Overview

NERA’s Health Care and Pharmaceutical Group covers a variety of pharmaceutical topics including economic regulation, forecasting, and issues that reflect the broader pressures on the health system. These pressures include aging populations, changing epidemiology, and advances in medical treatment increasing the funding pressures being placed on systems, while patients themselves are becoming more demanding, with higher expectations. Pharmaceuticals are often under particular scrutiny, reflecting the relative ease in identifying expenditure and new innovations in medicines.

NERA’s expertise in health reform and regulatory economics allows us to understand pharmaceutical policy in the wider context of the health system. This means that NERA can translate what health reform means for the pharmaceutical industry and other stakeholders, as well as analyze issues concerning the economic regulation of the industry.

Focus Areas

The Health Care and Pharmaceutical Group specializes in a range of services and products for the pharmaceutical industry and other stakeholders including:

- **Monitoring of Pricing and Reimbursement Developments**
  Many policymakers are inspired by the changes made in other countries. With offices across Europe and regular monitoring of changes, the Group is up to date on key changes and trends.

- **Regulatory Advice**
  The Group regularly provides strategic advice to the pharmaceutical industry on approaches to price setting/influencing prices.

- **Development of Pricing and Reimbursement Mechanisms**
  NERA has worked with policymakers on the relative pros and cons of different regulatory approaches and set out recommendations for the most appropriate approach for specific settings.

- **Value of Innovation**
  NERA has worked with a variety of stakeholders in the pharmaceutical industry to highlight the importance of pharmaceutical innovation and the benefits that it brings to patients, the health system, and the economy.

- **Influencing Policymakers**
  NERA has presented internationally and published a variety of work which has helped to communicate effectively with policymakers.

- **Pharmacoeconomics**
  NERA has specially trained health economists who can apply a variety of modeling techniques to estimate the cost effectiveness of medicines.
**Value of the Pharmaceutical Industry**
NERA has worked on a number of projects to estimate the value of the pharmaceutical industry. This includes the direct impact on the economy including employment, output, and the balance of trade. We can also estimate the indirect impacts, including the value of inputs purchased by the pharmaceutical industry and household income. The value of the industry can be expressed in terms of the regional or national impact.

**Forecasting Medicines Expenditure**
NERA has worked with a major UK pharmacy chain to predict community medicines expenditure in England, Scotland, and Wales. This analysis helped facilitate both a better understanding of the likely size of the market as well as negotiations between the government and representatives of UK community pharmacists for a new NHS contract.

**Client Experience**
In this project, NERA was asked to analyze the benefits of pharmaceutical innovation to the UK. Through two case studies, we demonstrated the benefits of selected innovations in coronary heart disease and diabetes in terms of:

- lives saved
- hospital days saved
- sickness absence avoided
- quality of life improvements
- hospital expenditure avoided

The Association of the British Pharmaceutical Industry widely disseminated the work and it was supported by a range of materials including Executive Briefings and a published book.

**Selected Clients**
Association of the British Pharmaceutical Industry (ABPI)
Association of the British Pharmaceutical Industry in Wales (ABPI Wales)
Association of the British Pharmaceutical Industry in Scotland (ABPI Scotland)
Boots the Chemist British Generic Manufacturers

**Publications**
“The Human and Economic Value of Pharmaceutical Innovation and Opportunities for the NHS”
“Global Principles for Better Health Care: A Guide for Policymakers”
“The Contribution of the Pharmaceutical Industry in the London and Thames Valley Region to the Local and UK Economy”

**About NERA**
NERA Economic Consulting ([www. nera. com](http://www.nera.com)) is a global firm of experts dedicated to applying economic, finance, and quantitative principles to complex business and legal challenges. For half a century, NERA's economists have been creating strategies, studies, reports, expert testimony, and policy recommendations for government authorities and the world's leading law firms and corporations. With its main office in New York City, NERA serves clients from more than 25 offices across North America, Europe, and Asia Pacific.

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