Is there too much or too little pharma innovation?

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Is there too much or too little innovation?

• The definitive answer: Yes.

1. New meds
2. Me-too meds
Types of new medications

1. Truly beneficial drugs
   – HepC meds
   – CVD meds
Types of new medications

2. Drugs whose price approximately equals their benefits

3. Drugs that do harm (Opioids)
What about me-too meds?

**Benefits**
- More competition
  - Transfer rents from pharma companies to consumers
    - (Not a social welfare impact)
  - Lower prices allow more people to access
    - (Generally a social welfare gain)

**Costs**
- R&D

Benefit-cost analysis is not obvious