

Building a More Just, Equitable Health Care System

PhRMA strongly believes that diversity is essential to a robust innovation ecosystem that can create new medicines for those who need them, regardless of a person's zip code or ethnic or racial background. The biopharmaceutical industry continues to take an active role through our actions as an industry, and as individual companies, as well as by supporting public policies that address health disparities and working across the broader health care system to create a more equitable U.S. health care system for everyone.

I Improving Diversity in Clinical Trials

The industry takes seriously its responsibility to lead and make progress in conducting clinical trials, where historic gaps in populations represented in developing new medicines persist. In 2021, the industry released its first-ever industry-wide principles on clinical trial diversity that seek to increase trust within Black and Brown communities and eliminate the systemic barriers to clinical trial participation.ⁱ By committing to enhancing diversity in clinical trial populations, we can better reflect the patients who will use the new medicine being studied and help reduce health care disparities. Through the principles, the industry seeks to acknowledge past wrongs, reduce barriers to clinical trial access, use real-world data to enhance information on diverse populations beyond product approval and share information about diversity and inclusion in clinical trial participation.

Building on this commitment, this year, PhRMA funded a grant for Yale School of Medicine, Morehouse School of Medicine, the Research Centers in Minority Institutions Coordinating Center at Morehouse School of Medicine, and Vanderbilt University Medical Center to establish a first-of-its kind initiative to enhance diversity in clinical trials. Equitable Breakthroughs in Medicine Development will pilot a network of sustainable, connected, community-based trial sites that brings together diverse communities, clinical trial sponsors, patients, providers, health partners, community organizations and academic institutions. The initiative follows more than two years of PhRMA-led stakeholder engagement to assess barriers to clinical trial participation and identify tangible actions and goals that can make a difference.

I Reduce Insurance Barriers to Ensure Equal Access to Prescribed Medicines

Communities of color are disproportionately affected by rising health care costs and eroding health insurance coverage, both of which play a key role in access to care, including receiving a prescription from a health care provider and filling it at the pharmacy. Underinsurance or high out-of-pocket costs should not be barriers to accessing prescribed medicines known to be effective at preventing or treating serious illness. Too many low-income patients with insurance do not have coverage that prioritizes effective management or prevention of disease. We believe more robust efforts are needed for outreach and education to not only help patients navigate insurance options but access available subsidy programs. These steps can provide better access to prescribed medicines which is important to improve health and reduce health disparities.

We need to rethink insurance to reduce cost barriers for patients that can result in unequal access to medicines. This includes ensuring patients, including patients from underserved communities, directly benefit from negotiated savings and discounts on their medicines that pharmaceutical manufacturers provide to insurance plans and middlemen known as pharmacy benefit managers. One study found, if rebates are shared with diabetes patients in the commercial market at the pharmacy counter, individuals could save a total of \$1.5 billion over ten years, or on average \$500 per person per year. Critically, as Black and Hispanic Americans are disproportionately impacted by diabetes, they are estimated to see the largest reductions in combined medical and medicine health care costs- saving 6% and 9% of combined health care costs, respectively.ⁱⁱ

Insurance should also cover certain medicines for conditions that disproportionately impact underserved communities from the first day that coverage is effective - without subjecting patients to deductibles in the commercial market. Additionally, manufacturer cost-sharing assistance for patients should count towards plan deductibles or out-of-pocket maximums. Addressing these problems would represent important steps forward for health equity.

I Address Underdiagnosis and Undertreatment in Underserved Communities

Poor health outcomes in underserved communities are often the consequence of long-standing disadvantages that lead to underdiagnosis and undertreatment. Many patients in underserved communities do not have access to the care they need, nor a trusted medical community that will diagnose without bias.

Addressing this problem not only requires policy changes described above, but also interaction and learning from underserved communities. Inequities are often rooted in community-specific factors like where a person lives, works and plays; lack of adequate coverage and access to providers; and systemic racism and discrimination.

Recognizing that barriers may be unique from community to community, PhRMA created the Collaborative Actions to Research Equity (CAREs) grant program. The PhRMA CAREs grant program aims to address health inequities through partnership with community-led organizations through support of local and national activities and research. To date, PhRMA has awarded nearly \$500,000 in grants to community organization, institutions, and individuals working to advance health equity across the country.ⁱⁱⁱ To address longstanding disadvantages more broadly, PhRMA is also working with national partners and other health care stakeholders to advance efforts to study and address the causes of health disparities and advance policies to reduce health inequities.

To further advance progress, we also support STEM education efforts aimed at training the next generation of diverse health professionals. In support of this goal, in 2022, PhRMA held its second annual graduate summit and career expo, Pathways to Success in Biopharma. The summit connected students with many of today's leading biopharmaceutical companies and welcomed over 400 attendees representing 224 schools from across the country to discuss the latest innovation, the importance of diverse representation in our industry and opportunities for students to enter the biopharmaceutical field.^{iv}

I Improve Data Collection and Reporting

COVID-19 illuminated critical gaps in health information being collected on race and ethnicity, which have contributed to inequities in the distribution and use of COVID-19 vaccines and therapeutics.^v Without available and accurate data stratified by race and ethnicity, it is difficult to appropriately define and address the issues driving health inequities. Consequently, we remain unable to understand and address the underlying causes of negative health outcomes for many historically underserved communities.

We believe it is critical to improve and encourage the collection and public reporting of health data – in an ethical manner, consistent with relevant legal requirements – by race, ethnicity and other important socio-demographic factors to more accurately represent and research diverse populations in the United States. We support policies to improve data standards in order to establish proper baselines, develop and implement targeted health interventions for the populations that will benefit from them, and monitor progress so that we can overcome health disparities.

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Equity is critical to the health and well-being of underserved communities, and it remains essential to a robust ecosystem of innovation. America's biopharmaceutical companies are committed to pushing for necessary systemic and long-term change to better meet the needs of these communities and create a more equitable health care system. Follow our progress at PhRMA.org/equity.

i PhRMA, "[Just released: PhRMA members' new clinical trial diversity principles](#)," November 18, 2020

ii The Impact of Sharing Manufacturer Rebates for Oral Anti-Diabetic Medications at the Point of Sale with Patients in the Commercial Market. March 2022. GlobalData.

iii PhRMA, "[Addressing social determinants of health to improve equitable access to medicines](#)," May 19, 2022.

iv PhRMA, "[Recap: Our inaugural graduate summit and career expo](#)," December 8, 2021

v Hernandez I, et al. Disparities in distribution of COVID-19 vaccines across US counties: A geographic information system-based cross-sectional study. PLoS Med. 2022 Jul 28;19(7):e1004069.

