



Asia-Pacific Economic Cooperation

4 November 2016

Honorable Ministers and Leaders:

Health challenges faced by the region continue to loom large, despite strenuous efforts to build capacity to strengthen health systems. Chronic disease continues to proliferate, with projected GDP losses of up to 9% in some economies in the next 15 years. Emerging and re-emerging infectious disease continue to burden some economies. Although Universal Health Coverage (UHC) is being applied by many economies, there is a growing cohort of citizens for whom coverage remains elusive – a cohort that some describe as the working poor and others the lower end of the middle class. This is the cohort which does not necessarily qualify for low income health subsidies from payers, and is forced to pay out-of-pocket for certain important health care costs. Informal precautionary savings dominate in this sector.

Yet the APEC region houses the majority of the world's top innovators in the medical life sciences sector. Our major challenge thus is assuring that the benefits of this innovation are felt by all segments of society so that our work forces remain healthy, productive and competitive globally. That is why in 2015 you directed further work on the fiscal and economic impacts of ill health, and why Finance Ministers at their October 2016 meeting in Lima welcomed the continuation of a dialogue with the LSIF and Health Working Group (HWG) on ways to address the fiscal and economic impacts of ill-health. This is a major development for APEC and will be watched globally as we move into this dialogue in 2017.

In 2002 you called for the establishment of a tri-partite Life Sciences Innovation Forum (LSIF) to address “the challenges of risk detection and prevention, treatment and cure of the communicable and lifestyle diseases which afflict our people”. You also acknowledged that “investing in health will benefit economic growth, worker performance and productivity, and poverty alleviation”, noting that “we need to be more effective with our investment at every stage of the health care process, including primary prevention against disease risks, and focusing on most vulnerable populations”. We have made some progress, but improvement is needed. Vulnerable population segments continue to grow. They include the cohort described above – assuring that they do not slip back into poverty through ill-health – the mentally and physically disabled, and those who are challenged by life-long chronic diseases, including cancer, diabetes, respiratory, and cardio-vascular disease. And health challenges more pervasive among women, such as anemia and gender-based violence, continue to limit their ability to participate in the economy



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In accordance with your 2002 guidance, we thus plan to focus our cross-fora dialogue with the health and finance community on ways to (i) assure access to preventive and diagnostic interventions and innovative treatments that have demonstrated economic and societal benefit and (ii) resources necessary to build the capacity of health care systems, including and importantly, regulatory capacity. We are under no illusion that governments will be able to finance the needed interventions alone. That is why the LSIF has been giving thought to innovative financing mechanisms for discussion at the cross-for a dialogue – some of which may require regulatory flexibility. Making health an attractive asset class for investment for both the public and private sector is a key priority. In that context, LSIF also has been considering ways to ensure that precautionary savings for health challenges can be brought into the formal financial sector and become productive assets.

All that said, progress made to date is impressive, given limited resources. Our 6th High Level Meeting on Health and the Economy focused on ways of enhancing the fiscal space for health, how to scale public-private partnerships, the economic and societal importance of cancer prevention, early diagnosis and treatment, the importance of robust regulatory systems to access to treatments, and ways to implement the Healthy Asia Pacific 2020 road map agreed in 2015.

To support the road map, we have made substantial progress in the following areas:

- We are establishing Centers of Excellence (CoE) for regulatory sciences training and have conducted training at the Peking University - APEC Health Science Academy (HeSAY), , Seoul National University in partnership with Northeastern University, and, Duke-NUS. This emerging network of CoEs is currently examining ways of securing sustainable funding outside of the APEC process.
- Together, the APEC LSIF and the HWG are examining innovative approaches to guide implementation of the Healthy Asia Pacific 2020 road map agreed in 2015. The actions in that road map will benefit from public private partnerships that can be scaled up within and across economies.
- Because of the significance of our work on mental health, APEC was invited by the WHO and World Bank to partner in the April 2016 “Out of the Shadows” global event in Washington DC. APEC was represented by Dr. Alan Bollard, and core partners in the APEC Digital Hub for Mental Health. 2017 will see the launch of public-private partnerships, including work force mental wellness by core partners through the Hub drawing on the agreed APEC Report on Strategic Needs in Mental Health.



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- The United States and Peru co-hosted the 2nd APEC Policy Forum on HPV and Cervical Cancer Prevention and Control in August 2016. APEC Economies are developing a Roadmap for Cervical Cancer Prevention and Control which will encourage the sharing of best practices, evidence-based policies and interventions, and strategies for integrating cervical cancer prevention and control within health systems through innovative solutions and collaborative approaches.
- The LSIF Blood Supply Chain Partnership Training Network (PTN) continues to make advances in the area of blood safety. In June 2016, Peru hosted a workshop on promoting Quality Management Systems in blood establishments attended by blood bank officials and practitioners from across the region. Work will continue through 2016 and 2017 on accelerating implementation of Good Manufacturing Practices in blood establishments.
- Facilitating innovative research and development and utilizing the full range of research skills in the region continues to be a top priority. We continue to discuss the appropriate legal, regulatory and policy framework that would incentivize research into new medicines and technologies, and, importantly, assure their dissemination throughout the community.
- Our APEC LSIF Biomedical commercialization center continues to attract researchers and technology managers from around the region to learn how to value their discovery and bring it to market. We are looking at ways we can use big data analytics in innovative research, and to build the evidence base for policy development, effective health interventions and decision-making.

In conclusion, we see 2017 as the start of a process that will ensure implementation of the tool kits and guidance we have developed over the years to combat the chronic disease crisis and improve our response to infectious disease. Importantly too, we expect to come to you in 2017 with recommendations that emerge from our dialogue with health officials and ministers and the finance ministers process. As noted above, this will be watched globally and could help set a global benchmark for innovative ways of assuring access for all to the needed interventions to keep our citizens and workforce healthy and productive and reduce the steep curve in GDP losses from health related losses in worker productivity.

We recommend that Ministers and Leaders:


1. Endorse the statement of the *Joint Statement of the 6th APEC High Level Meeting on Health and the Economy*; and,




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2. Welcome plans for a substantive dialogue in 2017 to address the fiscal and economic impacts of ill-health; and,
3. Encourage implementation of the APEC Report on Strategic Needs in Mental Health in 2017 through the APEC Digital Hub for Mental Health


Sincerely,




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