

WHO ARE THE WINNERS & LOSERS IN HEALTHCARE FUNDING & PAYMENTS?

We see a great amount of money is distributed from pharmaceutical companies to doctors and research hospitals in the US. The question at hand is, whether this money is used in the best possible ways or if there are diseases, which are missed out, while others are receiving a disproportionate amount of funding.



2017 PAYMENTS AT A GLANCE

\$4.66 B

Research Payments

\$2.82 B

General Payments

\$7.84 B

Total Payments

01 PAYMENT FOR ONCOLOGY IS DISTRIBUTED INEFFICIENTLY



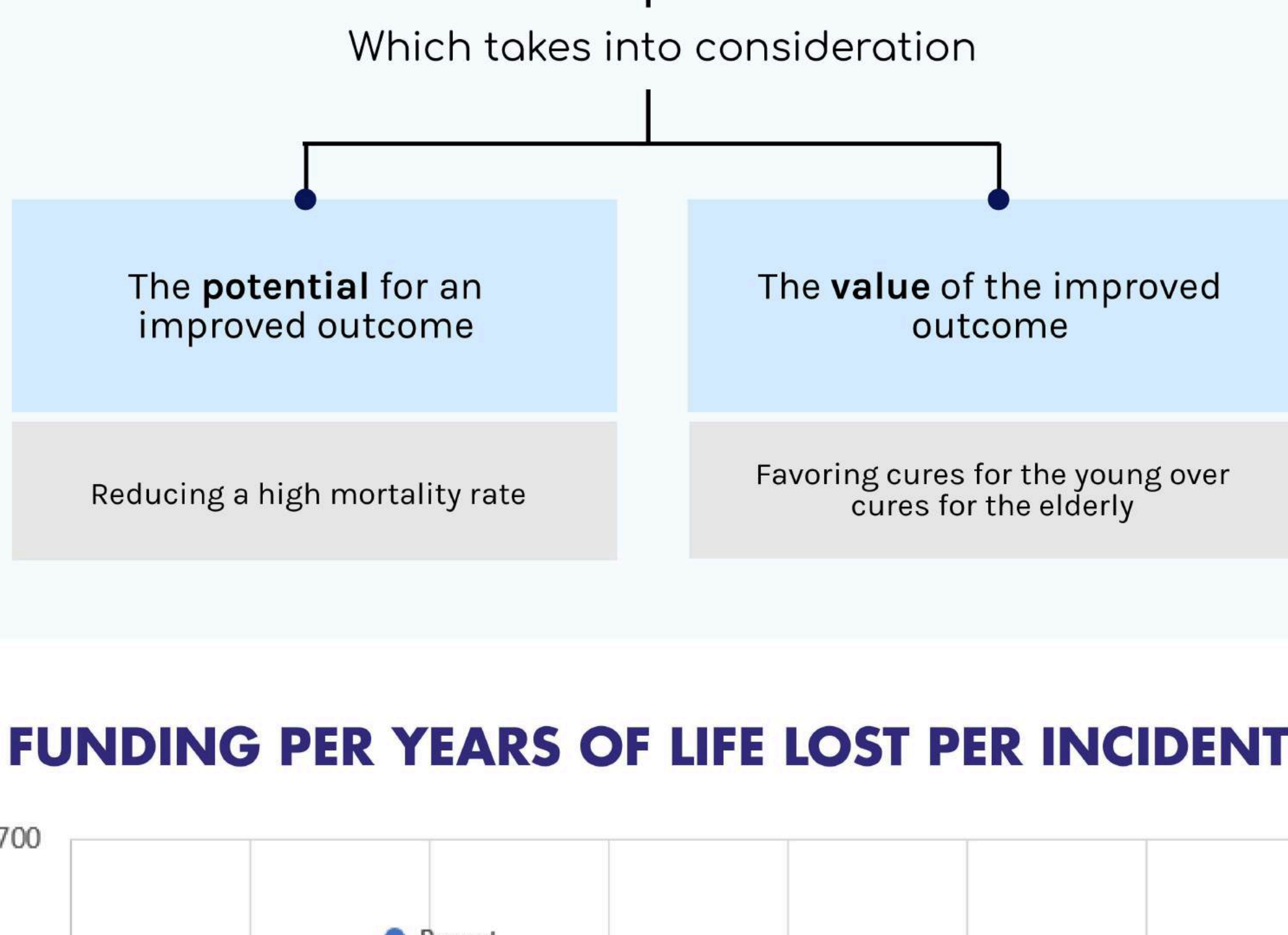
30.4%

of all research payments goes to Oncology, which deals with the treatment for cancer

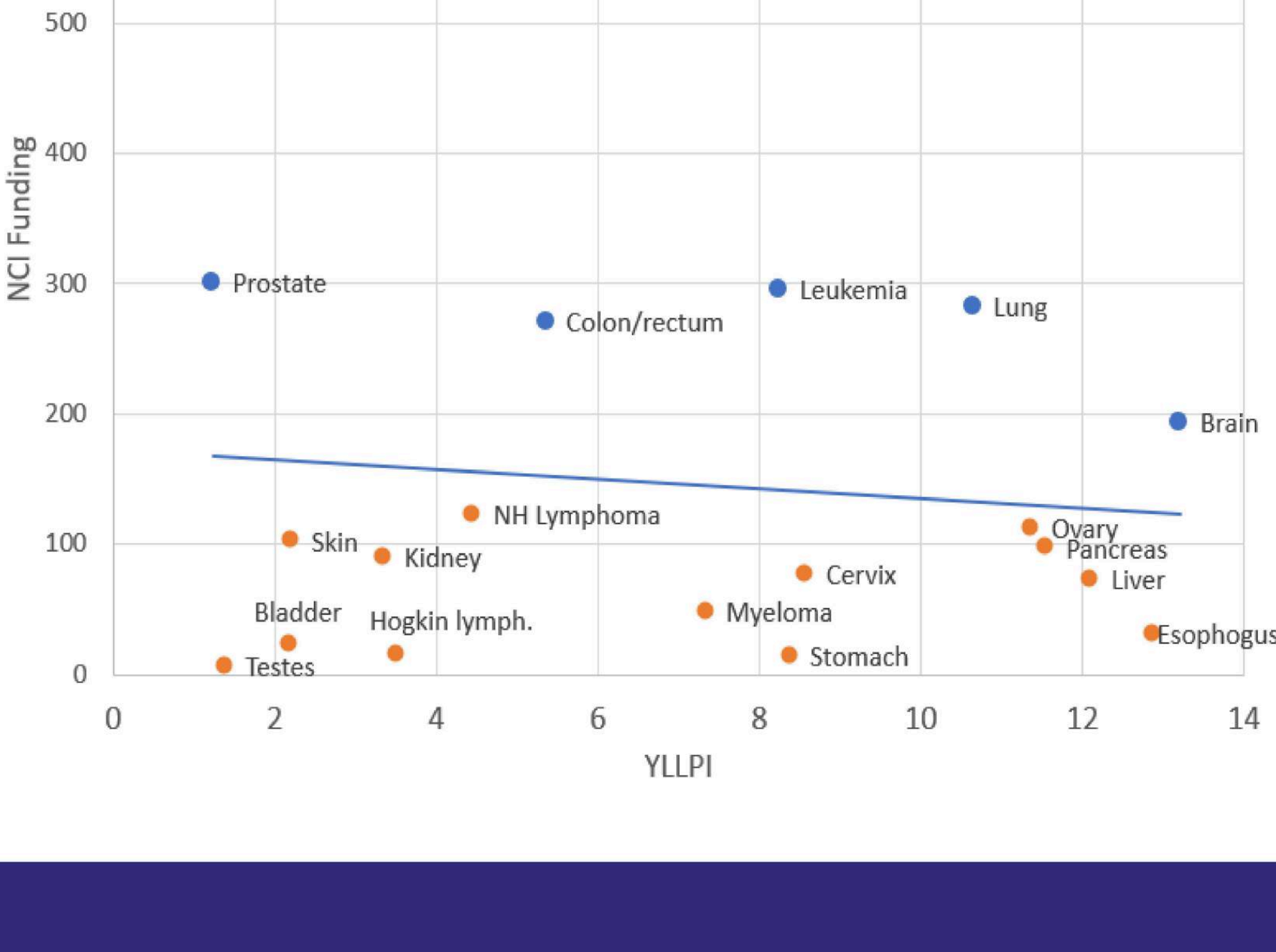
However, there are several types of cancer that seem to be funded at levels out of alignment with their respective societal burdens.



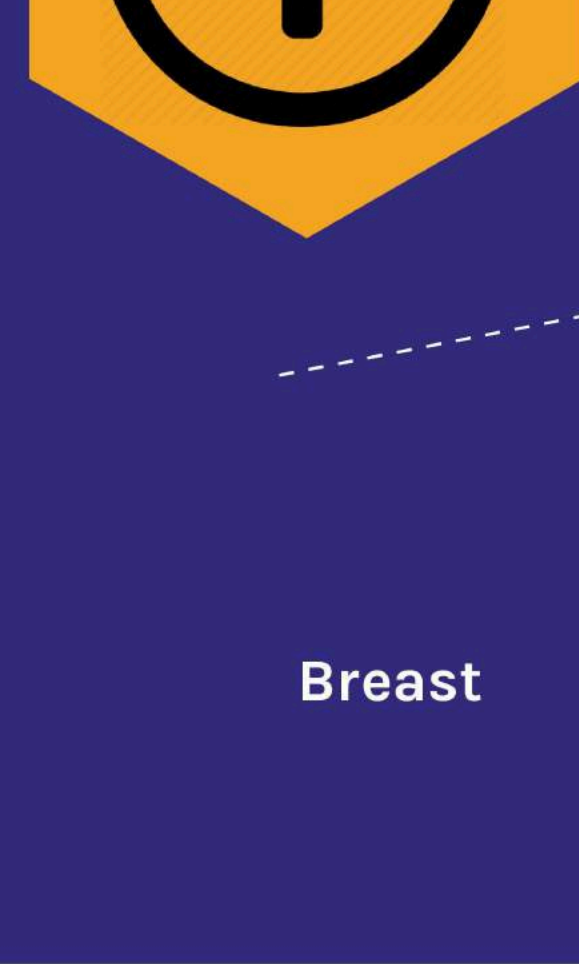
METRIC USED TO DETERMINE THE SOCIAL BURDEN



FUNDING PER YEARS OF LIFE LOST PER INCIDENT



RECOMMENDATIONS



MORE research payments on

Bladder Esophageal Pancreatic

Liver Uterine Oral

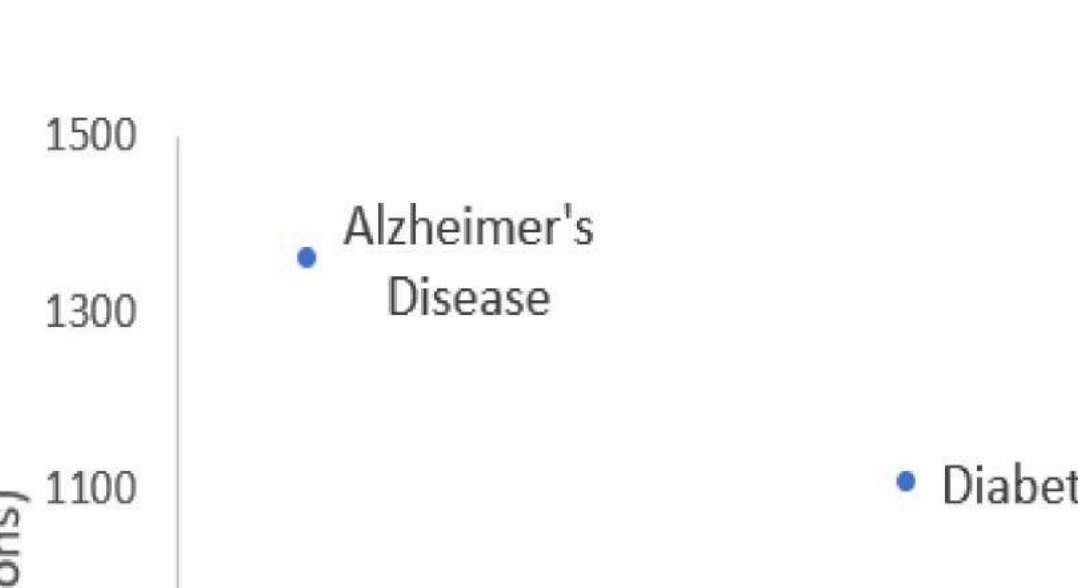
Stomach



LESS research payments on

Breast Prostate Leukemia

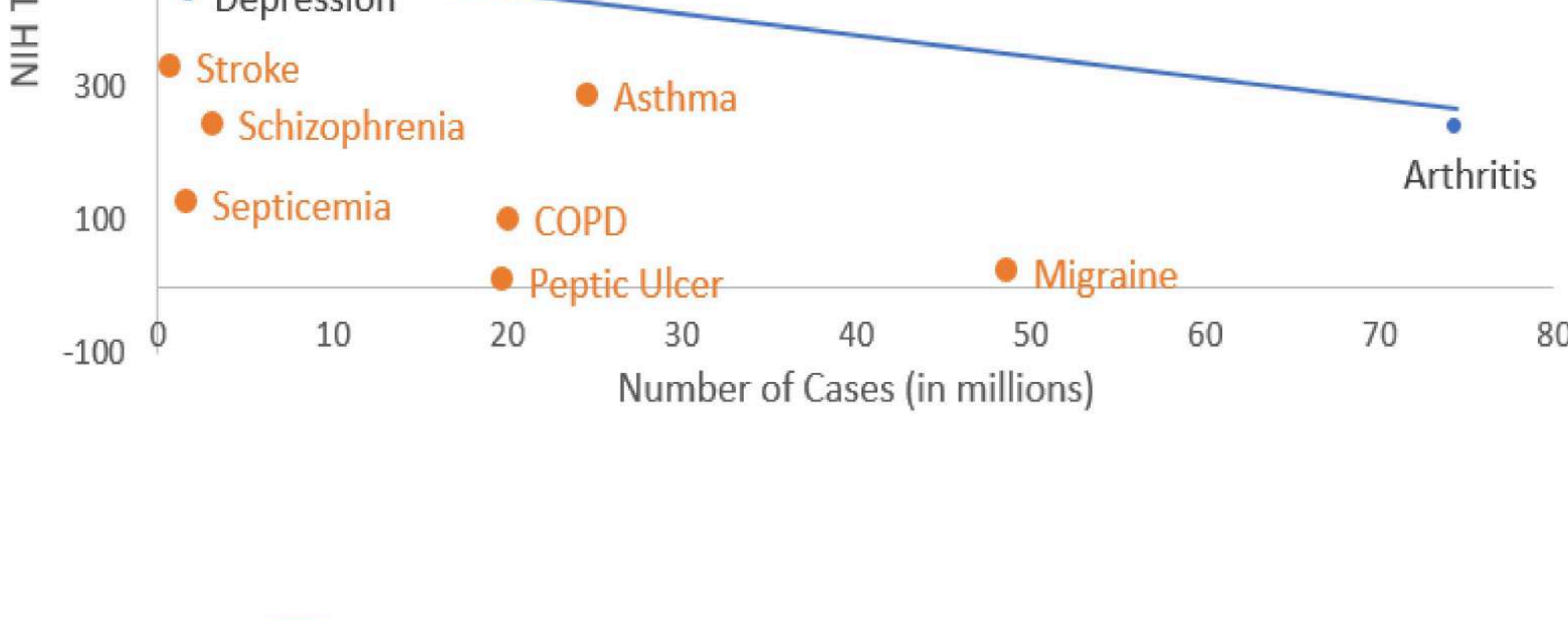
02 LESS WELL-KNOWN DISEASES ARE SIGNIFICANTLY UNDERFUNDED



30%

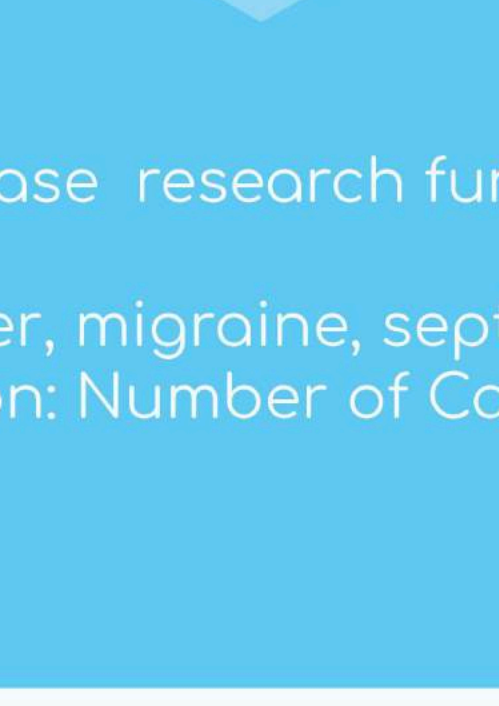
of all research funding goes to just the top 10 out of 283 diseases and areas of funding

TOTAL RESEARCH FUNDING PER DISEASES



Compared to diseases with similar number of cases, Stroke, COPD, Peptic Ulcer, Migraine, Schizophrenia, Septicemia & Asthma are significantly underfunded

RECOMMENDATIONS



Raise awareness and garner more public support for C.O.P.D., peptic ulcer, migraine, septicemia, & asthma

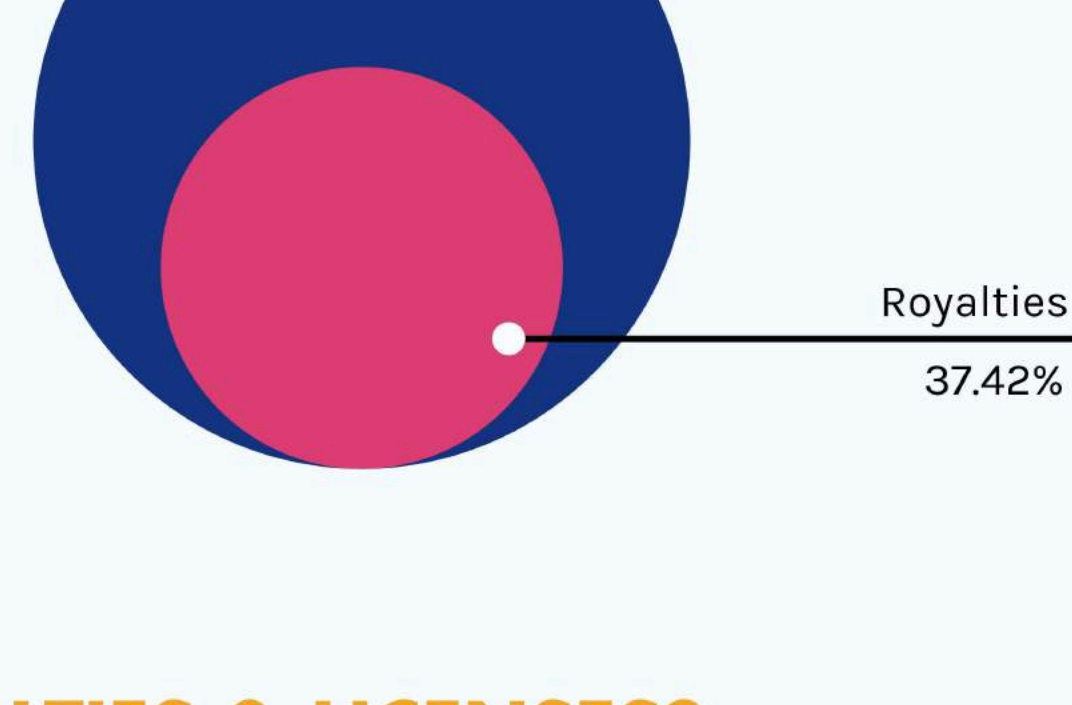
Increase research funding for C.O.P.D., stroke, schizophrenia, peptic ulcer, migraine, septicemia based on: Number of Cases Per Year & Mortality Rate



03 TOO MUCH ROYALTIES AND LICENSING IS BEING PAID OUT

37.42%

of general payments goes to Royalties & Licensing Fees



WHY ROYALTIES & LICENSES?

PHARMACEUTICAL MANUFACTURERS

- Costly development process
 - Low success rate (13.8% - 2018)
 - Time-consuming (~20 years)
 - Patent expiration
- Small manufacturers need research facilities & expertise

PHYSICIANS & RESEARCH HOSPITALS

- Need capital to fund research & development
- Need commercialization
- Need accessibility to mass market

SEEMS LIKE A PERFECT RELATIONSHIP WHICH ENCOURAGES INNOVATION, BUT THERE ARE DOWNSIDES

- 1 Patients' affordability**
High licensing rates drive prices of drugs & devices up
- 2 Quality issues**
Research findings can be geared toward meeting companies' expectation rather than patients'

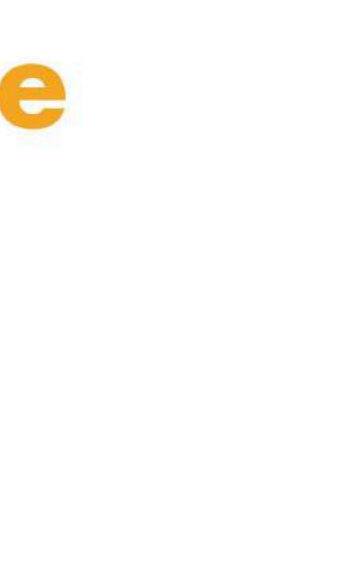
RECOMMENDATIONS



More payments for quality assurance & consultation



Adjust royalty payments to reasonable amount



Apply pricing control to mitigate the burden on patients

Alexion Challenge

KAZI AHMED
Fox School of Business - TUG38184

ROBIN GOETZ
Fox School of Business - TUG29225

QUYEN (ALEX) LE
Fox School of Business - TUG15672

SOURCES

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