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IP Policy Forum: New Business Models to Find Cures and Lower Healthcare Costs: A Role for Drug Repurposing

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NEW BUSINESS MODELS TO FIND CURES AND LOWER HEALTHCARE COSTS: A ROLE FOR DRUG REPURPOSING

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The current medical solution industry, with amazing scientists and businesspeople working as hard as they can, is not creating treatments and cures for most of the world's diseases. Pharma in 2013 is using a fifty-year-old business model to leverage current knowledge and technology, but that is generating few new treatments, and each treatment increases healthcare costs. We have created an incentive system that focuses treatment development on patients that can be treated with expensive consumables for long periods of time. That system leaves most patients without hope of getting a for-profit medical solution. We have to do something different if we expect to create more treatments and cures and lower healthcare costs.

There are two ideas that could be merged to create a new incentive system. The first idea is to focus on finding new uses for the thousands of drugs and nutraceuticals already available for human use. This is far cheaper, safer and faster than trying to create a new chemical entity. There are lots of these Rediscovery Research™ opportunities but no simple way to share them, work on them together, or get them funded. The second idea is to fund this clinical research from the healthcare cost savings it could create. Payer systems track diseases and drugs by code, so it is possible to track the costs savings generated by a patient taking an approved "new" repurposed treatment to alleviate symptoms. The government and other payers can create a payment pool, through a Social Impact Bond or some other vehicle, to pay for the dual

outcome of making patients healthier and reducing healthcare costs. If that pool were large enough, it would create a strong incentive for for-profit companies and other investors to undertake or underwrite this repurposing research, and a way for non-profits and academics to participate. The healthcare savings could be enormous, even for a very small patient population, allowing a focus on diseases that would otherwise be unprofitable.

It is a big challenge, but it is impossible to tackle an enormous problem like disease without a disruptive change, and this disruptive change is simple enough to understand and to implement, and we have already shown it can work. We must explore creative solutions to these healthcare challenges, via discussions at the interface of law, medicine, science, and public policy. The articles and comments in this issue of the Marquette IPLR are a step towards furthering that dialog.