

Q) Do you think that creation of health impact fund would ensure the right incentives for the pharmaceutical innovators?
Comment

Ans: Medicines are one among the humanity's great achievements. In global market pharmaceuticals currently worth Rs 110 lakh crore annually 1.7% of gross world product. But 55% of the global pharmaceuticals spending is for branded product which is typically under patent.

Negative impacts of branded pharmaceuticals

1) Monopoly in market

Due to monopoly in the pharmaceutical sector the branded companies sell their products at high cost, it is not affordable for poor.

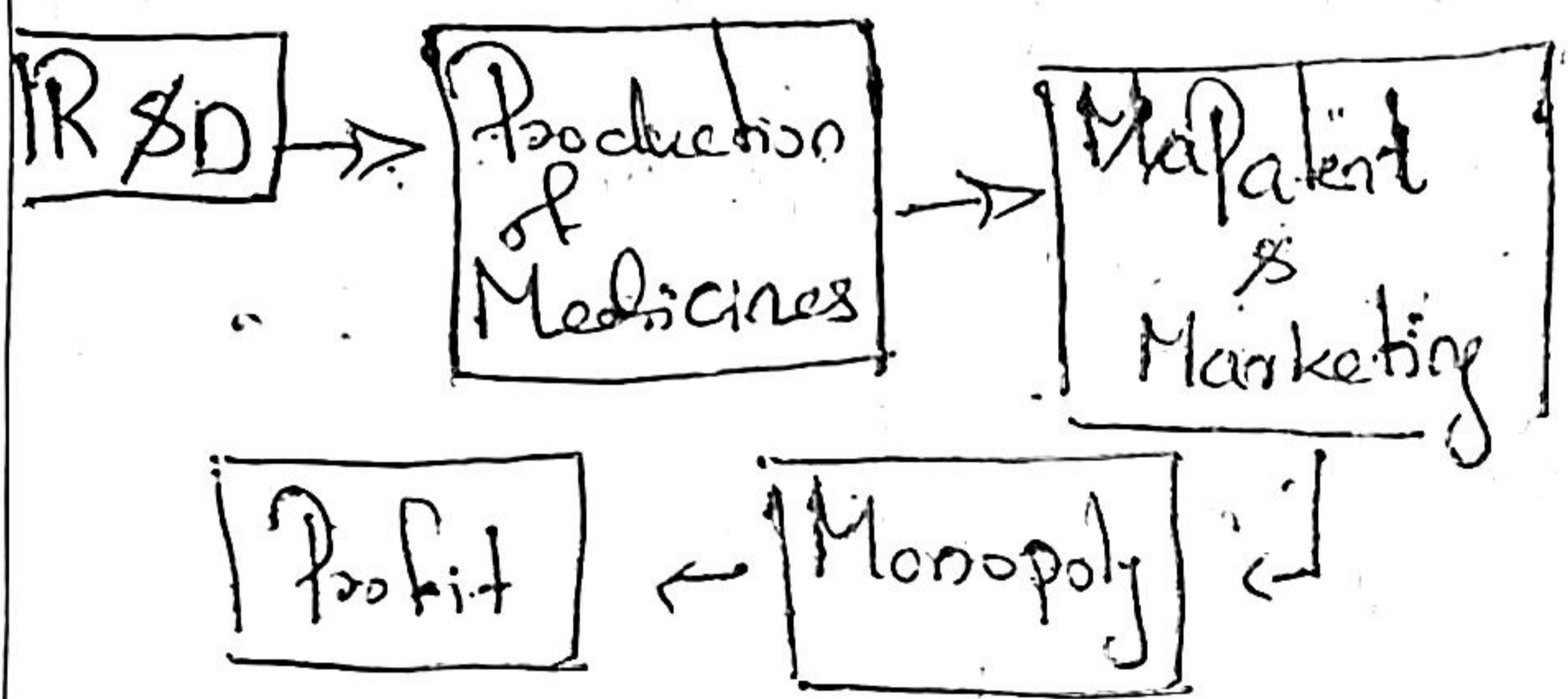
2) Neglected diseases

Research and development concentrate more on profit rather than cure the diseases. Most of the pharma giants neglected rare and tropical diseases.

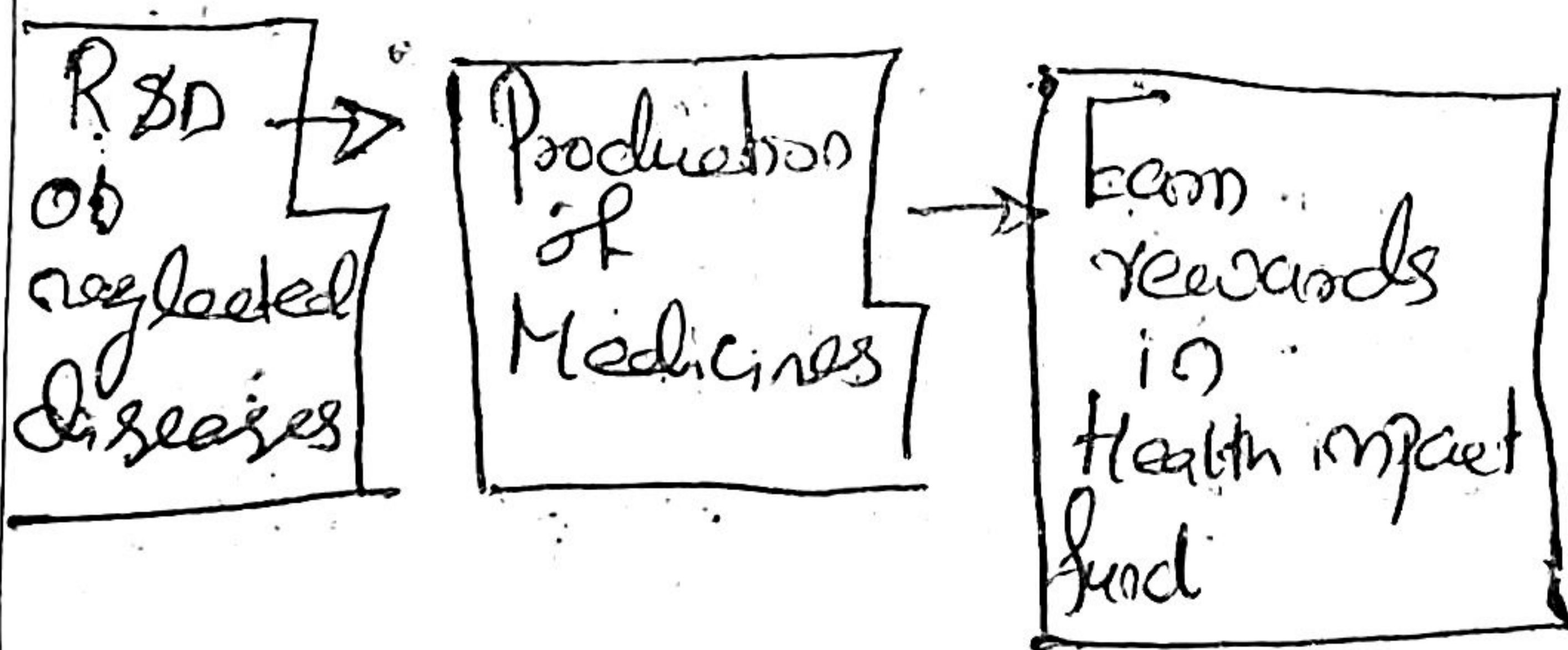
Eg. - Merely 0.12% of R&D Spending is devoted to tuberculosis and malaria which kill 1.7 million people annually.

Importance of health impact fund

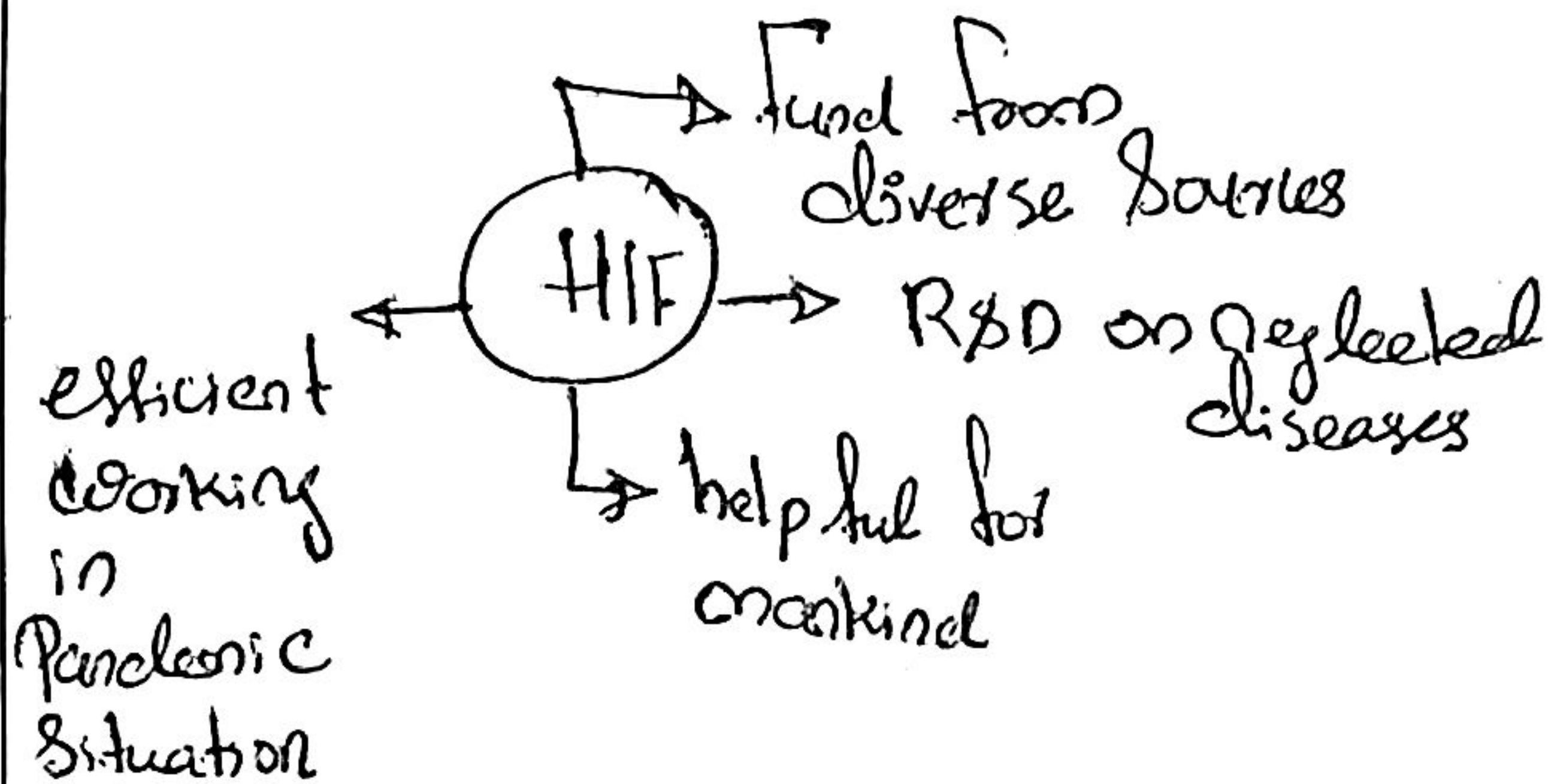
In normal Circumference the Production and Marketing of Pharma Sector is



In health impact fund situation the any new medicines registered with fund would have to sell at low cost of manufacture but earn ten rewards (annual) Payment based on health gains achieved. Here apart from Profit making the Companies R&D more concentrate on health benefits.



Advantages of health impact fund



Way forward

The Covid-19 Pandemic should make us stop and think, the whole world now need a medicine to overcome Covid-19. The health impact fund will help for production of medicines especially to overcome pandemics.