

Death of a Dream? Economic Burden of Cancer

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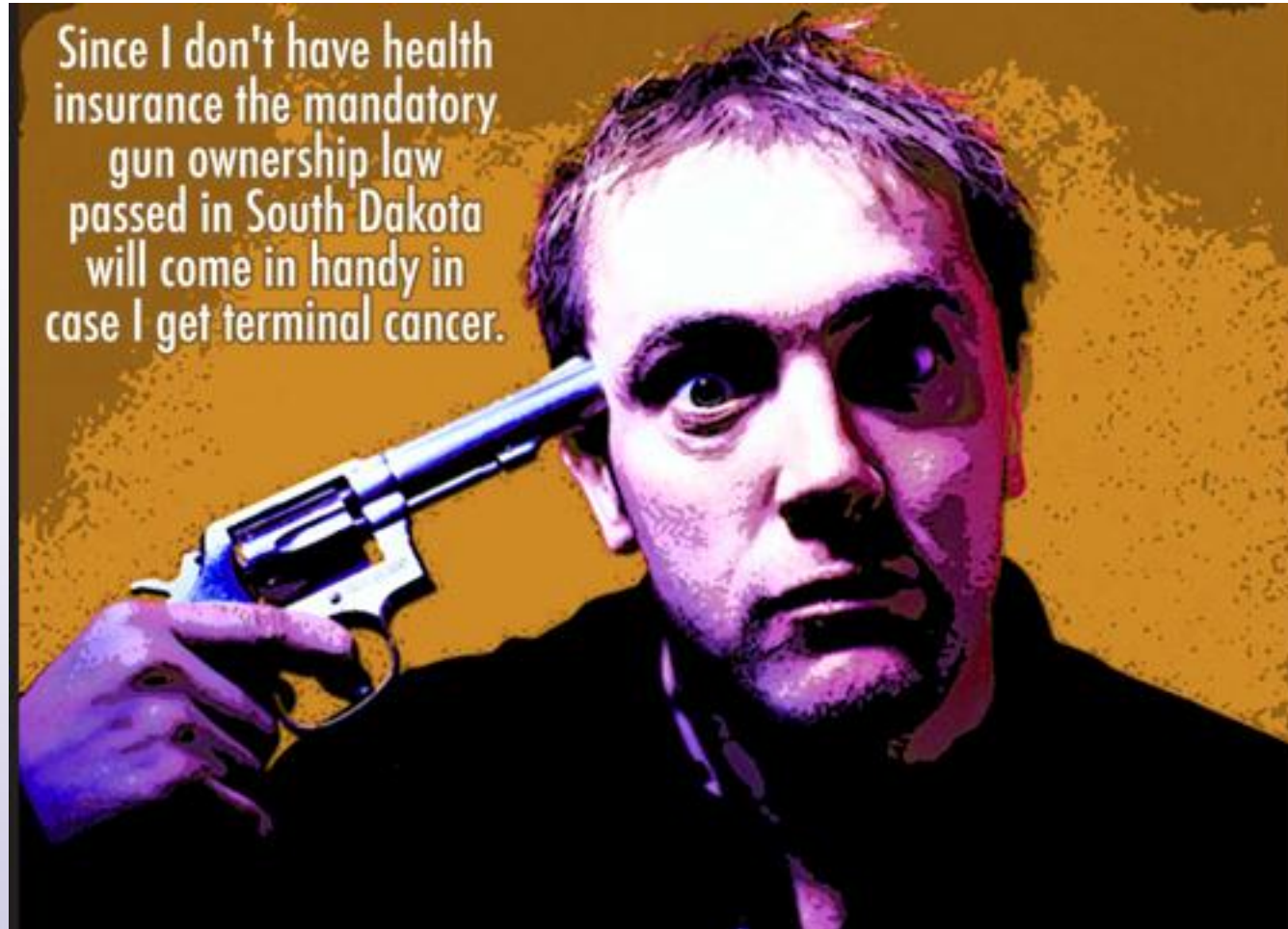


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Integrated Cancer Centre

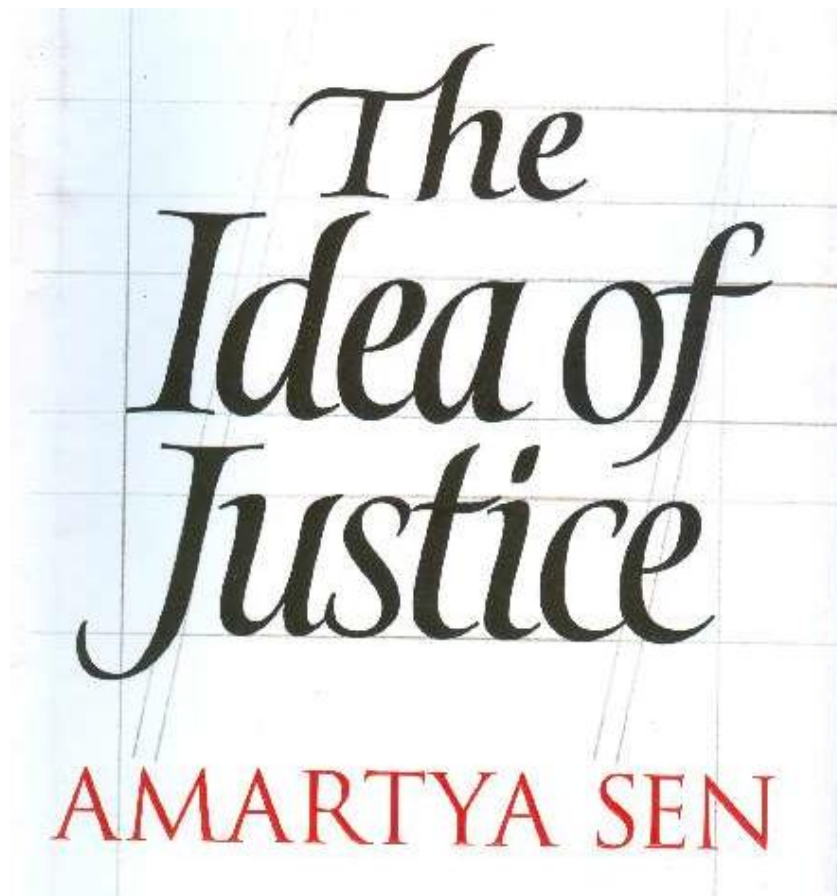
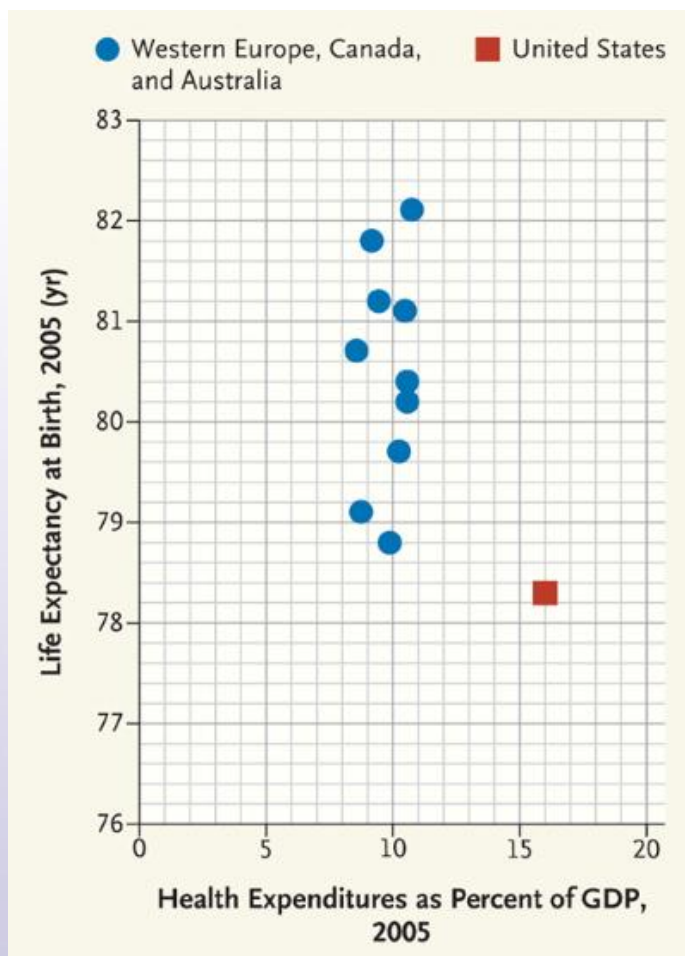
The Public Policy Challenge

Toxic politics of healthcare costs: research, care.....

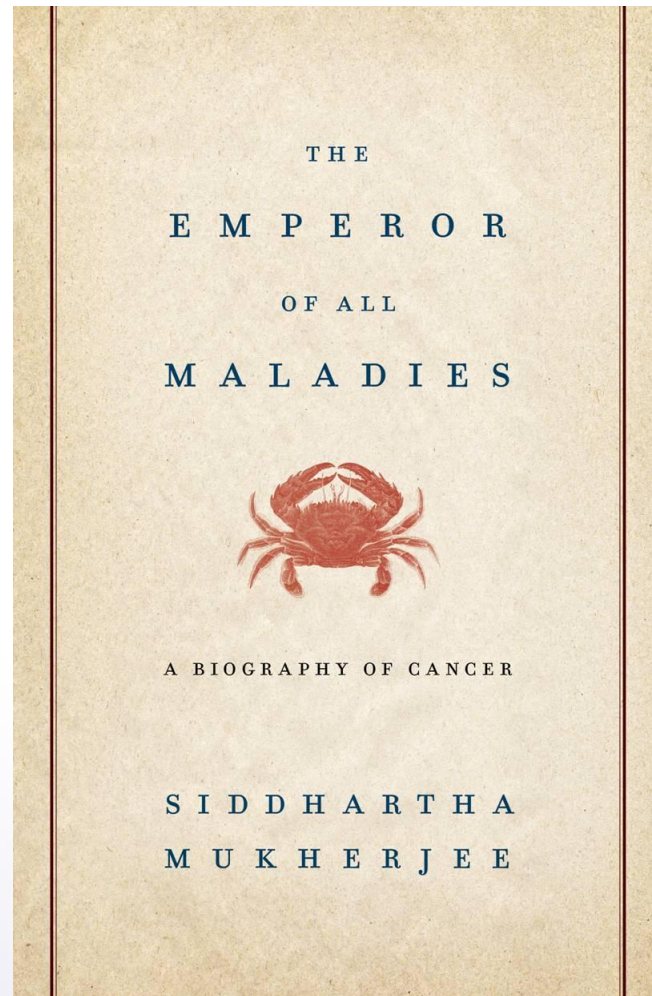


Cancer research and care as a social good....or a business?

Are these mutually exclusive principles?

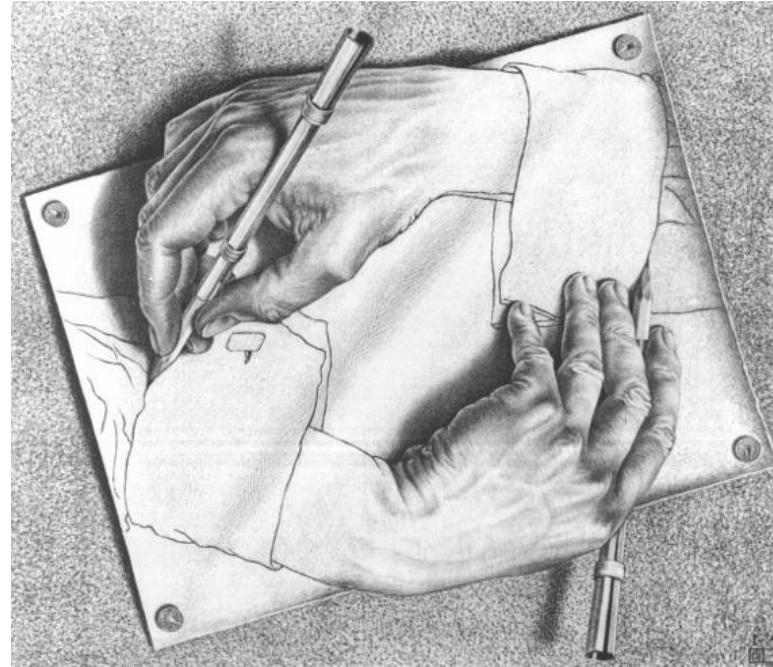
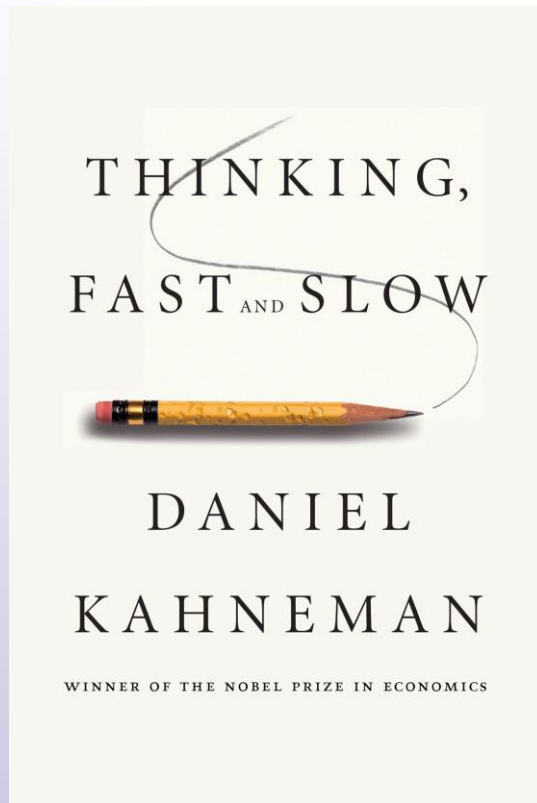


Social perception framed by hope and ultimate expectation of success



Issues of affordability are very complex and require system II thinking.....

“One invisible hand working on another”



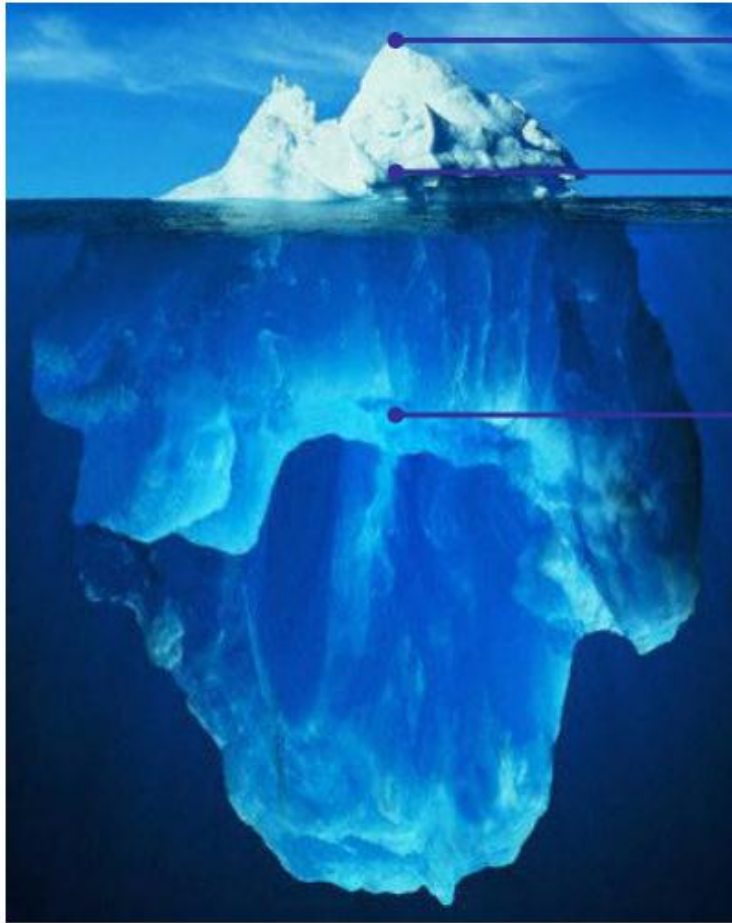
“Oncologists are relatively insensitive to costs of cancer drugs” [April 2012 Health Affairs]

- **When do we ever stop to consider real public health needs, or whether the whole show is sustainable?**
- **Can economic principles really frame cancer?**
- **The archaeology of cancer is a very bit as irrational, misguided, dogmatic...etc. as any other area of human scientific endeavour....how does this fit with the logic of economics?**



Economic

What keeps policy-makers awake at night....Titanic moment

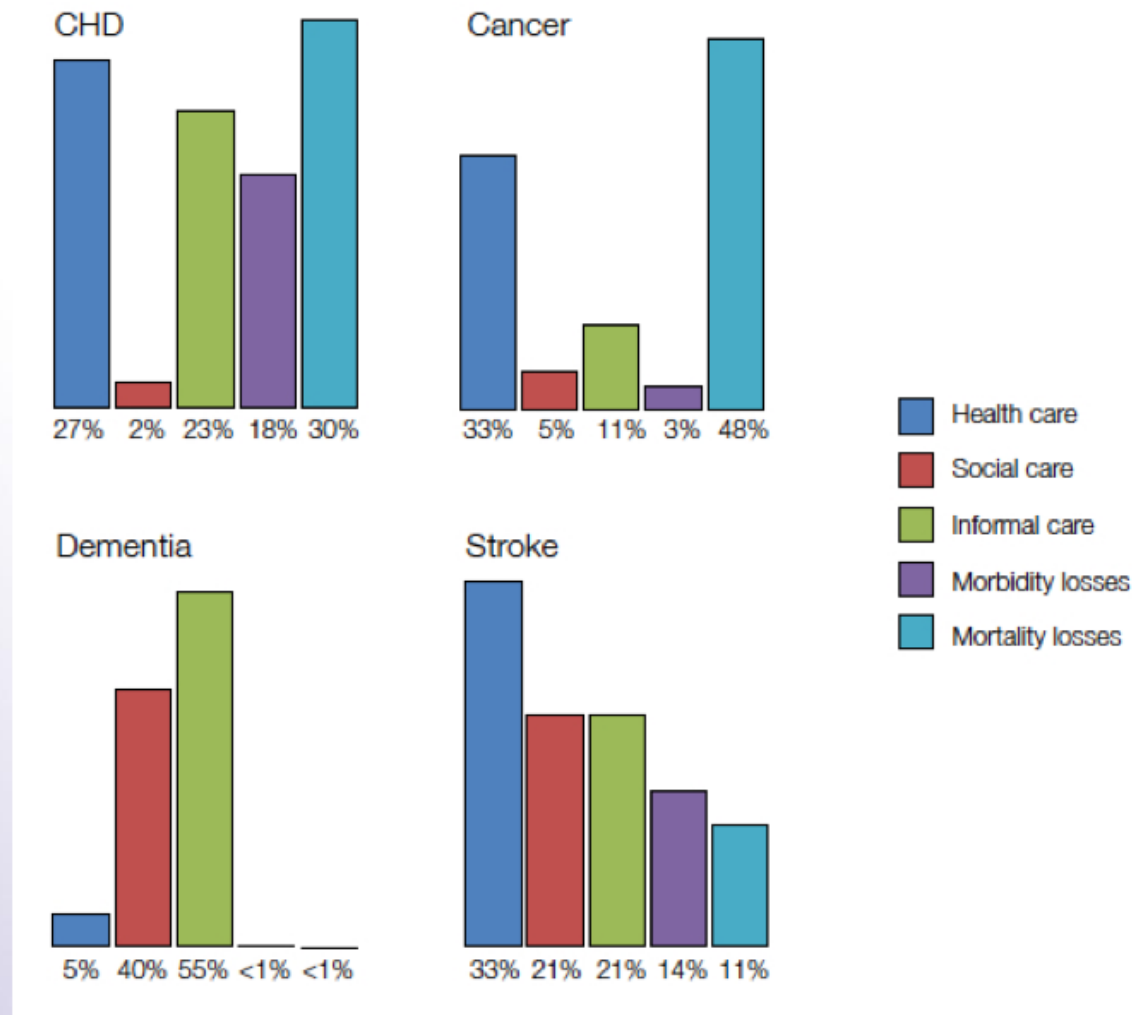


Cost spend (where the money goes)

Cost trend (how spend is increasing)

Cost drivers (why spend is increasing)

In social healthcare systems, e.g much of EU27 affordability is about trade-offs and political prioritization....how much does cancer deserve?



Expenditure & outcomes: a complex link.....

By Tomas Philipson, Michael Eber, Darius N. Lakdawalla, Mitra Corral, Rena Conti, and Dana P. Goldman

An Analysis Of Whether Higher Health Care Spending In The United States Versus Europe Is 'Worth It' In The Case Of Cancer

DOI: 10.1377/hlthaff.2011.1298
HEALTH AFFAIRS 31,
NO. 4 (2012): -
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The People-to-People Health
Foundation, Inc.

HEALTH ECONOMICS

Health Econ. 21: 316–337 (2012)

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COMPARING COSTS AND OUTCOMES ACROSS PROGRAMMES OF HEALTH CARE[†]

STEPHEN MARTIN^a, NIGEL RICE^{b,*} and PETER C. SMITH^c



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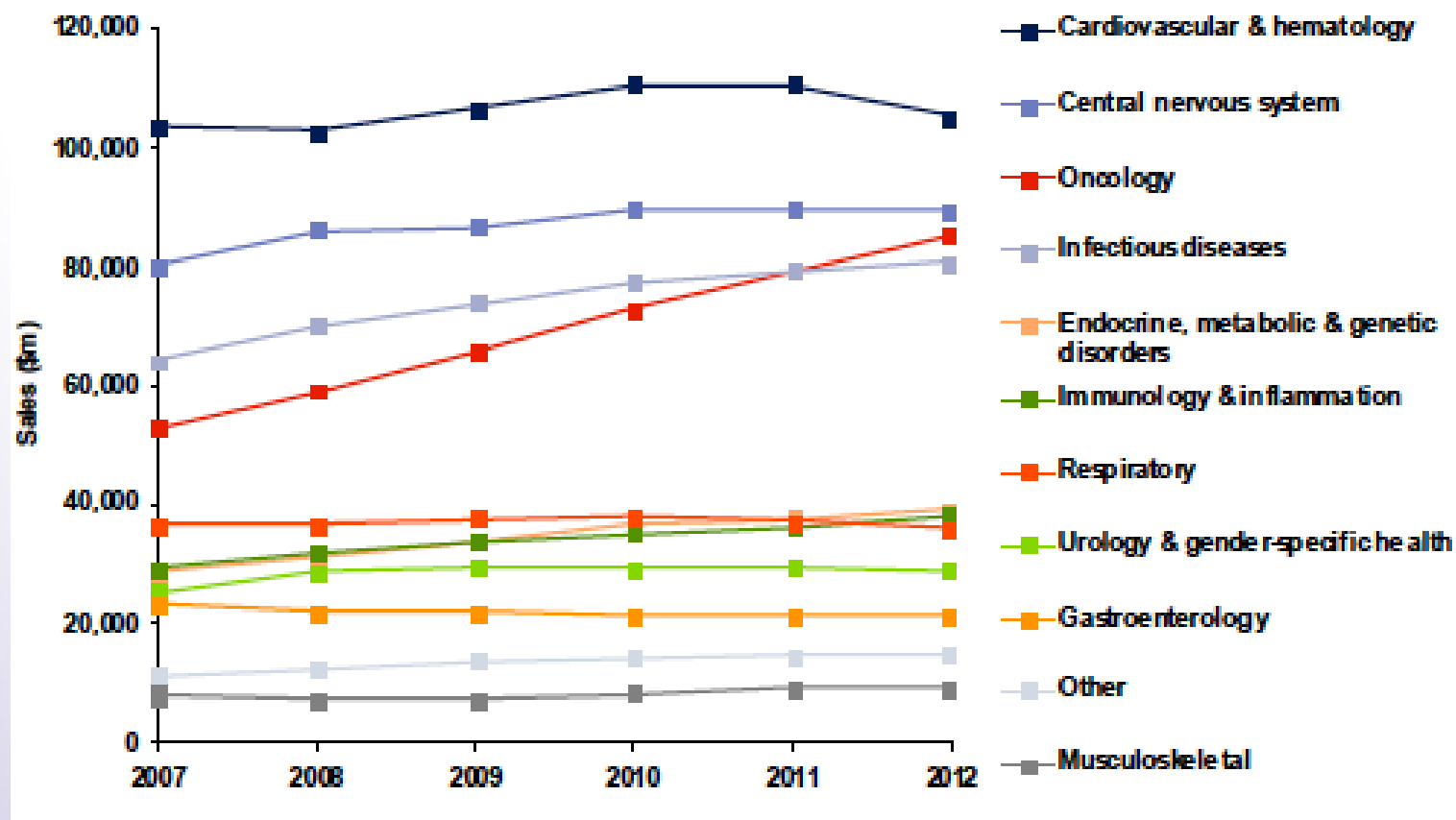
1% increase in cancer exp per head gives rise to 0.39% reduction in
YLL. Extra life year costs £13, 931 in UK

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Trend from high income countries....whilst cancer medicines are only 'part' of the issue the halo effect is dramatic....



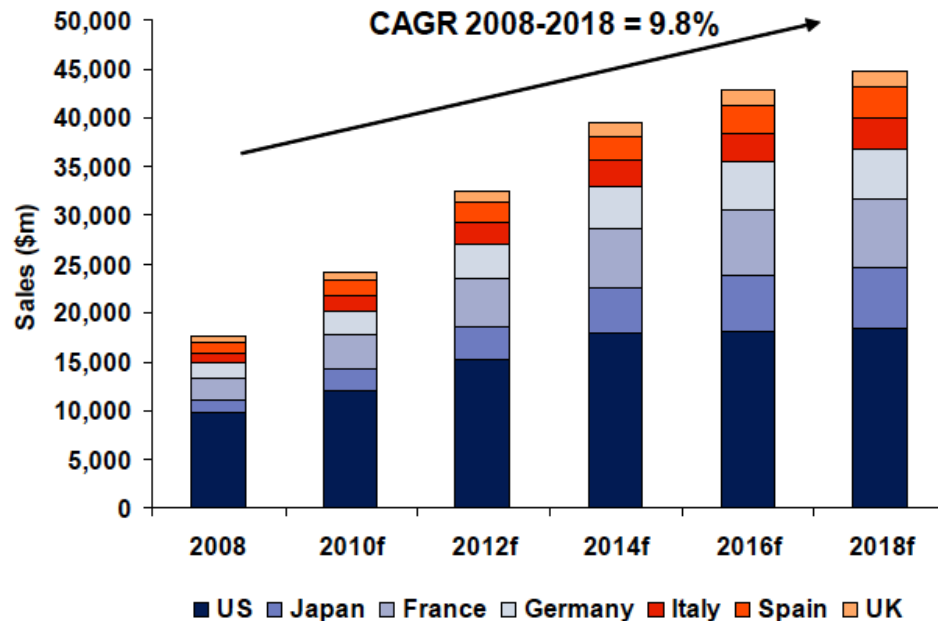
Global sales (\$M) 2007-2012: cancer R&D is stratospheric....



ROI is vast....and this is just one technological area.....

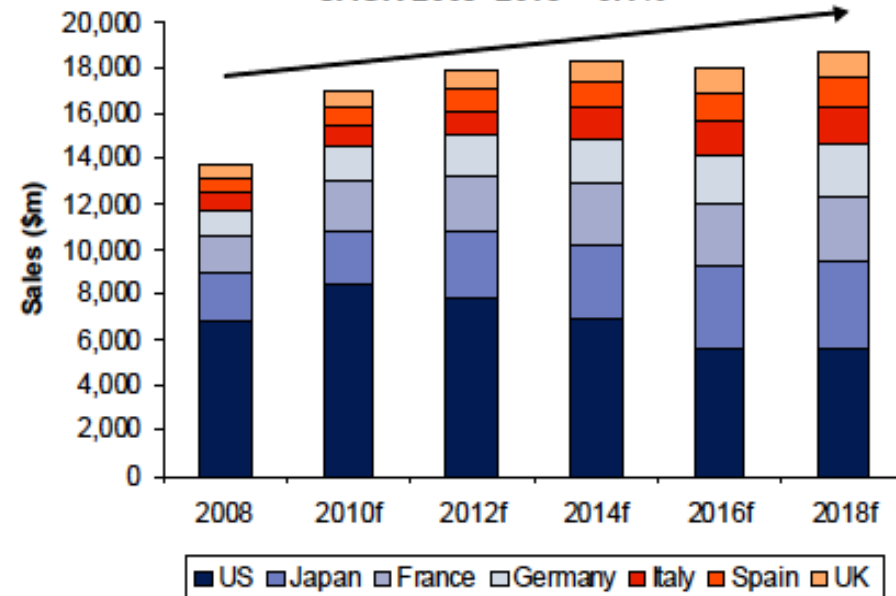
Molecular targeted

CAGR 2008-2018 = 9.8%



Cytotoxic sales

CAGR 2008-2018 = 3.1%



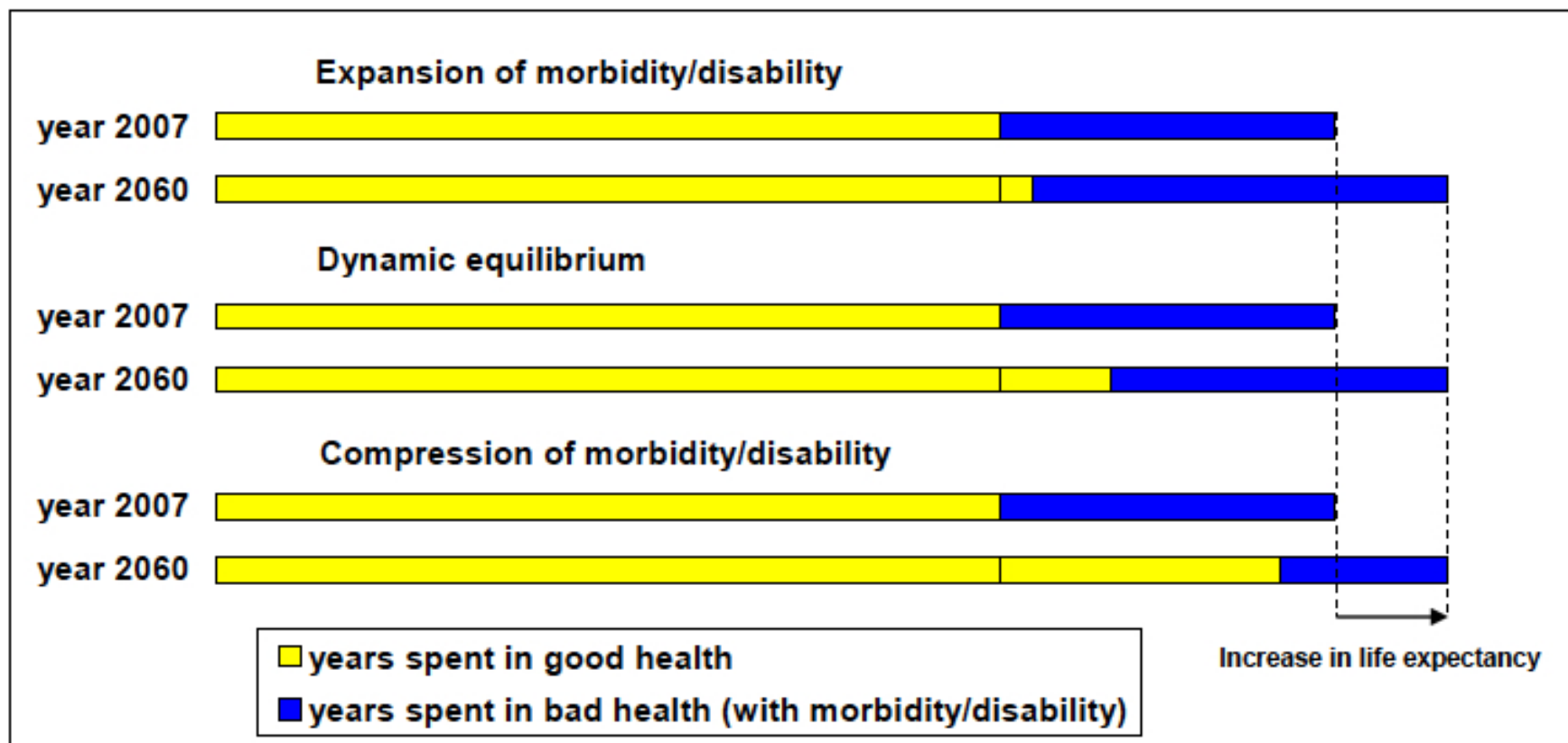
Socio-Demographic Challenge



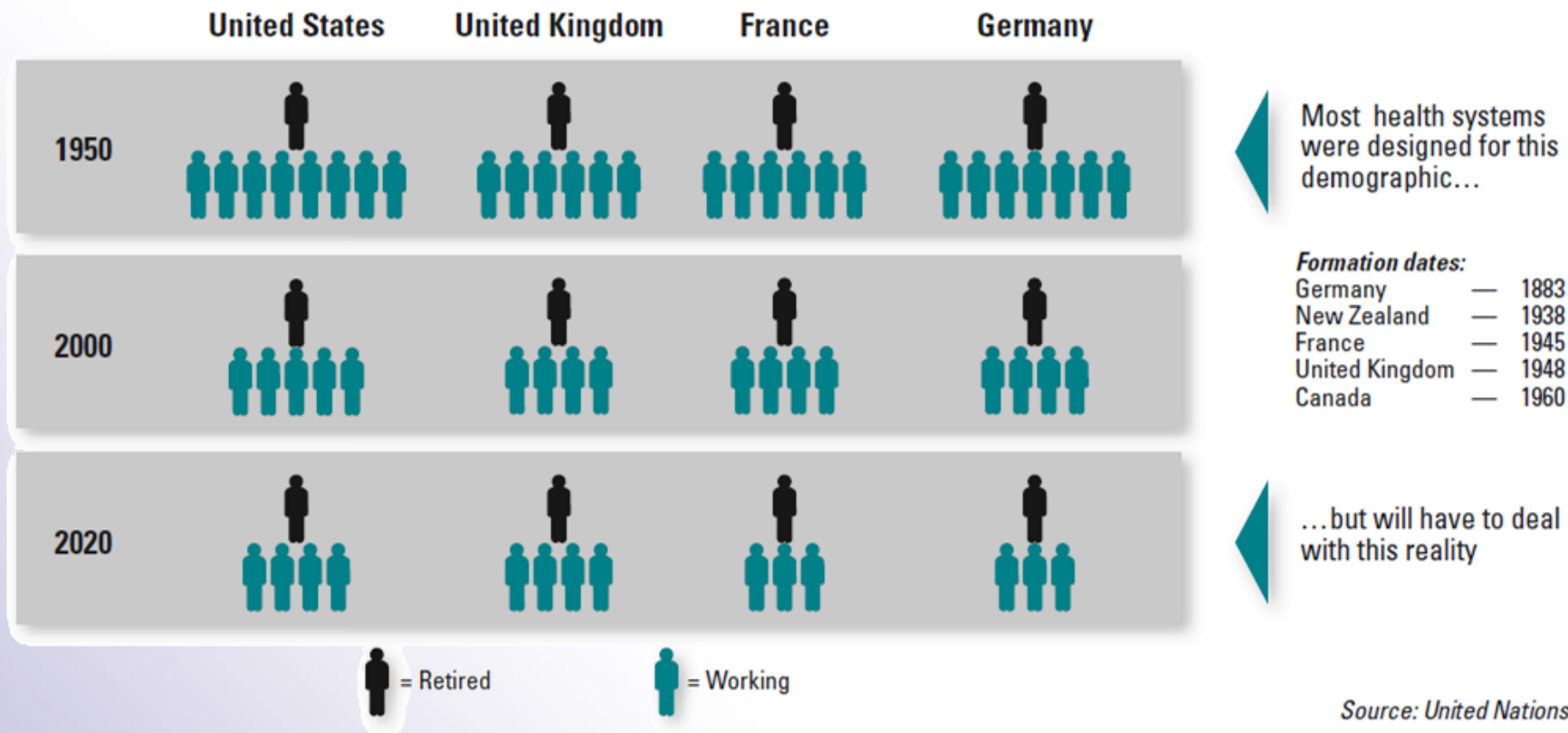
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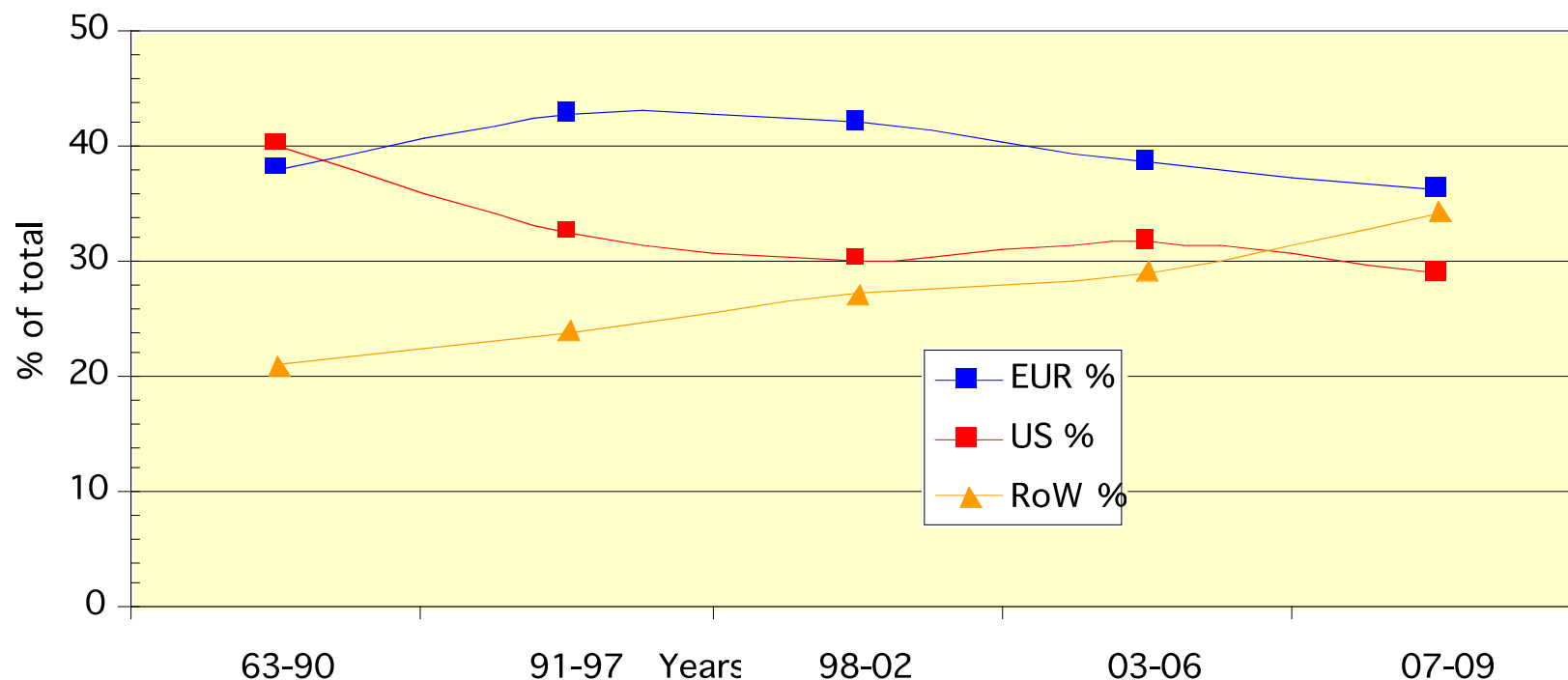
Ageing and associated chronicity is a real issue



Social systems are rapidly changing...this has dramatic effects on affordability issues....



If we fail to deliver affordable cancer care...we will fail to deliver R&D active systems.....

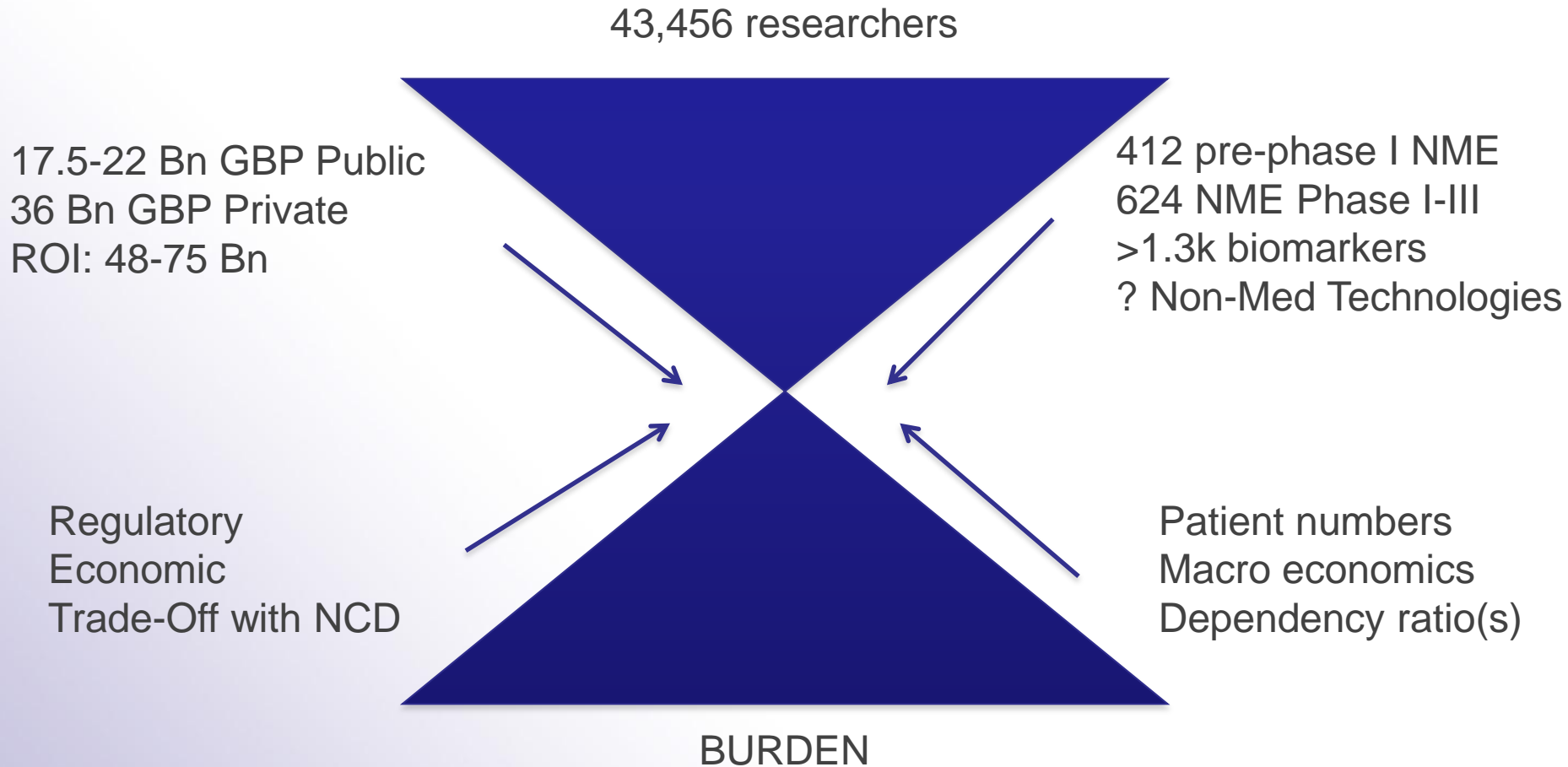


TWO THINGS WILL HAPPEN

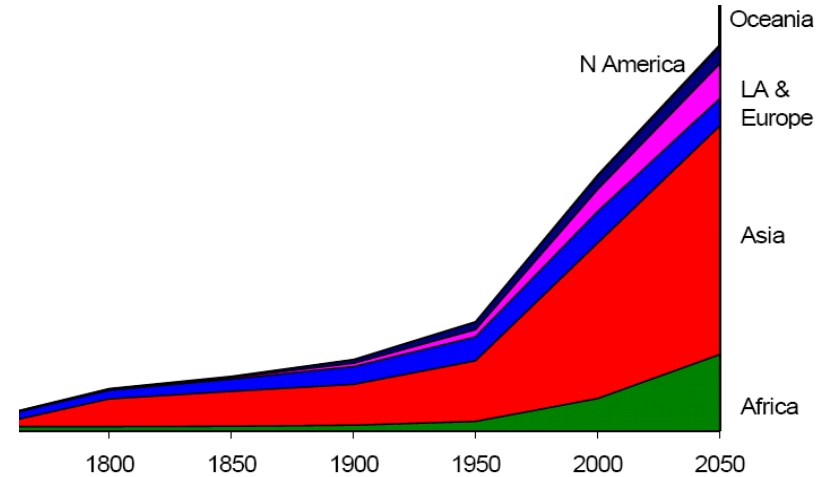
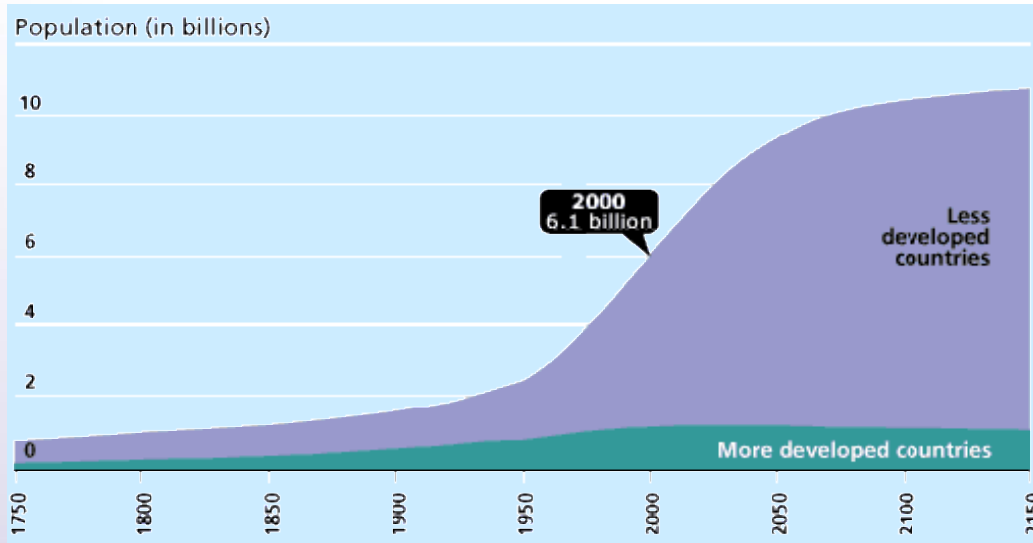
1. Less R&D and more basic in output.
2. **Collapse** of personalised-medicine.



What's going to happen? The grain silo model.....



What about the rest of the world??...the real affordability issues are in emerging economies: high income p-medicine has little traction



Quadruple disease burden systems

Urbanisation

Traditional modifiable risk factor (tobacco, obesogenic) and malnutrition **co-exist**

Huge need for **different R&D** to deliver their solutions

We need to ensure that creativity isn't sacrificed.....



- Value of new technologies in cancer is based on perception of them as having the power to heal ⁽¹⁾.
- New medicines may facilitate further fundamental research and/or drive further development. Important for the general *zeitgeist* of development in this area ⁽²⁾.

“Striking a balance between idealism & fatalism”



Fatalism – socio-demography; Darwinian selection of private and public cancer research enterprise

Idealism – avoid moral hazard. Re-principle what we are trying to achieve and what is not acceptable, e.g. “too little for too much”.