



# Innovation, regulation and organization in healthcare Workshop

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***Paris - June 27, 2022***

**CONFERENCE VENUE**

Châteaufort - Le 28 George V  
28 avenue George V  
75008 Paris

**ORGANIZING COMMITTEE**

Pierre Dubois (TSE)  
Jean Tirole (TSE)

**CONTACT**

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Health  
Center

Toulouse  
School of  
Economics

# PROGRAM

**9:00 am – 2:00 pm** On the same day before the workshop: **LEEM Conference “Ré-inventer l’économie du médicament de demain”** with the participation of **Pierre Dubois** and **Jean Tirole** (TSE). Same venue. Event in French only. [Program and separate registration](#).

## From 2:00 pm **Registration & Welcome**

**2:30 pm – 2:35 pm** **Introduction**  
*Duration: 5'*  
**Pierre Dubois** (TSE)

**2:35 pm – 4:00 pm** **Session 1: Price regulation, innovation and access to innovative drugs**  
*Duration: 1h 25'*  
*15' presentation – 10' Q&A*

Chair: **Margaret Kyle** (Mines Paris Tech)

**Luca Maini** (University of North Carolina, Chapel Hill)  
*“Reference Pricing in Europe and Beyond”*

**Ariel Stern** (Harvard Business School)  
*“Regulatory Incentives for Innovation: the FDA’s Breakthrough Therapy Designation”*

**Pierre Dubois** (TSE)  
*“Drug Shortages Determinants”*

## **4:00 pm – 4:20 pm** **Break**

*Duration: 20'*

**4:20 pm – 5:45 pm** **Session 2 : Healthcare savings sources and better quality of care**  
*Duration: 1h 25'*  
*15' presentation – 10' Q&A*

Chair: **David Bardey** (University of Los Andes, TSE)

**Thierry Magnac** (TSE)  
*“Optimal Intertemporal Setting of Drug Expenses: Hepatitis C as a case study”*

**Carol Propper** (Imperial College London)  
*“Team Production in Healthcare”*

**Julian Reif** (University of Illinois)  
*“Health Risk and the Value of Life”*

## **5:45 pm – 6:00 pm** **Closing words**

*Duration: 15'*

*On what the research agenda should focus on ahead*  
**Jean Tirole** (TSE)

# SPEAKERS

## David Bardey, Toulouse School of Economics



[About](#)

David Bardey is professor at the University of Los Andes (Colombia) and an associate researcher at the Toulouse School of Economics. His fields research are health economics, industrial organization, labor economics and contract theory. He is a renowned specialist of health economics, especially drugs price regulation and innovation in the pharmaceutical industry, two-sided markets applied to health economics and genetic tests and personalized medicine.

## Pierre Dubois, Toulouse School of Economics



[About](#)

Pierre Dubois is Professor of Economics at TSE, fellow of the CEPR and of the Institute for Fiscal Studies in London and TSE Health Center's Director. He has been assistant professor at the University of Montréal, has held visiting positions at Berkeley, Northwestern University and Harvard University. He has also been Scientific Director of TSE.

His work includes research on industrial organization, demand models, household behavior, health and pharmaceuticals, food demand, development economics and applied econometrics.

### ***Presentation overview***

#### ***"Drug Shortages Determinants"***

Using data on usage of pharmaceuticals in France over several years as well as price information for France and other European countries, Pierre Dubois and his fellow researchers have modeled the possible undersupply of drugs to evaluate the occurrence of drug shortages as well as their magnitude. Pierre Dubois will share the latest research findings on the links between these phenomena and drug pricing as well as a methodology for measuring the economic losses implied by drug shortages.

## Margaret Kyle Mines Paris Tech



[About](#)

Margaret Kyle holds the Chair in Markets for Technology and Intellectual Property at MINES ParisTech and is a member of the Conseil National de Productivité in France. She previously held positions at Carnegie Mellon University, Duke University, London Business School and the Toulouse School of Economics.

She is a renowned specialist of innovation, productivity, competition in the pharmaceutical industry.

## Thierry Magnac Toulouse School of Economics



[About](#)

Thierry Magnac is professor of Economics at TSE. He is a fellow of the econometric society and a Member of the Board of Directors of the International Association for Applied Econometrics. He has received an ERC advanced grant for his research.

### **Presentation overview**

#### ***“Optimal Intertemporal Setting of Drug Expenses: Hepatitis C as a case study”***

This paper studies the intertemporal trade-offs that health authorities face when considering the control of an epidemic using new expensive medical treatments. As an application, we focus on the case-study of Hepatitis C whose treatment underwent a major upheaval when efficient drugs were introduced around 2014.

## Luca Maini University of North Carolina, Chapel Hill



[About](#)

Luca Maini is Assistant Professor at UNC Chapel Hill and a Research Fellow of the Cecil G. Sheps Center for Health Services Research.

His research is at the intersection between industrial organization and health economics, with a particular focus on the regulation of pharmaceutical markets.

### **Presentation overview**

#### ***“Reference Pricing in Europe and Beyond”***

How does external reference pricing (ERP) affect access to innovative drugs across Europe? Luca’s research suggests that ERP significantly increases launch delays in low-income European countries limiting their access to innovative therapies. He will offer insight into the mechanisms the E.U. could put in place to remove these delays.

## Carol Propper Imperial College London



[About](#)

Carol Propper is professor of economics at Imperial College London, world renowned specialist of health economics. She has been the President of the Royal Economic Society and she was a member of President Macron’s expert commission on major economic challenges (Blanchard-Tirole report). She is a fellow of the British Academy and an international fellow of the National Academy of Medicine.

### **Presentation overview**

#### ***“Team Production in Healthcare”***

How health care organization matters for the economic efficiency of the whole system? And where are the possible sources of savings for the national health insurance systems such as the one of the UK or France? A potential light in the unsolvable dilemma faced by policy makers between quality of care and the public finance sustainability.

## Julian Reif

### University of Illinois



[About](#)

Julian Reif is an Associate Professor of Finance and Economics at Gies College of Business, University of Illinois. He is also a Senior Scholar at the Institute of Government and Public Affairs and a Faculty Research Fellow at the National Bureau of Economic Research. His research focuses on the determinants and value of health with a goal of informing the design of public health policies and environmental health regulation. He has studied the value of medical innovation, the health effects of prescription drug insurance, the effectiveness of workplace wellness programs, and the health effects of air pollution.

#### ***Presentation overview*** ***“Health Risk and the Value of Life”***

What health-related factors affect an individual's willingness to pay to improve their health and longevity? Julian's research suggests that individuals value treatment more than prevention, even when both have the same benefits, and that reducing the risk of severe illness is worth more per quality-adjusted life-year than reducing the risk of mild illness.

## Ariel Stern

### Harvard Business School



[About](#)

Ariel Stern is the Poronui Associate Professor of Business Administration in the Technology and Operations Management Unit at Harvard Business School, where she teaches the MBA course “Transforming Health Care Delivery.” From 2020–2021 Ariel served as the Director for International Health Care Economics at the Health Innovation Hub, the independent think tank of the German Federal Ministry of Health. She is a member of the Scientific Advisory Board of the German Society for Digital Medicine and advises health care start-ups.

Her research focuses on technology management and innovation in health care. Her projects consider the regulation, strategy, and economics of health care, with a focus on understanding the drivers of new product development among firms and the determinants of how new medical technologies are adopted and used in practice.

#### ***Presentation overview*** ***“Regulatory Incentives for Innovation: the FDA’s Breakthrough Therapy Designation”***

Regulators of new products confront a tradeoff between speeding a new product to market and collecting additional product quality information. The FDA’s Breakthrough Therapy Designation (BTD) provides an opportunity to understand how a regulator approaches this tradeoff—whether it chose to approve drugs faster but less safely, or whether it improved regulator productivity by allowing products to come to market quickly without compromising quality. In exploring mechanisms, researchers find support for reduced BTD trial design complexity. The results suggest that innovation in regulatory science can shorten R&D periods without compromising the quality of new products.

## Jean Tirole

### Toulouse School of Economics



[About](#)

Jean Tirole is honorary chairman of the Jean-Jacques Laffont Foundation (TSE) and IAST, and scientific director of TSE-Partnership. He is also affiliated with MIT, where he holds a visiting position, and the Institut de France.

He is laureate of numerous international distinctions, including the 2007 CNRS gold medal and the 2014 Sveriges Riksbank prize in economic sciences in memory of Alfred Nobel.

Professor Tirole’s research covers industrial organization, regulation, finance, macroeconomics and banking, as well as psychology-based economics. His work in health economics today focuses on the source of market failures for the innovation in antibiotics as well as the regulation and ethics of digital technologies in health care.

# ABOUT TSE

Toulouse School of Economics (TSE) is a world-renowned center for research and education. It promotes scientific excellence in the area of economics and supports projects with strong links to economic analysis, especially multidisciplinary research projects.

TSE is comprised of more than 150 international researchers including Jean Tirole, TSE founder and 2014 Nobel laureate in economics science. TSE attracts every year promising researchers from the top universities around the world to permanent and visiting positions, and hosts an impressive series of international seminars, workshops, and conferences. TSE today ranks 9th economics department worldwide according to the RePEc ranking. It is particularly renowned for its scientific contributions in industrial economics, finance, energy and climate economics, and econometrics.

Fundamental research is TSE's key priority and its researchers have long benefited from interactions with policymakers, contributing to the transfer of frontier academic knowledge. Through its strong relationship with both public and private decisionmakers, TSE allows its state-of-the-art academic research to become the state-of-the-art practice in the policy realm.

TSE also prepares tomorrow's top economists via its wide range of undergraduate and postgraduate degree programs. Its 2500 students benefit directly from the theoretical and empirical expertise of TSE faculty through a scientific approach based on observation, experiments, statistics and advanced quantitative techniques.

# ABOUT TSE HEALTH CENTER

TSE aims to undertake research that helps public and private organizations to address health issues and improve quality and access to care both in France and worldwide. For more than a decade, TSE economists have been studying such diverse topics as healthcare, innovation, aging, pharmaceutical regulation, food and nutrition issues. The set of open questions for economists in the health field is still large. Researchers in economics can develop and use new tools to address questions of regulation and organization of healthcare and innovation.

In 2021, TSE expanded its footprint in this area by creating a Health Center aiming at developing a research of excellence in the field of health economics. Combining TSE's own expertise with its private and public partners' financial support and knowledge, TSE Health Center supports a variety of research work in the field of health economics.

## Research focuses

- Pharmaceutical industry and regulation
- Innovation in health
- Public healthcare, long term care and aging
- Food and healthy behavior economics
- Economics of pandemics

## Partners

- bioMerieux
- Bpifrance (PIA) for the ARPEGE project
- Danone
- GIE GERS
- LEEM
- Urosphere

[www.tse-fr.eu/health](http://www.tse-fr.eu/health)