



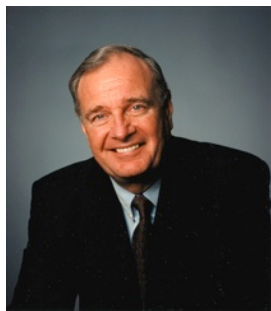
A Proposal of Incentives for Global Health

The Health Impact Fund Newsletter September 2010

In this issue:

We have had a successful summer building support for the Health Impact Fund. As fall begins, we want to share our progress with you.

Paul Martin Joins the Advisory Board



We are very pleased to announce that the Right Honorable Paul Martin, the twenty-first Prime Minister

of Canada has joined our Advisory Board. He was also Canada's Minister of Finance during the period 1993 to 2002, during which time he erased Canada's forty-two billion dollar deficit and recorded five consecutive budget surpluses. He also strengthened the regulations governing Canada's financial institutions, with the result that Canada is now viewed as an international model for sound financial regulation. In September 1999, Mr. Martin was named the inaugural chair of the Finance Ministers' G-20. As Prime Minister, Mr. Martin successfully passed a bill implementing Canada's Access to Medicines Regime.

Currently, Mr. Martin is the co-chair, with Nobel Peace Prize laureate Wangari Maathai, of a two hundred million dollar British-Norwegian poverty alleviation and sustainable development fund for the ten nation Congo Basin Forest. He also sits on the advisory council of the Coalition for Dialogue on Africa, an initiative that examines critical issues facing the continent. It is sponsored by the African Union, the UN Economic Commission for Africa and the African Development Bank. He is also a member of the International Monetary Fund's Western Hemisphere Regional Advisory Group.

We welcome his support of the Health Impact Fund and look forward to his contributions.

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The Scientific Advisory Committee Expands

In the last newsletter, we shared that a new Scientific Advisory Committee will shape the development of the pilot and the Health Impact Fund proposal.



Harvey Rubin is the committee chair. Dr. Rubin holds professorial appointments in Medicine, Microbiology, and Computer and Information Sciences at the University of Pennsylvania and also directs its Institute for Strategic Threat Analysis and Response ISTAR. Dr. Rubin's research on the basic biology of tuberculosis and the mathematical modeling of complex biological systems has been funded by the NIH, NSF, DARPA and the Global Alliance for TB Drug Discovery. He has published over 90 papers in peer reviewed journals as well as numerous scientific reviews and book chapters.

In addition to Dr. Rubin, we have made the following distinguished appointments to the Scientific Advisory Committee.

Mary Moran, Director, Policy Cures in Sydney, Australia and London, United Kingdom. Dr. Moran is an Honorary Senior Lecturer at the London School of Hygiene and Tropical Medicine and an Expert Adviser to the World Health Organisation, European Commission, European and Developing Countries Clinical Trials Partnership, Global Alliance for Vaccines and Immunisation, OECD, and the Wellcome Trust.



Carl F. Nathan, R. A. Rees Pritchett Professor of Microbiology and Chairman of the Department of Microbiology and Immunology at the Joan and Sanford I. Weill Medical College of Cornell University. Dr. Nathan is the author or co-author of more than 150 scientific articles and more than 60 monographs, book chapters, and reviews. He was recently honored with election to the National Academy of Sciences, Institute of Medicine.

Mark V. Pauly is Bendheim Professor in the Department of Health Care Management, Professor of Health Care Management, Insurance and Risk Management, and Business and Public Policy at the Wharton School, Co-Director of the Roy and Diana Vagelos Life Sciences and Management Program, and Professor of Economics in the School of Arts and Sciences at the University of Pennsylvania.



Qunhong Wu, Executive Dean of the Health Management College of Harbin Medical University in Harbin, China. She is also the Director of the Health Policy and Management Research Center and the leading professor of the Heilongjiang province in social medicine and health service management.

Mel Spigelman, President and CEO, Global Alliance for TB Drug Development. Dr. Spigelman holds board certifications from the American Board of Internal Medicine, the

American Board's Subspecialty Board of Medical Oncology, and the American Board of Preventive Medicine. He is on the Coordinating Board of the WHO Stop TB Partnership, Co-chair of the Working Group on New Drugs of the WHO Stop TB Partnership, and a member of the Governing Board of the Tres Cantos Open Lab, GlaxoSmithKline.



We are grateful for the expertise that this group will bring to shaping the Health Impact Fund proposal and pilot.

Recent Presentations around the World

Over the last few months, members of the team have continued to conduct presentations on the Health Impact Fund.

- On July 2, Thomas Pogge presented on the HIF at the [Annual Conference of the Society of Applied Philosophy](#) at St. Anne's College, Oxford. The discussion focused especially on the upcoming pilots as well as on the difficulties of achieving intergovernmental agreement on the HIF.
- Thomas delivered a keynote address on the Health Impact Fund at the annual meeting of the [North American Society for Social Philosophy](#) on July 15 in Toronto. The discussion focused on philosophical justifications for the HIF, for example, in terms of human rights.
- On July 20, Thomas delivered a plenary lecture on the HIF at the [16th World Congress of Basic and Clinical Pharmacology](#) in Copenhagen.
- Aidan Hollis presented on the HIF for a session on alternative funding mechanisms for science research and development at the [Open Science Summit](#) in Berkeley on July 31. In the presentation, Aidan showed how the HIF can fit with open science—see below for details.
- Harvey Rubin gave an invited presentation on the Health Impact Fund to the Institute of Medicine of the National Academies [Forum on Drug Discovery, Development, & Translation](#) in Washington, DC on August 5. After the presentation, Harvey had an energetic discussion with Forum members who provided suggestions as well as criticisms.
- On August 16, Thomas was in South Korea at Yonsei Law School presenting on the HIF at the [Yonsei Public Governance and Law Roundtable 2010](#). Dr. Changjong Rhee, the Secretary-General of the Presidential Committee for the G-20 Summit, and leading Korean academics from diverse disciplines engaged in a vigorous discussion of the HIF.
- In the week of August 23, Thomas gave four lectures partly on the Health Impact Fund in Buenos Aires, Argentina.

- On August 24, Aidan conducted a seminar at the [United Nations Economic and Social Commission for Asia and the Pacific in Bangkok](#). A mix of stakeholders attended, including representatives from drug companies, UN staff, representatives from the Ministry of Health, and faculty from Chulalongkorn University.
- Thomas conducted a two-day workshop on the HIF proposal at the University of São Paulo, August 30–31. High-ranking present and former government officials were in attendance and undertook to make the HIF better known in Brasilia with the immediate goal of facilitating a seminar on the HIF in the Brazilian capital.

Recent Media Coverage

Over the last few months, the Health Impact Fund has received media attention in several countries.

Argentina

An op-ed by Thomas appeared in the daily [Clarín](#), and a long interview with him was published in [Pagina 12](#).

Denmark

“[Philosopher fights for fair drug prices](#)” and “[Making malaria pills profitable](#),” University Post, University of Copenhagen; an [op-ed](#) in Danish in the newspaper, Information.

India

The [Spicy IP blog](#) provides an overview and thoughtful discussion of the Health Impact Fund Proposal.

South Korea

[Yonhap News](#), [Munhwa](#), [Korea Herald Business](#), and [Joong-Ang Daily](#) all carried articles on the Health Impact Fund. Thomas was interviewed on “[This Morning](#)” (hosted by Hans Shattle) on TBS FM English channel.

Thailand

[The Nation](#) and the [Bangkok Post](#) published articles on the potential benefits of the Health Impact Fund.

United Kingdom

In his article in [BMC International Health and Human Rights](#), Joel Lexchin of the University of Toronto discusses the HIF and identifies the challenges he sees with assessment.

What's Ahead?

This fall, the Health Impact Fund team will continue its efforts to launch a pilot. We plan to partner with a country and a company to deliver a needed drug, assess its health impact, and make payments based on the drug's health impact. To establish the pilot, we are continuing our conversations with ministries of health and pharmaceutical companies. If you have suggestions for any aspect of the pilot, please contact us at contact@healthimpactfund.org.

The team continues to travel globally to discuss the Health Impact Fund. Upcoming presentations include:

- September 10 and 11: Thomas will be the keynote speaker at [Mind the Health Gap's Medicines for Neglected Diseases Workshop](#) in Boston.
- September 17 and 18: Thomas will participate in [Medico International's conference on health justice](#) in Berlin.
- September 22: Aidan will present on the HIF at the American Enterprise Institute in Washington, DC.
- September 23: A [major HIF event](#) organized by the Jean Beer Blumenfeld Center for Ethics at Georgia State in Atlanta will feature Aidan, Thomas and Harvey.
- October 20: Thomas lectures at CUNY on "Reconciling Intellectual Property Rights with Human Rights: the Health Impact Fund."
- November 18: Thomas lectures on the HIF at the University of Texas at Austin.
- November 22 and 24: Thomas will give two lectures on the HIF at a conference sponsored by the government of Mexico City.

Viewpoint: The Health Impact Fund and Open Science

“Open science” occurs when researchers freely share research outcomes, failed and successful, rather than maintaining exclusivity over the use of an idea or finding. Open science accelerates research when it minimizes wasteful duplication and allows scientists to build on the successes of others. Open science approaches have been used effectively in the development of the [Linux operating system](#), in the [Structural Genomics Consortium](#) and in a [recent consortium effort to find bio-markers for Alzheimer's disease](#).

Despite its attractions, open science can be problematic in pharmaceutical research, since it can inhibit investment into clinical trials. Clinical trials are a crucial step in

moving a drug from the lab bench to use in the population. They are also extremely costly and must be carefully constructed and controlled. Open science does not naturally lend itself to these procedures.

By construction, open science blocks firms from using patents as an exclusivity mechanism. As a result, any firm that invests in clinical trials to demonstrate the safety and effectiveness of a new drug may face competition upon the approval of the product. This competition will reduce the profits available to the firm, which makes investing in the clinical trials less attractive.

The Health Impact Fund offers a solution to this problem. The HIF does not rely on exclusivity as a means of rewarding a firm's investment into research and clinical trials. To benefit from the HIF with an open science approach, a firm could participate in a consortium effort to undertake research up to the proof-of-concept stage, as proposed by Edwards et al (2009). If the firm invested in clinical trials, and could obtain marketing approval based on the clinical evidence, it could claim HIF rewards based on the health impact of the newly approved product. The firm might face competitive entry if its patent protections were weak and data exclusivity did not provide adequate protection from competitors. It would still be eligible, however, to collect health impact rewards based on the total sales of the approved product for the ten-year reward period.

The Health Impact Fund could offer a mechanism for open science to be used in the early stages of research—in which the avoidance of costly duplication, and the reduction in risk, is highly desirable—while still creating incentives for firms to invest in clinical trials.

Moreover, the Health Impact Fund creates outcomes in the spirit of open science. For scientists, the purpose of collaborating without personal gain is defeated when a new drug they develop together is sold at high prices that exclude poor people. It goes against the basic values of open science when one firm appropriates freely shared information to develop a product for which it then charges monopoly prices. An advance agreement that any such product would be registered with the Health Impact Fund can avoid this problem by reassuring all collaborators that any product of their work will be sold at cost around the world.

References

Edwards A, Bountra C, Kerr D, and Willson T, 2009. Open access chemical and clinical probes to support drug discovery. *Nature Chemical Biology* 5(7) 436-440.

[Matt Peterson](#) edits this newsletter. We welcome your input and questions on this newsletter and all aspects of the project. Email us at contact@healthimpactfund.org, and visit www.healthimpactfund.org for more info.