Franklin Center for Global Policy Exchange

News from THE FRANKLIN CENTER

July 24, 2020

PhRMA Head Steve Ubl Highlights Industry Response to Global Pandemic

WASHINGTON, DC — With all eyes around the world looking on as the race to develop a COVID-19 vaccine unfolds, one industry leader here in Washington is ensuring that the pharmaceutical companies at the forefront of this research work together and get the support they need to succeed.

That leader is Steve Ubl, President and CEO of The Pharmaceutical Research and Manufacturers of America (PhRMA), who participated in a virtual meeting of The Ripon Society on Wednesday.

In the midst of economic turmoil, Ubl was asked about the pharmaceutical industry's perspective on improving patient affordability, and how American innovation and research can be protected along the way.

"We are concerned," Ubl explained, "that the industry's around the clock efforts to pursue effective therapeutics and a vaccine has not stopped certain policymakers from moving forward with proposals that would be very devastating for our sector.

"The first thing I say to policymakers is, 'Do no harm.' On the other side of the equation I would say that we certainly need moderate voices on drug pricing reform. The industry understands that the status quo is not acceptable, that we need to move forward with pragmatic reforms that lower costs for patients. But we have to find a way that doesn't compromise our ability to continue to innovate.

"Are we going to address misaligned incentives and try to lower costs for consumers? Or are we going to allow the government to set the price? If you look at countries around the world where the government decides which medicines are available and at what price, people tend to have less access to cutting edge medicine. We want to focus on pragmatic reforms at lower costs for patients, not moving in the direction of socialized medicine, government setting the price, deciding who gets medicines, etc. We know how that story ends."

He also discussed how the biopharmaceutical industry has come together during this crisis to create essential treatments.

"I am excited to see the industry rallying on so many fronts to address the COVID-19 crisis. And let me step back and just talk about each of those areas a little bit.

"The first is testing. We all know that testing is the key to making sure that we can track the virus and our companies are playing a key role. You may not be aware that our companies have their own laboratories, so they're tapping their own expertise to supplement state public health authorities. So for example, Eli Lilly, one of our member companies opened a drive through testing center in Indianapolis, which supplements the Indiana state public health authorities there.

PhRMA President and CEO Steve Ubl

"Additionally, our companies are also looking to repurpose existing therapies already approved by the FDA to fight COVID-19. They're scanning their vast global libraries for possible solutions." Regarding possible vaccines and treatments to fight COVID-19, Ubl explains why he thinks people should be optimistic for results to arrive sooner rather than later.

> **"We're seeing an unprecedented level of collaboration, both within companies, between companies, and with government officials."**

"Everybody wants to know where we are on a vaccine. There are now nearly 200 programs underway, and about 10 to 15 that are already in human trials. This is really important because we're going to need a lot of shots on goal. Not all of these vaccines are going to work – the immune system is notoriously complex and people respond to various vaccines differently. And to meet the demand for billions of doses worldwide, we're going to need more than one vaccine approved. It's really heartening that we're as far along as we are, and I think we're going to be in pretty good shape by the end of the year and beginning of next year."

Ubl outlined three key reasons why the industry has been able to respond so quickly to this global crisis in particular.

1. Companies are relying on decades of experience with similar viruses. Drugmaker Gilead repurposed remdesivir in a timely manner because of their extensive background with other antivirals, including HIV, hepatitis C, MERS, and SARS.

2. Investments in new technology have been made over the years that allow companies to decode the virus in record time. When the SARS epidemic broke out, it took almost two years to get the first candidate vaccine into human trials. Whereas, for COVID-19, two months after the first diagnosis, companies were already moving vaccine candidates into human trials.

3. Companies alone have the unique capability to manufacture and disseminate any therapeutic or vaccine that's proven safe and effective once it's approved and companies are already manufacturing doses, even though they don't know if their product is going to be approved by the FDA.

Ubl wrapped up his remarks by explaining how the companies he represents are planning to ensure that the therapeutics and vaccines they ultimately release will be accessible to all American consumers.

"Our companies are keenly aware of the environment that we're operating in today, and what's at stake. They're deeply committed to making sure when we have a safe and effective therapeutics and a vaccine that they're broadly accessible. We're working very closely with governments as well as health plans to make sure of that.

"We're seeing an unprecedented level of collaboration, both within companies, between companies, and with government officials. We now have weekly interaction with FDA leadership. We're also sharing clinical trial results in real time – sharing those results with other companies and the government. And finally, our companies are willing to donate their manufacturing capacity to a competitor. If the competitor gets a product approved by the FDA, they're willing to help produce it – all in the name of addressing this crisis."

During a question and answer portion with audience members, the virtual audience was able to ask a number of questions, including how the global pharmaceutical supply chain will change in the wake of COVID-19.

"Our industry supports incentives for investing in U.S. manufacturing," Ubl said. "Of course, if there are targeted situations where companies are over reliant on any country, we should address those in a targeted fashion. But if you step back for the branded industry, there are very few cases where the industry is over reliant on China or any other country. I would say, as a practical matter, having a robust, diverse supply chain is a feature, not a bug – it allows our industry to make adjustments and to avoid shortages or other disruptions.

"The Administration and Congress have taken some very important steps through tax reform and other deregulatory steps to start a process of reinvestment in the United States in terms of manufacturing. We should build on those steps to do more over time. But again, abrupt constraints on the supply chain, I think might cause more problems in the short term, particularly during the pandemic."

He was also asked about vaccine hesitancy – whether members of the public will forego any treatment or vaccine released to fight the pandemic. According to Ubl – public trust will be absolutely essential.

"Vaccine hesitancy is a real issue, and we're all going to need to take steps to ensure that we rebuild a level of trust in certain key communities. There are very real reasons why certain communities are hesitant about participating in clinical trials and accessing a vaccine. So what we've been doing at PhRMA is reaching out to a variety of different stakeholders to discuss this issue and to begin outreach to ensure that when we do have a safe and effective therapeutic or vaccine, that we try to overcome that mistrust and build on the initiatives that others are changing in this regard."

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