



# Recommendations to the Leaders of the EU and Japan

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## Working Party 2 *Life Sciences & Biotechnology* *Healthcare & Well-being*

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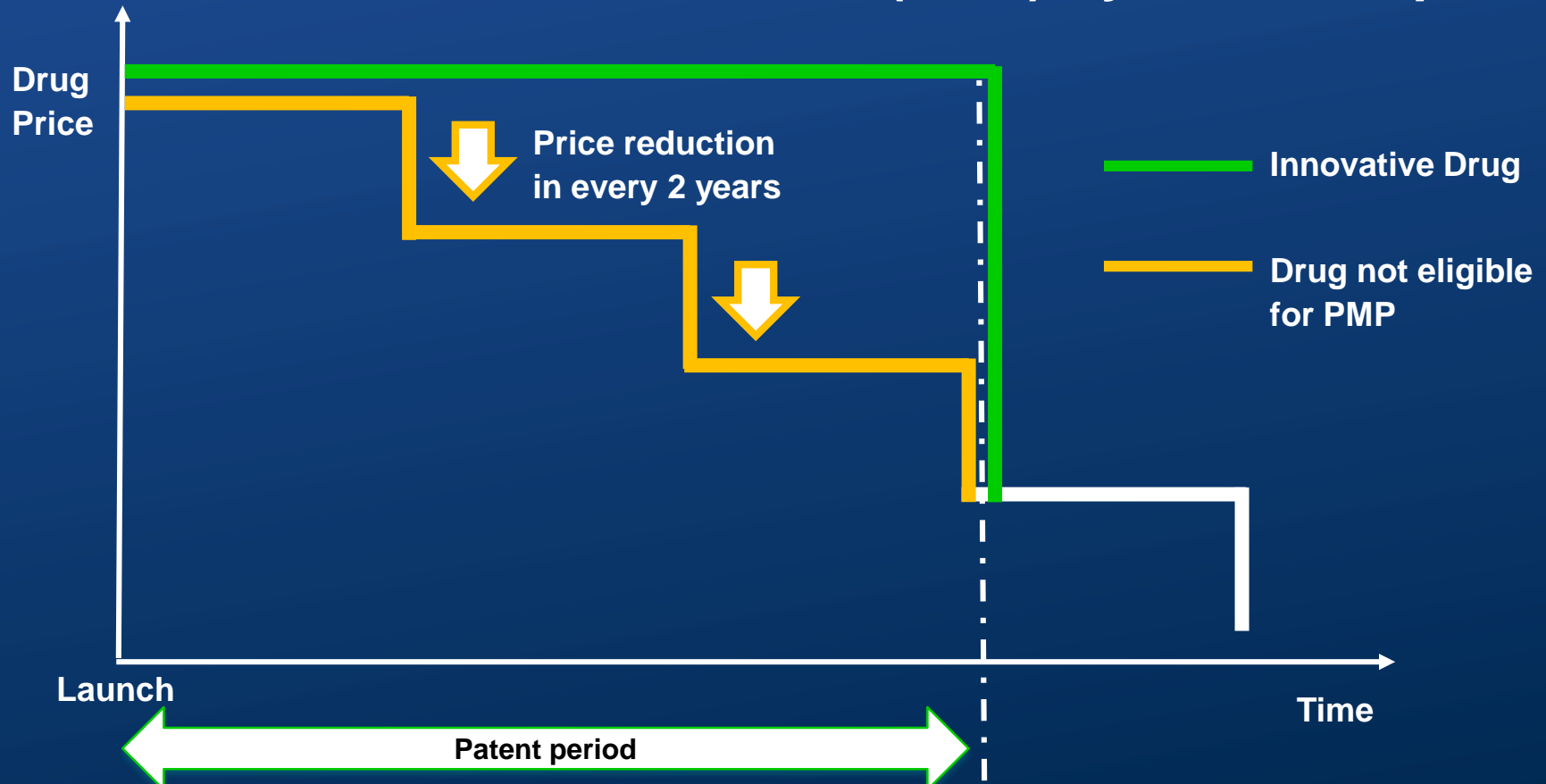
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### Recommendation #6

## The Pharmaceutical Pricing System Should Provide a Stable, Predictable Environment that Rewards Innovation

### Price Maintenance Premium (PMP) System in Japan





# Less Reward for Innovation due to Japanese Drug Pricing Reform in 2018

2010

Past

2018

Future

**Introduction of  
Price Maintenance  
Premium (PMP)**

**Innovative drugs'  
prices are maintained  
during patent period**

- ✓ Increase investment
- ✓ Early access to new drugs



**Drug Pricing Reform**

- **Narrowed PMP criteria**
- **Insufficient rewards for innovation**



- ✓ Backslide into the past



## Recommendations from BRT for Securing Patients' Access to New Treatments

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- a. Expand the Price Maintenance Premium to cover all innovative products
- b. Limit the scope of annual price revisions from 2021 onwards
- c. Keep refining the system of using cost-effectiveness-analysis for drug pricing
- d. Expand the scope of healthcare cost control beyond drug costs, as drug costs are only one part of the overall healthcare costs