

# Promoting Biomedical Innovation and Economic Value

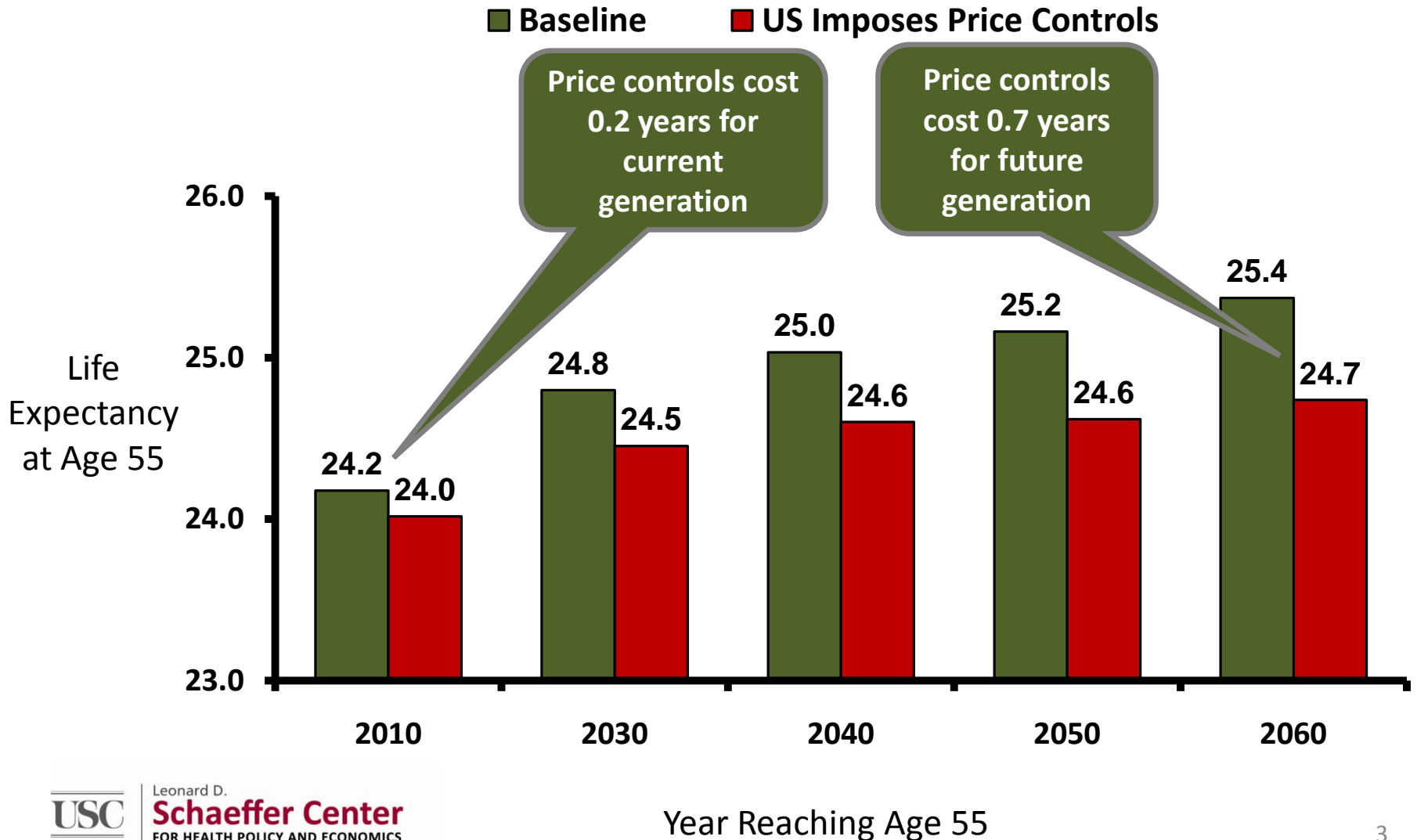
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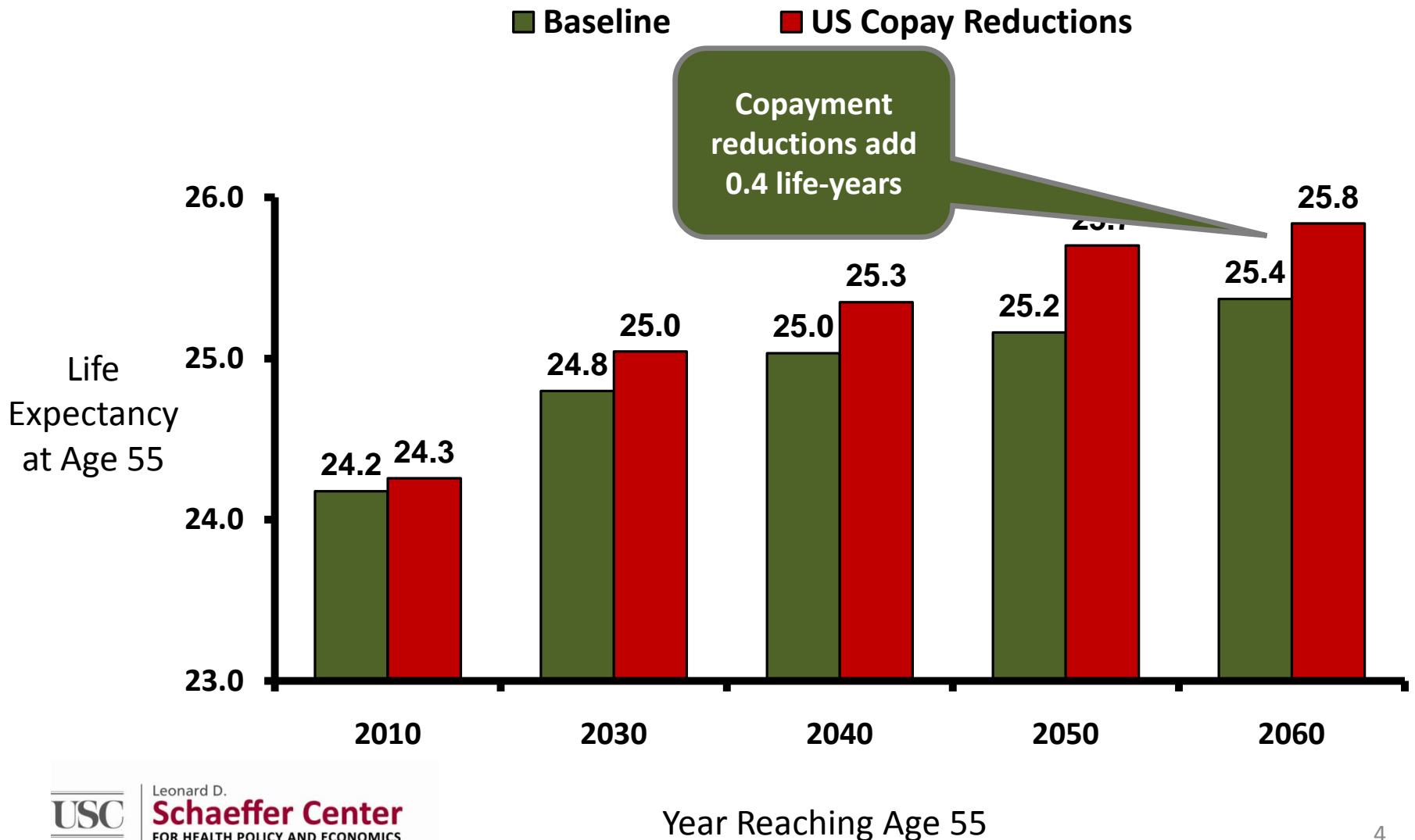
# Old Model: The Monopoly-Innovation Trade-off

- Current pharmaceutical policy involves a tradeoff between current and future generations
- Policy makers want low prices for patients
  - Promotes greater access to drugs today
- But high prices fund research and development
  - More treatments in the future
  - Greater benefit to future generations of patients

# Price Controls and Life Expectancy of Older Americans



# Copayment Reductions and Life Expectancy of Older Americans



# Goal:

## Develop new reimbursement models

- Old models present a false dichotomy: revenue vs. innovation
- How can we design reimbursement to reward value and innovation?