

## At a glance:

# The value of medicines in the U.S.

A core principle of the U.S. healthcare system is that treatment decisions should be made through shared decision-making between patients and physicians.<sup>1</sup> This decision is informed by an individual's medical history, disease state and personal preferences and is influenced by the patient's insurance benefit design.<sup>2</sup>

The American approach to valuing medicines should reflect the diverse, decentralized U.S. system — a system that supports treatment decisions that fit the unique needs of each patient.

## The flaws of one-size-fits-all value assessments

Some argue the U.S. should adopt top-down value assessment models used in some parts of the world with inherent flaws, including:



Strict decision rules relying upon **arbitrary predetermined thresholds**.<sup>3</sup>



**Oversimplified metrics** that embed discriminatory assumptions.<sup>4</sup>



Focus on a **hypothetical "average" patient**, not real patients with real needs.<sup>5</sup>

## When the U.S. system works: a patient-centered approach to valuing medicines

The U.S. system is driven by a market-based approach to understanding the value of medicines that supports strong incentives for biopharmaceutical innovation and investments.<sup>6</sup> As a result, American patients benefit from the earliest availability and access to the broadest, most innovative set of therapies in the world, enabling patients to find treatments that work for them.<sup>7</sup>

Earliest availability of novel medicines

### 68%

25 of the 37 drugs the U.S. Food and Drug Administration (FDA) approved in 2022 (68%) were approved in the U.S. before any other country.<sup>8</sup>

Shorter wait times

### 2.5 years

In Canada from 2018–2022, publicly insured patients waited 2.5 years longer than Americans with Medicare for access to newly approved drugs.<sup>9</sup>

More treatment options

### 78%

78% of drugs launched by G20 nations from 2012–2021 were available in the U.S. within one year of launch, vs 38% in the U.K. and 21% in Canada.<sup>7</sup>

Value in healthcare is influenced by many factors, but assessments often overlook or underrepresent important drivers.<sup>10, 11</sup>

Some examples of the broader drivers include:<sup>10, 11</sup>



The possibility for **scientific spillover** where medical innovations spark future research.



Intangible but meaningful benefits like the **value of hope**.



Allowing patients to return to normal life and **productivity**, reducing economic burden.



The **severity of the disease** or condition being treated.

J&J supports valuations of medicines that adhere to the following principles:<sup>12</sup>

- **Patient-centered:** Focused on individual autonomy and outcomes.
- **Holistic:** Considers the full impact on patients, the healthcare system and society.
- **Deliberative and flexible:** Avoiding strict decision rules or oversimplified metrics.
- **Decentralized and locally relevant:** Reflective of local communities' specific needs.
- **Clinically driven:** Aimed at maximizing the health of every patient.

## Citations

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