

PRICE REGULATION FOR MEDICINES

WHAT IS PRICE REGULATION?

When a government intervenes to set a price for certain goods and services, in this case medicines, to ensure fairer access.

TYPE OF MEDICINES

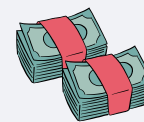
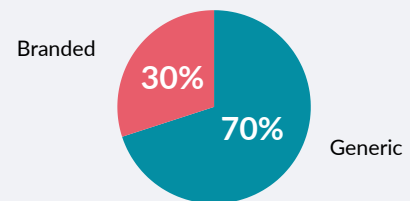
BRANDED

Branded, on-patent medicines are the first to enter the market. They face limited competition due to companies having exclusive rights over them.

GENERIC

They are produced by other companies after the patent expires. In some countries, generics are less regulated than branded medicines. Sometimes they see significant competition from other generics. This can help lower prices without government intervention.

Use of medicines in Europe¹

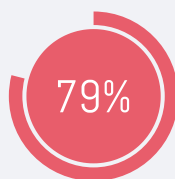


Typically generic medicines are **20-90%** cheaper than branded²

REGULATE MEDICINE PRICES – OR NOT?

Not all countries around the world use price regulation for medicines. For example, the price of generics is not regulated in the UK and the US does not regulate medicine prices at all.

WHEN NOT REGULATED



A public survey in US published in 2019 uncovered that **79%** of respondents say that the costs for prescription medicines are unreasonable, **3 in 10 people** say they do not take prescribed medications because of the cost.³

WHEN REGULATED



70% of EU medicine costs covered by governments⁴

In Europe, regulating the price of the medicines is essential for ensuring access to treatment for all under public health insurance. Price regulation needs to strike the **right balance** between **providing access** and **rewarding innovation**.

REFERENCES

1. Troein et al 2024. Beneath the Surface: Unravelling the True Value of Generic Medicines. IQVIA White Paper
2. Medicines UK. About generics (accessed 20/05/2025)
3. Kirzinger et al. 2019. US Public's Perspective on Prescription Drug Costs. JAMA. 2019;322(15)
4. OECD. 2024. Health at a Glance: Europe 2024

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