

ECIPE PRESS RELEASE — NEW OCCASIONAL PAPER

Research Finds Greater Focus on Healthcare in Trade Negotiations Would Improve Patient Access to Innovative Medical Solutions

New study highlights value of healthcare in TTIP for EU and U.S. Governments

Brussels, Belgium, 5 March 2015 — The Transatlantic Trade and Investment Partnership (TTIP) is a critical opportunity for Europe and the United States to support better health outcomes, advance health innovation and find greater cost efficiencies to provide high quality healthcare to patients, according to an analysis of trade and the healthcare sector released today by the European Centre for International Political Economy (ECIPE), *The Health of Nations: A Transatlantic Trade and Investment Agenda for Better Healthcare*.

The study, commissioned by the Alliance for Healthcare Competitiveness (AHC), is intended to fuel ideas around the importance of healthcare in spurring medical advancement, economic development and improved health outcomes through key trade negotiations, as well as highlight the opportunity to enhance scientific innovation and patient access to care by reducing trade barriers and increasing harmonization.

“Trade plays an integral role in making healthcare more innovative and affordable, and existing obstacles to trade raise the cost for healthcare systems to deliver better healthcare to patients,” said Fredrik Erixon, Director of ECIPE. “Current approaches to control health expenditures are not sufficient and will likely lead to increasingly inequitable healthcare and health outcomes. A healthcare agenda for TTIP is important for both the European Union and the United States, as it will offer new opportunities to better integrate the healthcare sector across borders and allow for more efficient specialization and quality outcomes for patients.”

The paper explores a range of issues, and comes to a number of conclusions, including:

- Healthcare is increasingly dependent on input services like logistics and data, which are critical for the modernization of healthcare as well as the ambition to make healthcare accessible for all. New technology can help to integrate the different parts of the healthcare supply chain, internally and externally.
- The healthcare sector is accelerating the speed of innovation, but regulations must enable new innovations to reach patients in a safe and affordable way. The EU and the U.S. should develop a new strategy to improve market access and rules for healthcare trade globally.
- Healthcare trade policy is struggling, and increases in the demand for healthcare as populations continue to age are driving governments to look for ways to control growth in

healthcare expenditures. Removing unnecessary costs of trade would positively affect healthcare spending in a very direct way.

- The healthcare sector is far more constrained by trade barriers than many other sectors and could benefit from inclusion in TTIP. A healthcare agenda in TTIP could help to realize cost efficiencies with regard to healthcare innovation at the same time as it boosts transatlantic trade.
- A higher degree of specialization in healthcare generally requires better ways to connect different countries with each other, as healthcare systems simply cannot afford to maintain all specialized services within one hospital, one region, or even one country. As the world gradually moves towards a pattern of specialization that is global, or at least international, it is vital to ensure that the actual modes of cross-border cooperation are improved. Technology and services will be central to achieve that development.
- Modern trade policy is about improving the quality of institutions, and should help to foster greater transparency and predictability in the way institutions operate.

“The findings of this research align with what many in the healthcare sector already know—regulatory cooperation between the U.S. and the EU will help eliminate redundant regulatory requirements, saving unnecessary costs and streamlining the process of delivering quality, innovative healthcare to patients,” said Claude Fontheim, President of AHC. “Trade plays a critical role in improving the use of healthcare resources and, ultimately, providing better healthcare for people everywhere.”

The healthcare sector is accelerating the speed of innovation, and regulations are necessary to ensure high quality and safety for patients and providers. However, the study’s findings indicate that in order for new innovations to reach patients, it is important to avoid regulatory duplication costs and unnecessary hurdles when regulations aim to achieve similar outcomes. Through a strong TTIP agreement and the opening of borders and elimination of barriers, both the EU and U.S. can increase the efficiencies in their systems, while helping to secure patient access to the best medical solutions.

About ECIPE

The European Centre for International Political Economy (ECIPE) is an independent and non-profit policy research think tank dedicated to trade policy and other international economic policy issues of importance to Europe. Based in Brussels, ECIPE is one of the leading world-economy think tanks in the world. It was founded in 2006.

About the Alliance for Healthcare Competitiveness

The Alliance for Healthcare Competitiveness (AHC), the only coalition calling for more open trade at the health sector level, advocates for improved access to healthcare products and services across borders. AHC brings together a diverse group of organizations, recognizing the value of sector-wide collaboration and partnership. AHC membership includes leading healthcare employers – both for-profit and non-profit, large and small – in approximately 160 countries across the globe. AHC was formed in 2009.

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