

Press Release

Commission study highlights need for procurement reform to ensure patient access to medicines

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To improve access to medicines, we need European-wide legal guidance on medicines procurement covering security of supply, MEAT criteria and biosimilar competition.

The Commission has published <u>a study</u> examining the public procurement practices and their impact on medicines supply and availability. The study confirms that awarding multiple winners and using additional criteria other than price (most economically advantageous tender – MEAT criteria) would be more sustainable procurement.

The study shows that procurers are focused primarily on cost-minimisation, through price-only, single-winner tenders. This encourages bidders to offer the lowest-price possible and provides no reward for security of supply measures or environmentally sound manufacturing. This leads to overreliance on a single manufacturer to supply the market and increases the risk of serious shortages. This risk is compounded by mounting inflation across Europe and the increase in global production costs leading to consolidation at all levels of the pharmaceutical supply chain.

Biosimilar medicines have generated over \leq 30 billion of cumulated savings to re-invest in healthcare and 4.5 billion patient treatment days of positive experience. Yet, the study highlights that there should be better procurement to encourage biosimilar competition and to increase access to medicines. This could easily be solved by requiring the reopening of tender contracts at entry of the first biosimilar medicine and reforms to EU pharmaceutical legislation.

The study confirms the need to improve medicines procurement in Europe by incorporating requirements for more diversified, multi-winner tenders and MEAT criteria for security of supply. Medicines for Europe calls on the Commission to support Member States by issuing legal guidance on how to implement these practices into medicines procurement.

Adrian van den Hoven, Director General of Medicines for Europe, commented on the publication: *"The Commission study on public procurement of medicines confirms the need for reform to make off-patent medicines markets resilient, viable and future-proof. Our industry is ready to work with the Commission and Member States and stakeholders to introduce clear procurement guidelines to improve the access and availability of medicines across Europe."*