



# A Perspective on How Our Industry Can Further Life Sciences Innovation

## Unlocking the Potential of the Life Sciences in Canada

Innovation within the Canadian life sciences industry leads to economic growth and key improvements in health-care delivery. Most importantly, innovation in the life sciences leads to enhanced patient care and outcomes.

Our ability to bring this meaningful innovation to Canadians hinges on a policy environment that supports our industry as it makes ongoing investments and brings new technologies and therapies to the market. Those of us in industry have an opportunity and an obligation to actively collaborate with Canadian policy-makers to ensure that we bring the best innovation to the patients who need it.

## Aligning Health Care and Innovation Policy

While the life sciences industry is already an important driver of our economy, it can be a much bigger part of Canada's twenty-first century, knowledge-based economy.

So, what does Canada need to do to get there and ensure its health sciences sector can continue to invest in



▲ Chris Halyk,  
President of Janssen Inc.

innovation? Here are two initiatives that Janssen recently put forth to Navdeep Bains, Federal Minister of Innovation, Science, and Economic Development, in response to his call for submissions that define Canada's innovation strategy.

### 1. Life Sciences Sector Governance

Canada should establish a "Whole of Canada" Innovation Accord to coordinate ongoing discussions between the Innovation and Health portfolios

of the federal, provincial/territorial, and municipal governments, with the objective of identifying shared goals and responsibilities for advancing life sciences innovations and solutions across Canada.

### 2. Targeted Support for a Healthy Life Sciences Ecosystem

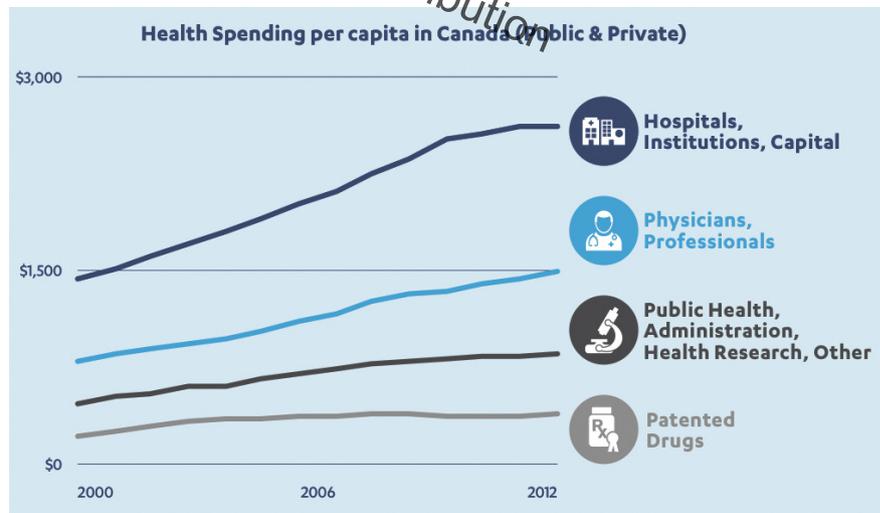
Canada needs to invest where the greatest potential for innovation lies. An objective assessment of the life sciences sector, if completed, would determine the best opportunities for success and return on federal investment in innovation. A good place to start is by supporting existing innovation clusters in Toronto, Vancouver, and Montreal, while facilitating virtual networks and increasing access to data across Canada.

My company is actively engaged in dialogue with policy-makers, and I encourage others in the industry to become engaged as well. We believe policies that impact our industry should consider the value that innovative medicines bring to the health-care system and to patients.

## Contributions of Innovative Medicines to the Health of Canadians

I also firmly believe that our country needs more investment in medical discovery completed by researchers working in Canada. Since 2014, Janssen has committed more than \$1 billion to a number of initiatives that contribute to and attract global life sciences investments to Canada, such as JLABS @ Toronto within the MaRS Discovery District.

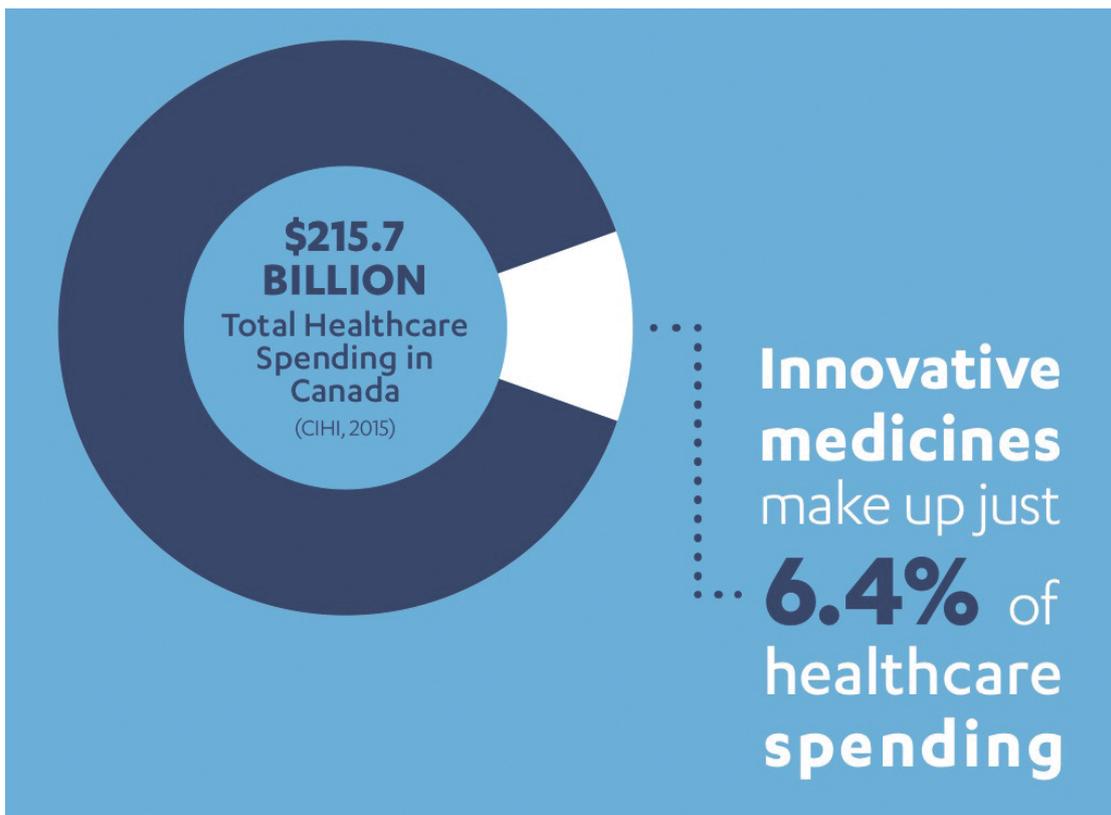
Spending on innovative medicines in Canada makes up just 6.4 per cent of the total health-care budget<sup>1</sup> – the remaining budget is used for other parts of the health-care system – and yet, our industry continues to be positioned as a primary cost driver despite

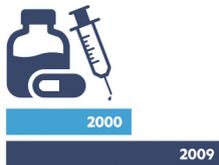


many terrific medical advances that have made a meaningful difference in the lives of millions of Canadians.

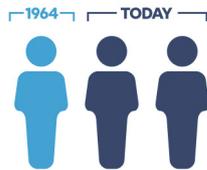
Furthermore, spending on innovative medicines in Canada has risen by just

half of one per cent in the last ten years, which is less than inflation<sup>2</sup>, while labour and hospital costs have risen by 13 per cent<sup>3</sup>:

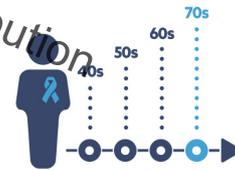




**73% of increase in life expectancy** between 2000 – 2009 was due to new medicines<sup>4</sup>



**2 of 3 people diagnosed with cancer today survive 5 years,** compared to 1 in 3 in 1964<sup>5</sup>



**A 20-year-old diagnosed with HIV today can expect to live into his or her 70's**<sup>6</sup>



**Hepatitis C is curable**<sup>7,8</sup>



**Using long acting injectable therapies for schizophrenia:**<sup>9</sup>  
 – saves \$17,300/patient/year  
 – 32 fewer hospital days  
 – 6X fewer ER visits



**Overall survival has increased 32% for patients treated for Multiple Myeloma** – from 2000 to 2010<sup>10</sup>

When you consider these and many other medical advances, it's clear we need to move beyond existing policies and approaches that focus solely on pricing, and consider the accompanying value brought by these innovative medicines.

### The Real Value of Medicines

At Janssen, we believe that our system should pay for outcomes — how well medical treatments and procedures improve the health of individual patients and our broader society. The ability to define value is critical if we are to move towards such a system.

We therefore believe value assessments of medicines must include patient perspectives and expand the definition of value to account for both cost-savings and societal gains that will accrue over the long-term.

### Collaborating for Future Health

If we want to solve the challenge of health-care system sustainability, it is necessary to have collaboration and mutual understanding among members of the innovative pharmaceutical industry, public and private payers, government agencies, health-care providers, and patients.

We look forward to collaborating with governments and health-plan providers to help define policies and systems that ensure Canadians have a voice in managing their health-care and have access to the best medicines available.

Our industry must come together to ensure all Canadians have access to innovative medicines today and in the future, and we encourage you to join us in this effort.

If you share these values, please connect with us at:  
[collaboration@its.jnj.com](mailto:collaboration@its.jnj.com).

#### References

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