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A country that spends a lot of resources on its health, but lacks efficiency

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Are we en route to a "socialised" health care system?

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What does this mean for the sector, and what are the risks?

# PANORAMA

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## US pharmaceuticals have enjoyed their time in the sun, but is it time to get out the umbrellas?

COFACE ECONOMIC PUBLICATIONS

By Coface Group Economists



**D**espite having the highest healthcare expenditure of all industrialised nations (17.1% of GDP in 2013), the US public health outcomes are being outperformed by other advanced nations. Back in 2010, the introduction of the Affordable Care Act (ACA)<sup>(1)</sup> was des-

igned to correct these shortcomings, in particular by increasing health insurance coverage. Yet beyond this question of coverage, cost has become a crucial issue. Households are finding that the high price of medicines is becoming prohibitive. This has led to a rising call for reform (especially during the presidential campaign). A drop in

prices would certainly affect the bottom line of the companies working in this sector, especially the laboratories who would be forced to review their operations and cut back on research and development (R&D) spending.

<sup>(1)</sup> Dubbed "Obamacare", the ACA is discussed in greater detail below.