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COVID-19 is a wake-up call to end sky-high medicine prices

The current pandemic is a stress test for our health care systems and sky-high medicines prices are one of the problems that need solving. As vaccines, testing kits and treatments are urgently needed to tackle COVID-19, BEUC urges the EU to ensure that public funding into treatment research results in medicines that are affordable to all. Experience shows that public investment in medicines research – such as cancer drugs – does not always ensure fair prices.¹

The EU and Member States must urgently revisit the way they finance health research, both for COVID-19 medicines and all other illnesses. The European Commission has allocated over €90 million so far this year to respond to COVID-19 and the development of vaccines, treatments and diagnostic tests.² However, the EU health research policy currently overlooks the affordability of the healthcare products it funds. This must be reverted, so affordability becomes a criterion to obtain funding.

Monique Goyens, Director General of BEUC, commented:

“The crisis we’re going through is a wake-up call that decision makers must urgently act upon. COVID-19 exposes the longstanding situation of consumers paying too much for their medicines, first through tax-funded research, then through sky-high prices at the pharmacy. If it’s not consumers paying themselves, it’s society as a whole, through the public healthcare system.

“It is heartening to see that EU and Member States are spending money to develop the treatments we need to overcome COVID-19. But the EU should not give a blank cheque for research without conditions to ensure reasonable prices. Let’s fix the way we finance health research now to ensure fair medicines in the future.

“The European Commission must make the most of available funds, so COVID-19 therapies and testing kits are widely available at the lowest possible prices for healthcare systems. This would make free access easier, which is even more needed when many households are worrying about the impact of COVID-19 on their savings, and some have already lost a big chunk of their income.”³

Background on public support for research

Public funding is invested into treatment research in the form of research funds (such as Horizon 2020) or State Aid (i.e. government support to an economic sector).

The European Commission recently adopted a Temporary Framework for State Aid measures to support the economy in the current COVID-19 outbreak.⁴ Under this scheme, Member States can grant aid for research and development upon the condition that the aid beneficiary commits to grant non-exclusive licences, enabling several entities to supply the product. This would allow publicly-funded research related to the pandemic to be made available to a wide range of healthcare providers at affordable prices.

More information

- Read BEUC [letter](#) to the European Commission, "Concerns over lack of attention to affordability in EU research funding for COVID-19 treatments and the Medical Devices Regulation delay", 27/03/2020
- Read BEUC [letter](#) to EU Commission on the consumers' perspective on State aid and COVID-19
- See [here](#) how consumer organisations are helping consumers to face the crisis

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¹ See examples: '[Cancer drugs: high prices and inequity](#)', No es Sano campaign, April 2018 and '[Overpriced: Drugs Developed with Dutch Public Funding](#)', Somo and Wemos, May 2019.

² This amount includes €48.5 million in Horizon 2020 [emergency call grants](#) and €45 million through the [Innovative Medicines Initiative partnership](#). The EU is also providing support for vaccine development through the [European Investment Bank](#). Additional funding is available for [SMEs](#) that come up with innovative solutions to tackle the outbreak. More support from EU funding instruments is expected.

³ Altroconsumo, Italy: '[Coronavirus: quasi 500 euro la perdita economica per famiglia](#)'

Test Achats/Test Aankoop, Belgium: '[Coronavirus: des pertes financières pour la moitié des Belges](#)'

⁴ [Coronavirus: Commission Statement on consulting Member States on the proposal to extend State aid Temporary Framework](#), 27 March 2020.

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