Innovative medicines: a health and location factor rather than a cost burden

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Value of Health – Health is a location factor, not a cost factor

>> Anyone who views health primarily as a cost burden fails to recognise its long-term benefits for society, the economy and the state [1, 2] – not to mention the benefits for patients. Health is not a cost factor, but a strategic investment in productivity, social resilience and economic competitiveness [3].

Innovative medicines are a key lever in this regard. Health has long since ceased to determine merely individual quality of life; it also determines the future viability of entire economies. For instance, the societal costs of dementia in Germany are projected to rise to 285 billion euros by 2060 [1].

Innovative medicines keep people healthy for longer, safeguard their ability to work, relieve the burden on care and social systems, and create measurable macroeconomic added value. Germany benefits in particular from a strong research-based pharmaceutical industry: as a driver of innovation, an employer and an export sector. With R&D accounting for around ten per cent of production value, the pharmaceutical industry is well ahead of other sectors of the economy, at roughly three times the industry average [4]. 42 per cent of employees in the pharmaceutical industry subject to social insurance contributions are engaged in highly specialised roles, often requiring academic qualifications.

Value creation, research and patient care are not opposites, but two sides of the same coin: without reliable framework conditions for innovation, both patient care and Germany as a business location will ultimately suffer.

The threat: the GKV Contribution Stabilisation Act – from evidence-based AMNOG to a systemic shift

With the so-called GKV Contribution Stabilisation Act, which is being marketed as a cost-containment law, policymakers are quietly effecting a profound paradigm shift: away from successful benefit-based pricing towards purely budget-driven interventions. Dynamic manufacturer discounts, an additional mandatory model for price-volume targets and downstream discount agreements are undermining the AMNOG. Additional medical benefit is thus losing its role in price formation, whilst economic control instruments dominate. In its overall effect, this discount logic exerts a structurally distorting force: it disadvantages above all those medicines that drive medical progress and are particularly important for future healthcare provision. This is not a fine-tuning of a proven system, but a systemic change.

Experience from other countries shows that comparable interventions can impair access to innovative therapies. At the same time, additional discounts exacerbate international price differences and hinder the early availability of new medicines. This approach is also misguided from an economic perspective: analyses show that savings in the pharmaceutical sector have far-reaching effects beyond the healthcare sector. Every euro cut leads to losses in value creation and investment that can amount to many times that figure. This assessment is consistent with earlier findings, according to which an increase in the manufacturer's discount effectively amounts to a reduction in investment running into the billions [5, 6]. It is often overlooked that the pharmaceutical industry is already making a significant contribution to savings: in 2025 alone, this amounted to around 29 billion euros through discounts, price regulation and statutory rebates.

Cost-cutting measures jeopardise medical progress for patients and healthcare provision

Innovative medicines are not created by political declarations of intent, but through long-term, high-risk investments. When global companies decide where to conduct clinical trials and where to launch new medicines first, this is not an abstract question of location, but a sober assessment of the framework conditions.

At its core, it is about sending a signal: is medical innovation recognised as a social value and adequately funded – or treated primarily as a cost problem? Where benefits, evidence and predictability count, an ecosystem emerges in which research, clinical trials and early access reinforce one another. Where, on the other hand, innovation is viewed primarily as a cost factor and subject to budgetary constraints, investment fails to materialise and patients wait longer.

Are we now repeating the same mistakes that were already made with the supply of generic medicines? The extreme downward price spirals triggered by health insurance funds' discount agreements have led to serious market contraction and supply problems. Today, policymakers are discussing the consequences and attempting to counteract them, with limited success.

For there is already an innovation deficit today. Recent analyses show that a significant proportion of new medicines approved in the US do not

reach patients in Germany. Specifically, more than one in three new medicines remains unavailable in this country: of 526 innovative medicines approved in the US between 2016 and 2025, 175 are missing from the German market [7].

What Germany needs: the Pharmaceutical Dialogue as an opportunity to further develop the AMNOG and healthcare provision

The implementation of the results of the German government's ongoing pharmaceutical dialogue continues to offer an opportunity to further develop the AMNOG in a future-proof manner. The aim must be to strengthen innovation, security of supply and the attractiveness of the country as a business location – rather than devaluing innovation through short-term cost interventions. This requires predictable framework conditions, a transparent, methodological expert dialogue and benefit-based pricing. Of particular importance here are the recognition of specific therapeutic situations and reliability in the use of study comparators. This strengthens trust and, ultimately, patient care.

In the case of highly innovative therapies – such as in precision oncology or for rare diseases – traditional RCTs are not always justifiable or can be expected by a specific

point in time. Regulatory authorities have long taken this reality into account. Benefit assessment must follow this approach, rather than systematically delegitimising evidence [8].

An AMNOG of the future evaluates the best available evidence, takes healthcare perspectives into account and enables adaptive solutions – for example, through better framework conditions for performance-based reimbursement models [9]. Such models create transparency, promote evidence-based decisions and ensure that innovation is rewarded where it delivers measurable benefits for patients.

Working for Germany now – investment in health is a political decision

Germany faces a fundamental decision: do we want to remain a hub for innovation, or prioritise short-term cost-cutting measures? Anyone who takes health, innovation and competitiveness seriously must not devalue innovation through cost-driven and short-sighted interventions. The pharmaceutical industry operates along global value chains, and national regulation directly influences location and business decisions. Particularly in the current geopolitical and economic climate, Germany has the opportunity to strengthen its position through stability and reliability.

However, the Statutory Health Insurance Contribution Stabilisation Act sends exactly the opposite signal. My appeal is therefore directed specifically at political decision-makers in Germany: politicians must act now – with reliable framework conditions, a targeted modernisation of the AMNOG and a clear commitment to the value of innovation. Because ultimately, far more is at stake than the stability of statutory health insurance contributions. It is about patients' access to medical progress – and the future of Germany as a business location. <<

Citation

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inav launches NIMa

>> The consultancy firm inav is launching an important innovation fund project as consortium leader with the aim of sustainably improving the flu vaccination rate in Germany. From October this year until September 2028, the NIMa project – an acronym for“Understanding low influenza vaccination rates through GP-centred measures” – will investigate which GP-centred measures can be used to increase vaccination rates in Germany. The aim is to identify facilitating and hindering factors, barriers and challenges relating to information provision and vaccination, as well as the reasons for non-vaccination. Following a comprehensive systematic literature review, GPs from the federal states with the lowest vaccination rates (Baden-Württemberg and Bavaria) will be surveyed.

Based on the results, measures and recommendations to increase the vaccination rate will be developed. These will be implemented in pilot practices and evaluated in terms of their effect on the vaccination rate. The project is funded for three years with approximately 1.3 million euros. <<

Links: https://lnkd.in/depBp3WE https://lnkd.in/dHKiHgmf

Stability Pact for Care

>> “Action is needed now on care funding,” says Florian Reuther, Director of the PKV Association. “The structural deficit in pay-as-you-go financing can no longer be denied. We can no longer buy time with loans. We need a stability pact that quickly stabilises contribution rates and safeguards intergenerational fairness.” To this end, the PKV has launched an emergency programme with concrete, actionable measures. The PKV has identified three key points for stabilising social care insurance (1). In the PKV’s view, care insurance expenditure must not grow faster than revenue in future, similar to the provisions of the General Health Insurance Financing Act. This must be the guiding principle of a fair reform. Alternatively, benefit expenditure could be capped, which would lead to a reduction in the contribution rate. <<

1: https://t1p.de/ijusz

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