The EU Pharmaceutical Reform

EMA Industry Standing Group meeting
26 June 2023

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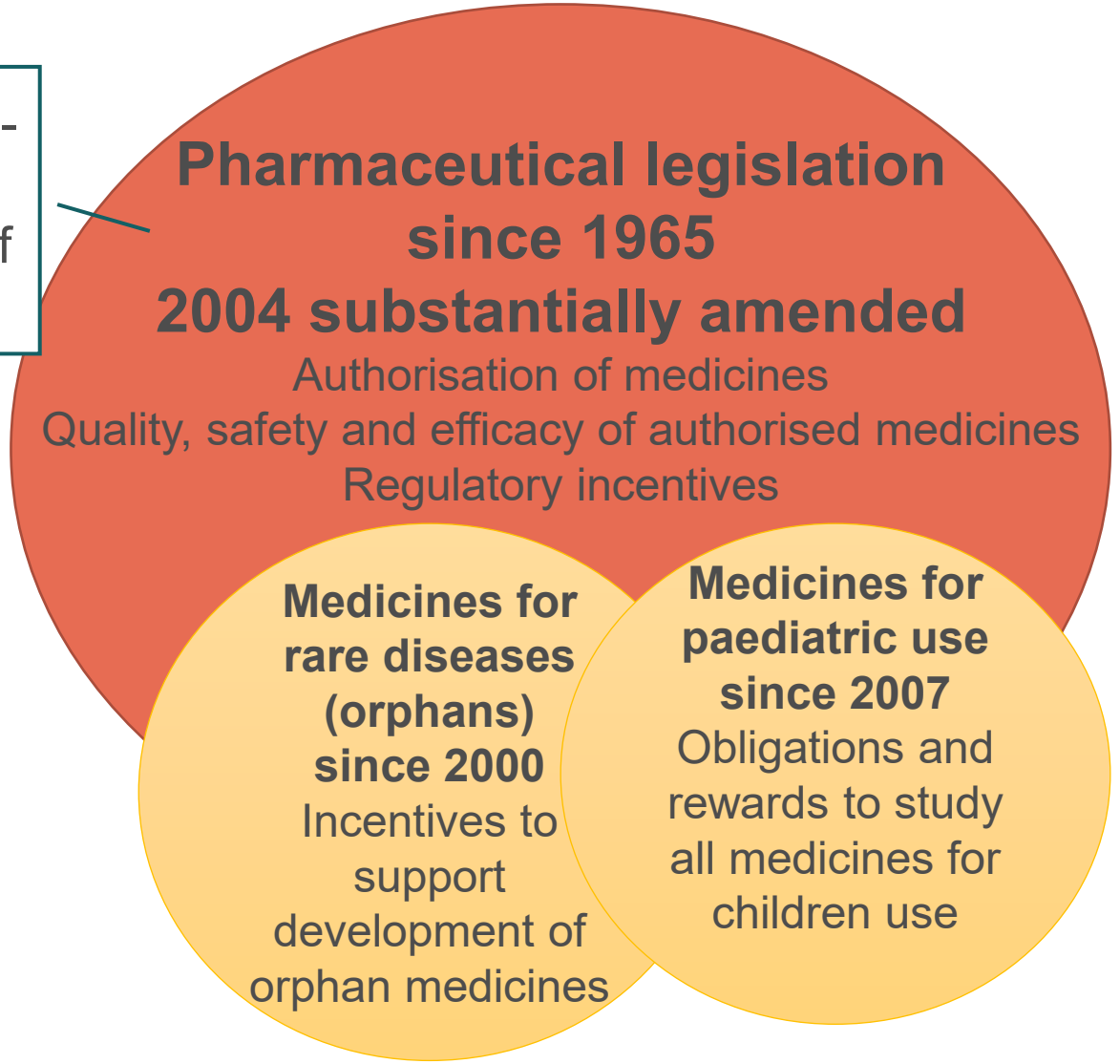
Quantitative facts of the revision

Well functioning - recognised for safety/efficacy of medicines

ESTIMATION

- **Directive 2001/83**: 13/14 titles revised – about 60-70% of 191 articles concerned.
- **Regulation 726/2004**: 4 titles revised – about 70% of the more than 65 articles concerned.



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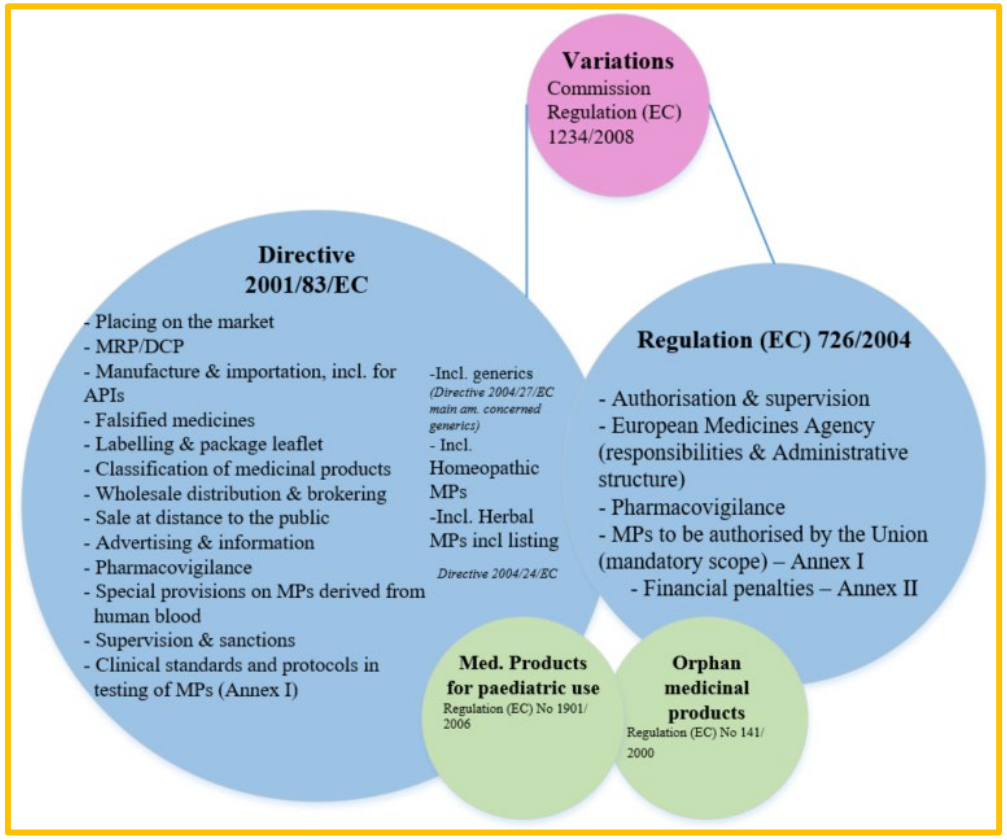
Structure of the revision



Areas not changed in substance

- Homeopathic medicines
- Herbal medicines (exception: herbal committee)
- Falsified medicines
- Sale at distance to the public
- Financial penalties

Areas with minimum intervention

- Pharmacovigilance
- Wholesale distribution
- Advertising
- Clinical standards and protocols in testing

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A 4-part package

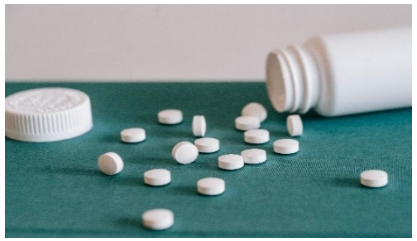
Chapeau communication

New Regulation

- Specific rules for the most innovative medicines such as orphans, antimicrobials
- Rules on shortages and security of supply
- EMA governance

New Directive

- Placing on the market of all medicines
- Authorisation and labelling requirements
- Strong incentives for access



Council Recommendation on AMR

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EU Pharmaceutical Reform

Builds on the **Pharmaceutical Strategy** for Europe (2020)

Supports EU citizens and industry

Addresses **long-standing challenges and public emergencies**

Marks a **European Health Union milestone**

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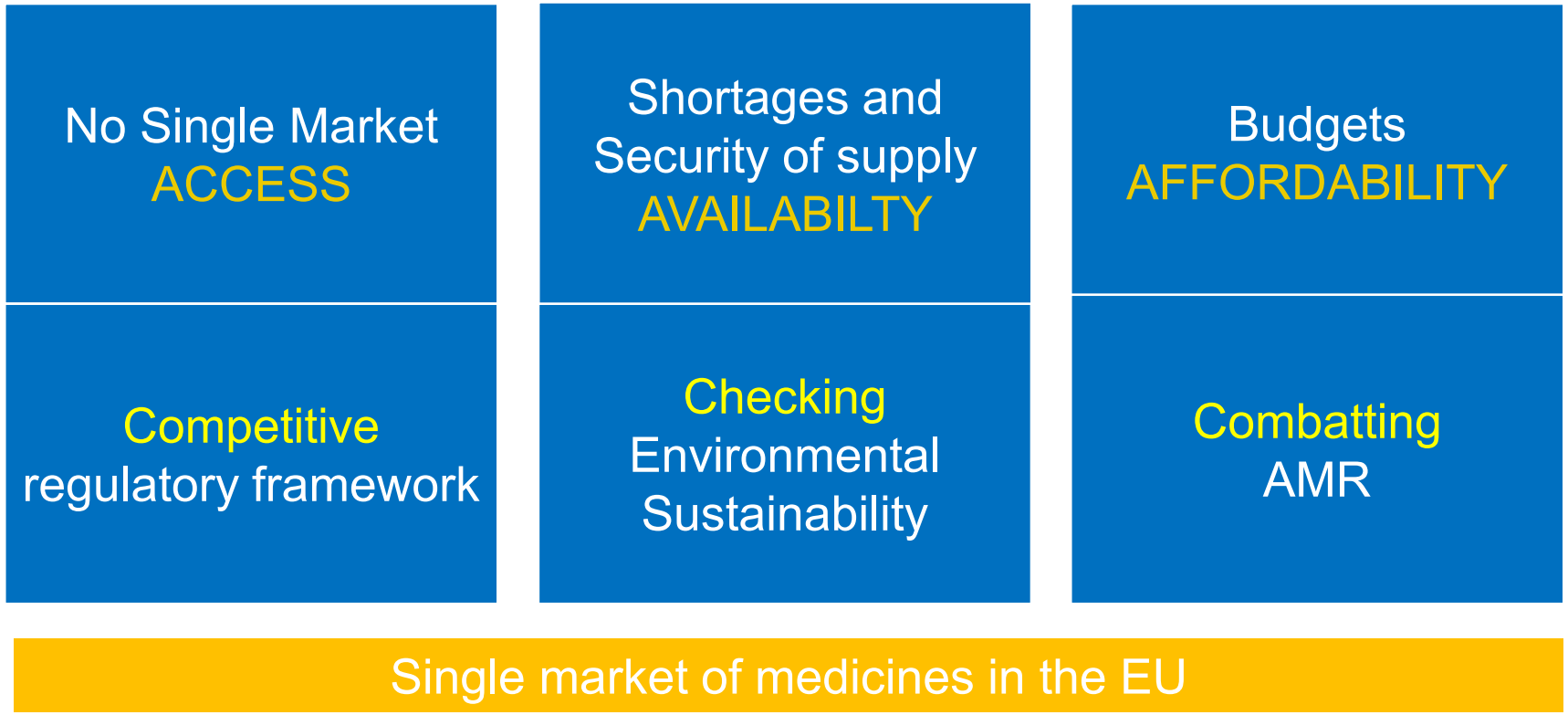
6 Key political objectives



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Access to medicines

Current challenges:

Access is not timely and differs across Member States:

90% variance between Northern and Western European countries and Southern and Eastern European countries

Average waiting time across the EU is from 4 months to 29 months

Proposed solutions:

Incentives for innovation and access:

Targeted approach vs current “one-size-fits-all” unconditional data protection and market exclusivity (for orphans)

Earlier market entry of generic and biosimilar medicines

- Faster authorisation
- Pre-authorisation support

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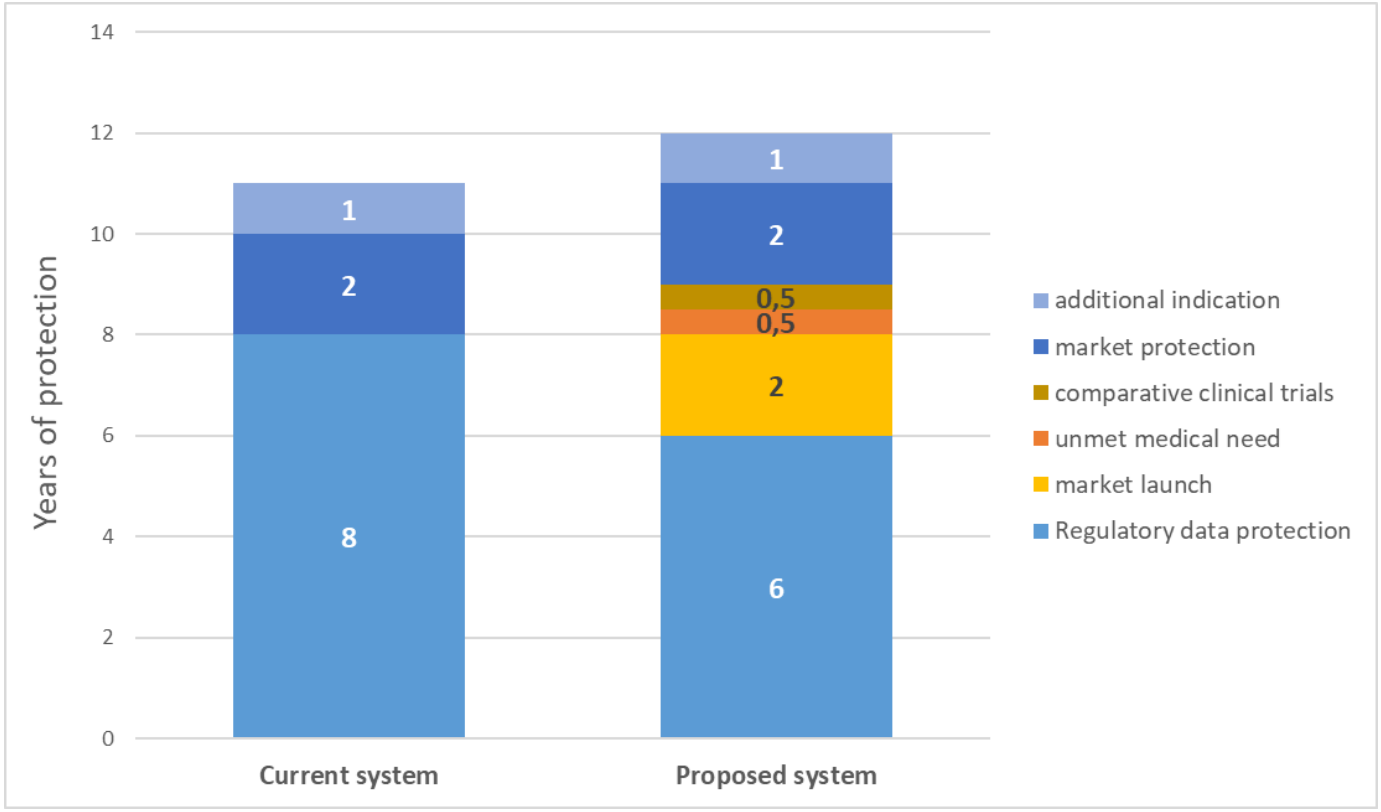
Modulation for the majority of innovative medicines

Regulatory data and market protection today and as proposed



Current system, max 11 years protection

Proposed system, max 12 years protection

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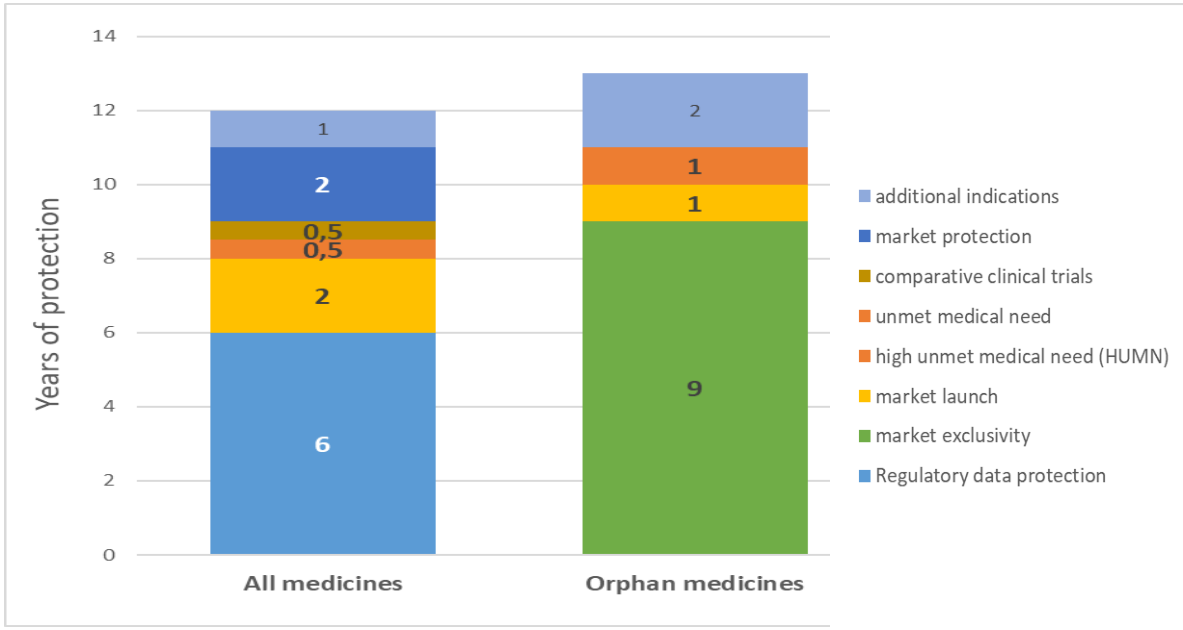
Access to medicines - proposed changes for medicines for rare diseases (orphan medicines)

Modulation of data protection

Modulation of market exclusivity



List of changes

- Default market exclusivity is 9 years (from 10 today)
- Products addressing HUMN get +1 year market exclusivity = 10 years
- Launching in all MS adds +1 year market exclusivity

max 12 years protection

max 13 years protection for orphan medicines

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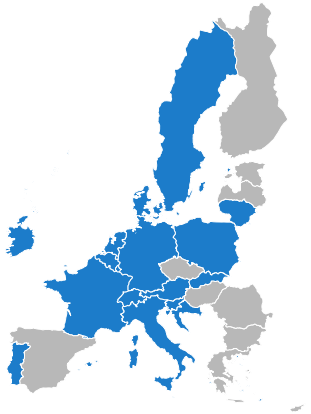
Market launch conditions

- Launch in all Member States where the marketing authorisation is valid (CP and DCP)



- **Actual placing** on the market and continuous supply for the needs of the patients in each MS (incl. presentations, quantities)
- **MS has 4+1 options**:
  - Positive/negative confirmation of actual supply;
  - Waiver;
  - Tacit;
  - [or] positive pricing and reimbursement decisions (based on Transparency Directive)

Unmet medical needs

All rare diseases-orphan medicines automatically considered UMN

Indication criterion: Therapeutic indication must relate to a *life threatening [*OR] *severely debilitating* condition

Comparison to authorised medicines:

- *No medicine is authorised* in the EU

[OR]

- A medicine *is authorised* in the EU but disease is associated with remaining *high morbidity / mortality*

Effect criterion: Use of the medicine results in *meaningful reduction in disease morbidity / mortality* for the relevant patient population

EMA to set *scientific guidelines* for the application of the article + consultation process of downstream actors and stakeholders (HTA/P&R bodies (possibility to include patients, industry, others).

Addressing the needs of rare disease patients

All orphan medicines

No insuffient return on investment criterion
Incidence – if prevalence not possible
No review of market exclusivity after 6 years

New orphan condition for the same active substance = **prolonged market exclusivity**

Global marketing authorisation concept

High unmet medical need

To boost developments where there are no treatment options and to reward game changers

Not for well established use products

EMA to adopt scientific guidelines

Market exclusivity from 10 to 13 years for HUMN orphans

Addressing the needs of children

Paediatric investigation plans

Step-wise PIPs to allow innovation

Adaptation of the PIP requirements for step-wise PIPs, paediatric only and PUMAs

Mandatory PIPs medicines for children, also based **on mechanism of action**

Increased transparency on PIP conducted for discontinued medicines

Temporary waiver from PIP obligation during public health emergencies

Foster **multi-stakeholders discussions** about prioritisation of paediatric R&D

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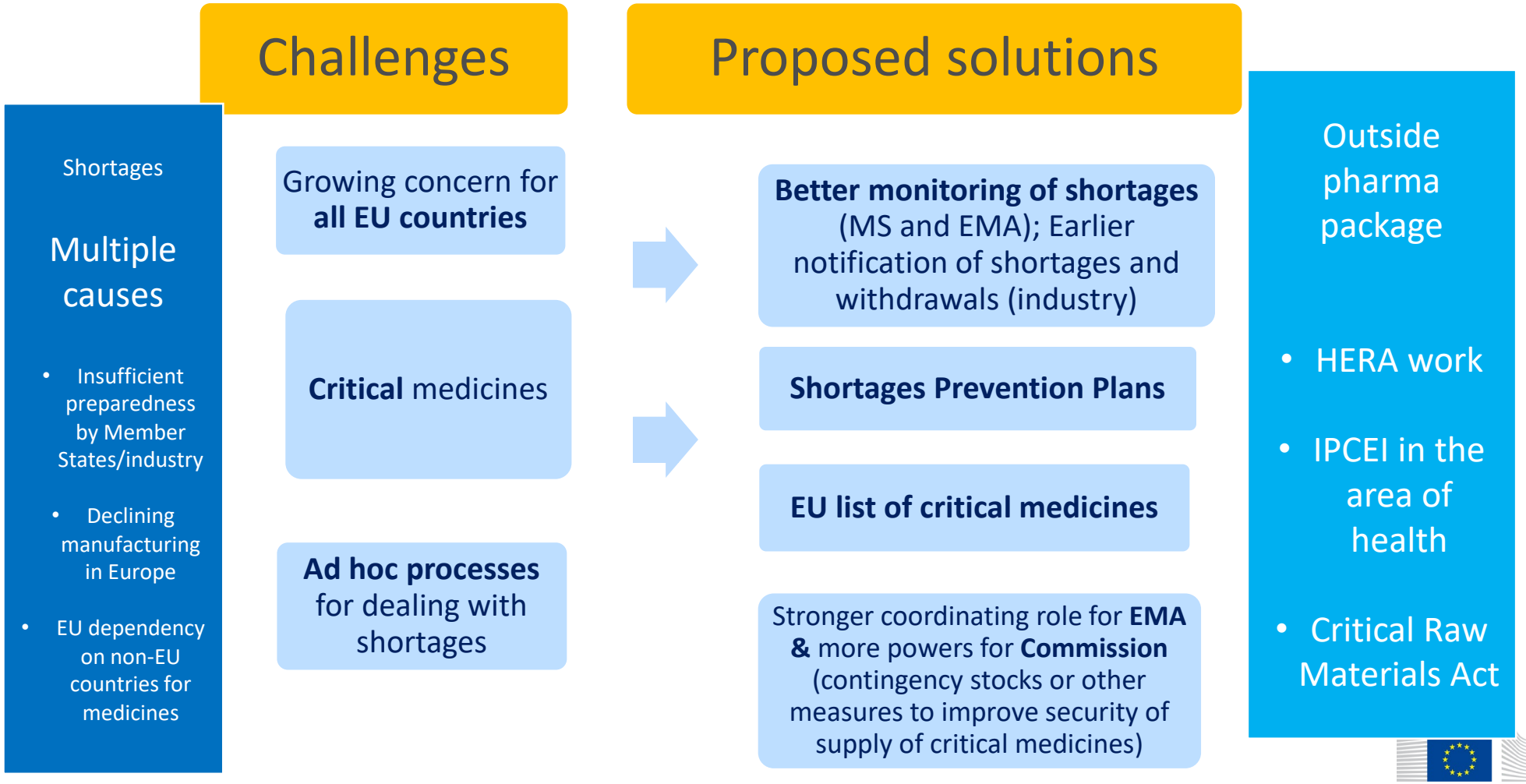
Availability - preventing shortages



Affordability

Current challenges:

- Pricing, reimbursement and procurement of medicines is a **national** competence
- High prices endanger national health systems' sustainability **& restrict patient access**
- Lack of **transparency of public funding** is a growing issue
- Lack **of streamlined coordination** among national authorities

Proposed solutions:

- **Earlier market entry of generics/biosimilars** to increase competition and reduce prices
- Increased **transparency on public contribution** to R&D
- Comparative **Clinical Trials** to support national decisions on pricing
- Further support for **information exchange** between Member States (cooperation on pricing, reimbursement and payment policies)

Streamlined and agile regulatory framework catering for innovation

Current challenge:

Longer approvals times than in other regions (US 244 days)

Administrative burden and compliance costs for the industry

The clock stop mechanism

Proposed solutions:

Faster autorisation:
a) 180 days standard procedure
b) 150 days accelerated procedure

Regulatory efficiency:
Improved EMA structure, simplified procedures, better use of data and digitisation, regulatory sandboxes

Pre-authorisation support to promising medicines to accelerate development and attract investments

Lower regulatory burden (especially important for SMEs and not-for-profits)

Regulatory simplification

- Possibility for regulators to reject **immature applications** to limit clock stops that delay the decision (DIR Art 29(3), REG Art 10(2))
- Possibility for EMA to review **data in phases**, as they become available (rolling or phased review) (REG Art 6(2))
- **Electronic submission** of applications (DIR Art 6, REG Art 5(3),6(1))
- Improved **clarity on the interplay** between EU legislative frameworks (e.g. medical devices, substances of human origin) (DIR Cpt I, REG Cpt V)
- **Facilitate the use of electronic product information and multi-language packages** (Dir Ch. VI)
- **Facilitation of repurposing** through a mandatory variation on the basis of data submitted from not-for-profit entities for repurposing of authorised medicinal products (REG Art 48)

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- Regulatory **sandbox** to test new innovative therapies (REG Art 113-115)
- Strengthening the **early regulatory support** by EMA (part. for promising medicines under development for unmet medical needs (REG Art 59))
- Adapted frameworks with specific regulatory requirements tailored to the characteristics of certain novel medicines (DIR Cpt II Sec 5)
- Scientific and regulatory support for priority medicines ('PRIME') (REG Art 60)
- Facilitate use of **real-world evidence**, and of **health data** for regulatory purposes (REG Art 6(1), Art. 166+169)
- Promote use of new methodologies to reduce animal testing (DIR Art 6 and 44, REG Art 6(5),8,12(4)(m),138)

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Environmental sustainability

Current challenge:

Pharmaceuticals in environment can **harm environment and human health**

Presence of antimicrobials in the environment exacerbates AMR

Weak enforcement of current rules

Proposed solutions:

Better enforcement of the current rules on **Environmental Risk Assessment** (part of the application)

Extending ERA to **medicines already on the market before 2005**

Stricter environmental rules for AMR, also covering manufacturing

Electronic leaflet and **electronic submission** of applications

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Combatting AMR

Current challenge:

AMR causes **35000 deaths per year** in the EU.

It amounts to +/-1.5 bn EUR per year in healthcare costs

By 2050, **10 million deaths globally each year**

Current market failure/ Lack of effective antimicrobials

Lack of market incentives

0,5 bln EUR cost of a new antibiotic

AMR toolbox

Measures on prudent use of antimicrobials – prescription, restricted quantities, education etc.

Regulatory incentives with transferable exclusivity vouchers under strict conditions

Financial incentives with **procurement mechanisms** (HERA)

5 Targets, incl on the total **EU consumption of antibiotics for humans** (ECDC) → reduction by 20% by 2030

(Council Recommendation)

AMR voucher

- Additional year of data protection
- Strict conditions (only novel antimicrobials, full transparency of all funding, obligation of supply, max 10 vouchers in 15 years, review after 15 years, etc.)

Rewarding innovative antimicrobials

- Transferable **regulatory data protection** voucher allows the developer of a novel antimicrobial product that fights AMR to benefit from additional **data protection (+12 months)** on that product, on another product in their portfolio or sell the voucher to another company to use (REG Cpt III)

- **Selling only permitted once** → powerful incentive that may boost development of new antimicrobials

- **Conditions of granting the voucher** → PRIORITY antimicrobial (not cumulative):
  - new class
  - new mechanism of action (different from any other authorised in EU)
  - new active substance that addresses a multi-drug resistant/serious infection
  + priority antimicrobial must present preclinical and clinical data that underpin a significant clinical benefit with respect to AMR
  - MAH has a capacity to supply in sufficient quantities for needs of Union market
  - transparency of all (private and public) direct funding received for R&D → information to be made public

- Measure only available **for 15 years from entry into force** of the Regulation OR [whichever is earliest] **10 vouchers available in total.**

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Prudent use measures

- **Antimicrobial stewardship plan** (risk mitigation measures, monitor and report) (DIR Art 17)
- Special information requirements for antimicrobials (**educational materials** to HCPs, **awareness card**) (DIR Art 69)
- Special **ERA for antimicrobials** (DIR Art 22(4))
- All antimicrobials are subjects to the **medical prescription** (DIR Art 51)
- **Pack size** of the antimicrobial shall correspond to the usual posology and duration of treatment (DIR Art 17)
- **Additional obligations** if the risk mitigation measures contained in the antimicrobial stewardship plan is unsatisfactory (DIR Art 17)

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Thank you

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