



**ALLIANCE
FOR HEALTHCARE
COMPETITIVENESS**

AHC Position Paper for the Transpacific Partnership Negotiations

The Alliance for Healthcare Competitiveness (AHC) supports the current negotiating process for the Transpacific Partnership (TPP) and seeks meaningful market access provisions for the healthcare sector as a whole. AHC endorses the use of “coherence” as a central principle for TPP negotiators as they address trade barriers and market access across healthcare industries. This is particularly important given that global spending on healthcare is growing rapidly and represents a sizable portion of the overall global economy (7% of global GDP).

What is AHC?

The Alliance for Healthcare Competitiveness (AHC) represents America’s leading healthcare employers, both for-profit and non-profit. We represent the entire healthcare ecosystem: from research institutions, healthcare providers and insurers, to the makers of healthcare products such as pharmaceuticals and medical devices.

Our Goal: Open global markets for healthcare products and services.

By opening global markets, AHC seeks to promote American job growth and economic opportunity, while improving global healthcare at all levels. America’s healthcare sector is among the most dynamic and competitive in the world, yet faces enormous challenges when seeking to expand globally. These challenges inhibit creation of new high wage jobs and economic growth in the United States.

AHC’s solutions:

1. Measures within international agreements to provide global market access for US healthcare products and services in a coherent fashion;
2. Trade promotion policies that support global expansion of US healthcare companies and nonprofits through financing, advocacy and other measures;
3. Expanding global markets to create opportunities for U.S. healthcare businesses and non-profits, both large and small.

America’s healthcare sector leads the world by virtue of superior technology, advanced logistics and IT, sophisticated and ethical management practices, strong intellectual property, and a highly educated workforce – positioning this sector for sustainable growth in the long term.





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TPP: Open Markets for Healthcare Goods and Services

The Alliance for Healthcare Competitiveness (AHC) endorses the use of “coherence” as a central principle for TPP negotiators as they address trade barriers and market access across healthcare industries. A meaningful TPP result would mean a coordinated package of market opening healthcare reforms in each relevant TPP chapter, including those addressing barriers to trade in goods and services, investment and in government procurement. Only coordinated, systematic market opening across this critical area of economic activity will ensure maximum results.

Rationale

The linkages and potential synergies between the various elements of the healthcare sector are enormous. If people have access to private health insurance, they will be able to afford healthcare goods and services beyond basic public coverage. If these people can choose between a private and public hospital, they will go where they will receive the best services and care. If governments are not allowed to discriminate in their purchases between foreign and domestic goods, the medical technology of the highest quality for the best value will gain market share.

Coordinated, “coherent” opening of the full range of healthcare goods and services would improve patient outcomes, while reducing public sector expenditures, and expanding international trade.

The type of global healthcare trade policy described above would create more and better jobs for Americans and provide enormous opportunities for the many critical American industries involved in US healthcare, which are the most innovative and competitive in the world (with superior technologies, advanced IT and logistics, sophisticated and ethical management practices, strong intellectual property rights, and a highly educated workforce).

Background

Transpacific Partnership (TPP) negotiations involve the range of issues normally covered in US FTAs, and US negotiators have stressed that the outcome must meet the same high standards as current FTAs. At the same time, the parties to the TPP negotiations have indicated that they are looking for new ways to address trade barriers, and are planning to conclude with a “living” document – one that can change with the times.

One approach TPP negotiators are using is to look at regulatory “coherence.” Regulatory barriers are being addressed not just on a sector by sector basis but horizontally across sectors.





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The Case for Healthcare Competitiveness

The data below is very significant, but these figures become even more dramatic when seen in the context of the rapid privatization of healthcare markets, economic development, and aging populations that shift the disease mix towards chronic illnesses, which require more advanced and expensive healthcare infrastructure – expenditures that, over time, can actually lead to cost savings. For example, according to Mark B McClellan, former Commissioner of the Food and Drug Administration, the reduction in US mortality from cardiovascular disease alone has been valued at \$1.5 trillion annually from 1970 to 1990 – and medical technologies “are no small part of this medical miracle.” (*Remarks, September 25, 2003*).

- According to the Centers for Disease control, in 2007 life expectancy reached almost 78 years in the United States (up from the 1955 level of 69.5) – a rise in life expectancy attributed to new medical technology and medical advances, particularly in the area of chronic disease.
http://www.associatedcontent.com/article/388299/life_expectancy_now_at_78.html?cat=
- UN statistics show the number of people over the age of 65 in Asia is expected to increase to over 456 million in 2025 (from about 200 million in the year 2000), and nearly double again by 2050 to almost 900 million people.
 - For Southeast Asia, the population age 65 and above is expected to more than double from 2000-2025, to 58 million, and more than double again by 2050 to nearly 130 million.
- In 2000 the developing nations including India, China, and the ASEAN countries, comprised about 15% of the global economy. By 2013 these countries are projected to account for 25% of the global economy.

The global healthcare market is approaching \$5 trillion in public and private spending, more than half of which is outside the U.S. (\$3 trillion outside of US). For the President's export agenda, it is essential to open global markets for American healthcare employers to generate large numbers of American jobs. Expanded exports will support more job creation in this sector.

- America's healthcare sector is vital to our economy, generating increasing numbers of jobs – even through the recession – adding 631,000 new jobs since the recession began.
- 10 of the 20 fastest growing occupations are healthcare related.
- In 2008, total employment in America's healthcare sector was 14.3 million.
- Between 2001- 2006 1.7 million new jobs were added in the health-care sector.
- The U.S. biomedical industry grew 14.4% in jobs from 2007-2008 compared with 4.3% for all industries.

