

AIM underlines the need for rapid global vaccination. AIM calls on the EU, together with other countries / parts of the world and in consultation with the pharmaceutical industry, to take a proactive approach. This requires active involvement and taking responsibility on the part of the pharmaceutical industry that goes far beyond its own corporate interests. But beside price, also other obstacles must be tackled. There is an urgent need to upscale and extend production of covid-19 vaccines. If the pharmaceutical industry is not willing to share technology on a voluntary basis, compulsory measures like patent lifting should be taken into consideration<sup>4</sup>.

The discrepancy in terms of access to vaccines, to treatments as well as to medical equipment in order to tackle the current COVID-19 crisis reminds us once again that we urgently need to reach fairer medicines prices for all, not only in Europe, but also at a global level. While the pandemic is still causing significant damage in healthcare systems, societies and economies around the world, every solution must be found to enable access to COVID-19 vaccines for all. Given the scale of public investment into the development of COVID-19 vaccines, high prices should not be factors limiting access.

## **No one is safe until everybody is safe**

With a global death toll now largely exceeding 3,7 million since the start of the pandemic, exploding inequalities (economic, geographical, gender-based etc.), the increased circulation of variants and COVID-19 fatigue in societies, time is of essence to limit harm.

The question of affordability is critical for access. Under the principle that ‘no one is safe unless everyone is safe’, we need to make sure that everyone has access to medicines, without inequities between and within countries. While in the European Union purchase of enough doses has been secured through Advance Purchase Agreements, access in Africa, the Middle East and Latin America depends largely on deliveries made under the COVAX Facility. Despite its achievements and its role in shipping vaccines doses, the facility is largely underfunded, and its ambitions are too conservative to meaningfully control the pandemic and its harm on societies. Access for all cannot rely on ad-hoc, voluntary and donation-based solutions. In this vein it is a positive development that the EU will help to make sure production facilities and investments in the health infrastructure will be made.

## **A paradigm shift is necessary in price negotiations towards fairer prices**

AIM’s calculator makes a proposal for fair drug price, including underlying parameters such as, among others, cost borne by pharmaceutical companies, the number of patients covered, a fair profit and a bonus for innovation that matters. The calculator is the practical translation of [AIM’s fair pricing model](#), which was published in December 2019. Although a number of organisations have defined the key principles of a fair drug price, AIM is the first and remains the only organisation to have proposed a concrete price level.

The calculator is a tool designed to help healthcare stakeholders, or any party interested in the matter, to calculate a fair price for new or existing drugs and compare it to prices that are currently paid or negotiated. It is a hands-on tool with clear proposals for data components to contribute to European and international debates about fair pricing and the transparency of R&D costs of medicines. AIM’s model has already been used in specific cases in scientific work at national level<sup>5</sup>, which shows that fairness of prices is relevant and confirms the strong interest that the model elicited when it was launched. Our work thus contributes to the European

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<sup>4</sup> With this in mind, AIM welcomes the resolution of the European Parliament calling for a temporary waiver of COVID-19 vaccine patents on June 10th: [https://www.europarl.europa.eu/doceo/document/TA-9-2021-0283\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2021-0283_EN.html)

<sup>5</sup> van den Berg S, van der Wel V, de Visser S J, Stunnenberg B C, Timmers L, van der Ree M H., Postema P G., Hollak C E M, Cost-Based Price Calculation of Mexiletine for Nondystrophic Myotonia, Value in Health, 2021, ISSN 1098-3015, <https://doi.org/10.1016/j.jval.2021.02.004>.

institutions' work on accessibility and affordability of innovative pharmaceutical products, more particularly to the affordability agenda of the European pharmaceutical strategy.

**Fair prices are a pre-condition for solidarity-based health care systems across the world**

A new balance needs to be found between rewarding innovation on the one hand and guaranteeing access and equality on the other. The AIM Calculator tries to strike this balance. AIM is convinced that fair prices contribute to accessibility as well as to the sustainability of solidarity-based health care systems as promoted by our members.

We are pleased to introduce our fair pricing calculator to the European Commission, the WHO and countries across the world and are ready to contribute to a fairer and more solidarity-based world.