

"Access to Medicines in the Developing World Through Partnerships"

**Remarks by
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This morning, I've been asked to discuss what we at Pfizer have learned from our medicine access programs, with particular focus on donations.

But first, a matter of definition. Donations can be considered a form of differential pricing. The price happens to be zero, or even less, considering the value of education that accompanies product and often cash donations.

With that in mind, I will discuss four points surrounding our access programs:

- * first, our commitment to providing patient access to our drugs -- regardless of ability to pay**
- * next, the four "pillars" that have to be present for programs to work**
- * third, some misconceptions that surround donation programs, and**
- * finally, where our company is headed.**

Two weeks ago, Pfizer CEO Hank McKinnell said in a speech to the Pharmaceutical Research and Manufacturers of America:

"The AIDS crisis in sub-Saharan Africa is a clarion call for partnership. Here the world faces a healthcare crisis unmatched in recent human history. It certainly won't be solved by finger pointing or demonizing. Progress will only come with partnership. We can take a holistic and ultimately effective approach to removing all barriers to access."

Part of that approach has been our donation programs, and we have learned two vital lessons: one is invigorating. Donation programs can and do work.

The other is also clear: Pfizer alone cannot make them work. Indeed, medicines alone cannot make access programs work.

To improve public health significantly, donation programs - or successful special pricing -- must be built on a broad foundation of which product is just one pillar. It is Pfizer's view - gained through decades of experience - that four other pillars are required.

First, there must be reliable distribution of product. Drugs have to get from manufacturer to patient. Transportation, storage and inventory procedures and overall quality control are not mere niceties. They are obvious essentials.

Second, there must be a competent means of technology or information transfer. Health care providers need to understand the appropriate use of medicines and patients need to be aware of their medical condition. Dosing regimens need to be

understood, and information must be provided to patients about their disease and the medicines they use.

Third, effective access programs require a reliable means of actually dispensing medicines to patients. Ideally, pharmacists, or other trained personnel are available to facilitate the flow of medicines and information to patients.

Fourth - and this may be the most elusive pillar -- there must be the political will to enable the program to be implemented and administered.

Where these pillars are present donation access programs work. As long as diversion of product to established markets is prevented and intellectual property rights are protected, Pfizer will continue to sustain them.

One important point about patents and access. Only with patents will there be access to the medicines yet to be discovered. Patent protection is crucial to discover and develop the drugs in the first place. Better treatments and even cures for AIDS and other diseases will most likely never be discovered without incentives that work.

Let me share the outcomes of Pfizer's access programs, first in the U.S., and then in developing countries.

In the United States lack of access to needed medicines is still a major problem for many. In 1993, we introduced "Sharing The Care." This program provides Pfizer

medicines free of charge to patients who fall below the federal poverty level but still not eligible for Medicaid.

In creating this program, we needed the four pillars and a distribution infrastructure. So, after several attempts, Pfizer identified a network of community health centers that could help us get the drugs to the right place at the right time to the right patients.

To date, this donation program has provided more than 4.5 million prescriptions of Pfizer medications to over 1.5 million patients. And it continues.

Additionally, five years ago, Pfizer began planning -- along with the Edna McConnell Clark Foundation, the WHO, the ministries of health in certain countries, and NGOs such as Helen Keller Worldwide -- to create and fund the International Trachoma Initiative.

In the developing world, Pfizer has committed tremendous resources to the International Trachoma Initiative to help eliminate blindness from trachoma. To date, ITI has treated more than 2.2 million patients with Pfizer's antibiotic Zithromax as part of comprehensive public health approach that combines prevention and treatment. Key to the ITI's success has been its transfer of technology and information to local health care professionals and at risk populations. The use of our antibiotic Zithromax has been critically supplemented with surgical techniques and public hygiene education designed to eliminate trachoma-related blindness.

I am pleased to say that results have been outstanding. In December, ITI announced that preliminary results from two countries - Morocco and Tanzania - showed the program cutting the prevalence of trachoma by more than 50 percent among 2 million people in just over one year. And it continues. ITI and Pfizer - working in close partnership with the WHO -- are now expanding the program to more countries. In both examples, the four pillars were either present or were built.

In South Africa, our Diflucan Partnership Program is our latest example of what I believe will be a successful program.

Last year, Pfizer offered to supply the antifungal Diflucan - fluconazole - to South African public health sector for the treatment of cryptococcal meningitis and esophageal candidiasis in AIDS patients. The drug has been shipped and is now available for patients.

The first patients are scheduled to be treated, and once again, the four pillars had to be present before treatment could commence.

This program continues, and Pfizer has agreed to supply this medication to patients for as long as they need it.

Our accord with the government is based on the Ministry of Health's political determination that this program be effective. It assures distribution, transfers technology and gets medicines to patients, just as government participation in the

trachoma abatement program has played such a large part in the success of that program.

Despite these successes, some people contend that donation programs are - at best -- nothing more than a marketing ploy or a tax benefit for the drug companies, or they are unsustainable.

Pfizer's experiences show those are misconceptions.

Consider the misconception that donation programs are simply marketing ploys. That's a bit of a non sequitur, since there is no commercial market for Zithromax for trachoma.

Does the trachoma elimination program reflect positively on our company and products and enhance our reputation? I hope so, but we don't measure that, and it's not our motivation.

Another misconception is that donation programs are undertaken to provide tax benefits for drug companies.

There is a tax benefit. But it is significantly less than the out-of-pocket costs of the donation program. Last year, Pfizer spent more to support Sharing the Care than we received in tax benefits. And that's not to mention the time and attention and other costs dedicated to these programs by Pfizer management.

Finally, some say donation programs are unsustainable.

But they are sustainable. Sharing the Care, the Patient Assistance Program - another donation program that was started by Pfizer a quarter of a century ago -- and The International Trachoma Initiative are all going strong - and will continue to go strong. And that's not just Pfizer's experience.

Merck's donation program to eliminate river blindness has been a force for good in the world since 1988 - and it too continues.

The proof of the value of donations programs is in the millions of patients who are helped, are being helped and who will be helped.

We have helped to demonstrate their sustainability. But it is also clear we cannot sustain them alone. For our medicines to be effective, they must be joined by a logistical complement that ensures proper diagnosis, delivery of products, appropriate dispensing, monitoring of outcomes and the political will and administration to get medicines to patients.

To fully achieve this critical mass, others must also be called upon, including such major donors as the World Bank, governments of the developed world, foundations, physician groups and also patient support groups and individuals.

Is this a perfect solution? No. But in a perfect world AIDS wouldn't exist. If we wait for perfection, the good we can do will slip away.

Every day, 8,000 human beings die from complications arising from HIV infection. A wave of innovation is rolling out of our pharmaceutical research companies to stop this killer. It must now be joined by a wave of political and moral will.

Some of that moral will is taking the form of special pricing decisions made on an individual company basis - and it has its place. It is important and good but only sustained with the help of others. We are ready to do our part. We have started, and we must do more. We are evaluating programs in additional countries, particularly in Africa. Our foundation is entering discussions with international organizations and NGOs to develop new initiatives. To help us - to make more programs workable -- other parties must step forward.

If -- instead of turning on each other -- we turn to each other, we can do much good. As Hank McKinnell said at PhRMA, "We can build partnerships. We can set realistic goals and make real progress."

At Pfizer we believe history demonstrates the efficacy of donation programs. So can the future.

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