

# Confidential drug prices undermine trust in the system

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## DEBATT

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The author has completed the ICMJE form and declares no conflicts of interest.

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Transparency about priority setting is crucial for ensuring trust in the decisions that are made. The combination of sky-high prices of many new drugs and confidential drug prices erodes trust.

The drugs that hospital trusts procure and provide may have a direct effect on the length and quality of patients' lives. The thermometers, compresses, night stands or washing machines that they procure have no such effect. This is what distinguishes drugs from other kinds of public procurements where confidentiality surrounding costs presents no problems.

The debate on confidential drug prices has continued ever since the procedures for procurement of drugs were changed in 2015. The debate is an important one. The main argument in favour of secrecy is that it provides the pharmaceutical companies with the opportunity to offer high discounts to countries such as Norway without letting other countries know what we are paying. However, as long as the discounts provided to most countries are kept secret, this remains a mere assertion. The argument may just as well be turned on its head: why would the industry be interested in granting large discounts to such a small country as Norway?

## Precluding verification

In an article in the Journal of the Norwegian Medical Association, Østby and Solli from Pfizer claim that there are good reasons to keep drug prices confidential (1). They are of course free to put forward such a claim, but from reading their article it appears unclear why this is so. They indeed write that 'confidentiality provides enterprises with an opportunity to differentiate prices between countries with varying ability or willingness to pay', but this mainly appears to be an argument for why confidential prices are good for Pfizer. This allows them as well as other pharmaceutical companies to sell their drugs at the highest possible price in each country and thereby maximise their earnings.

Østby and Solli provide a reasonably accurate description of how the priority setting criteria are operationalised in the assessments made by the Decision Forum, but this does not amount to a valid argument as to why confidential prices are a good thing. The fact that

previously there was more transparency regarding prices, but less regarding processes and criteria, is not an argument for why more transparency regarding processes and criteria should result in less transparency regarding prices. Nobody will disagree that priority decisions are not made on the basis of price alone. The high prices that pharmaceutical companies charge for their new drugs nevertheless make price a crucial factor for determining whether a drug is cost effective or not.

The assessment of Keytruda (pembrolizumab) for lung cancer (2) says: 'The Norwegian Medicines Agency finds that taking into account the degree of seriousness, clinically relevant effect and cost effectiveness, as well as uncertainty in the analyses, Keytruda does not meet the criteria for a recommendation for use, given the prevailing maximum AUP (the maximum sales price of the drug dispensed from pharmacies, author's note). If the tender price is used as the basis, the Norwegian Medicines Agency is of the opinion that Keytruda meets these criteria.' Without a discount, Keytruda does not meet the criteria, but with a discount it does. The size of the discount dictates the decision, as for most new drugs that are being assessed.

Confidential prices prevent health economists and other specialists from verifying the decisions.

Confidential prices prevent health economists and other specialists from verifying the decisions. Nor can decisions be appealed. Patients and next of kin receive no explanation for the rejection. Research on this topic is undermined, since the actual conditions for the decision are unavailable.

## Transparency is a democratic principle

In a wider perspective, this is a matter of fundamental democratic principles, of fairness, equal treatment and trust in the system. Without the necessary transparency, trust in and loyalty to the priority setting system erode, among patients, their next of kin and healthcare workers. This is serious. A number of parties, such as the Norwegian Institute of Public Health, the Directorate of Health, the Norwegian Pharmacy Association, the Norwegian Medical Association, the Norwegian Medicines Agency and the Norwegian Press Association have all been critical of the secrecy (3, 4). In other words, the criticism comes not only from academic quarters, but from virtually every single group in the health services.

There is little doubt regarding the positive nature of the work on priority setting that has been undertaken in Norway in recent years. Work on the White Paper on priority setting and the unanimous decision by the Storting to introduce the three criteria are unique internationally. Moreover, despite considerable criticism I believe that the establishment of the National System for Managed Introduction of New Health Technologies in the Specialist Health Services and of the Decision Forum has helped ensure a more systematic and equal treatment across regions. Those who hold the budgetary responsibility should make the decisions.

However, a solid and well-considered system of priorities has little value if there is no trust in and loyalty to the system. Those who defend the secrecy need to understand that the criticism springs from a sincere desire to strengthen the priority setting efforts. Given the great opportunities and challenges that will emerge over the next few years, this is necessary.

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Published: 20 May 2019. Tidsskr Nor Legeforen. DOI: 10.4045/tidsskr.19.0284

Received 4.4.2019, accepted 8.4.2019.

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