The Value of Value Added Medicines
By James Burt, CEO Pharmanovia

When we think of pharmaceutical innovation – we think of blockbuster drugs with bank-breaking price tags.

Less is written about value added medicines (VAMs), which give old medicines a new life, and can play an important role in addressing patients' unmet needs - doing so while delivering potential cost savings to health systems.

Value added medicines come from innovating on established, efficacious medicines and finding new uses for them, repositioning them to improve the medicine being delivered to patients. This can be by way of new indications, better pharmacokinetics, improved delivery mechanisms and many more ways. I liken VAM development to having a garage full of classic cars. They're beautiful but not quite fit for today. However, if you take out the leaded petrol engine and put in an electric motor, you maintain the beautiful aesthetic of the classic car while meeting the emission standards of tomorrow.

That's what we can do with value added medicines. We take something established but still full of potential and upgrade it to give it new uses or purpose.

But developing a VAM isn't easy. There's a misconception that this is just the tidying up of a generic medicine. This is doing a disservice to the work, research and investment that goes into bringing these vital products to market, which while smaller than for the development of a completely new molecule, is still significant.

VAMs can help fill treatment gaps and improve treatments for patients, while still supporting the affordability of health systems and I think that's exactly what policymakers and payers should recognise.

To encourage more VAMs to be developed, we need a more systematic approach to them as another class of medicines, between generics and new molecules.

Markets that recognise this are embracing VAMs and creating pathways and platforms that make the review of these medicines easier.

Global estimates put the USA as world leaders in terms of value-added medicine sales. However, we're seeing many other markets catch up, with the fastest growth of the class in economies like China, South Korea, Brazil, and South Africa where there is a more direct interplay between payors and regulators, leading to encouragement and incentivisation. The EU unfortunately is currently lagging behind.

That's why we're excited about proposals in the European pharmaceutical legislation for a new pathway for VAMs (article 84).

This is just the innovation in legislation the industry needs and we're working closely with @Medicines for Europe to encourage the support of this important pathway with European and national policymakers and we encourage other VAM companies to do the same!

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