

# Discount Drugs

## Meet America's first nonprofit pharmaceutical company.

In India, they call it *kala-azar*, the black fever. And the signs are all too familiar: chronic fever, weight loss, a distended belly that signals a dangerously enlarged spleen. The fatal disease is visceral leishmaniasis, spread by sand flies that bite people as they sleep. In 2006, nearly 30,000 people in the Indian state of Bihar were stricken, and most of them died. Few could afford the pricey medicines that would have cured them.

Enter the Institute for OneWorld Health, the first nonprofit pharmaceutical company in the United States. Executives at the company heard that a decades-old antibiotic might be useful against *kala-azar*; so they sponsored clinical trials of the drug and found it to be effective in battling the parasites that cause the disease. The Indian government has now approved the medication—“paromomycin IM injection” in doctor’s parlance—which is scheduled to hit the market soon. A complete course of treatment will cost patients as little as \$10.

The paromomycin story illustrates that “you can be successful in developing safe and affordable drugs for neglected diseases,” says Susan Wilson, the senior director

of OneWorld Health’s diarrheal-disease program. “There is very high need for new therapeutics to treat these infectious diseases that have not been focused on for many years. In many cases, they are treatable.”

Founded by Dr. Victoria Hale in 2000, OneWorld Health has made it its mission to develop these treatments—and keep them affordable for the populations that need them most. The company’s officers, most of whom spent years working in the for-profit drug industry, know that they can’t tackle infectious disease on their own. The idea is to find new uses for existing medications or to identify promising medicines that have been abandoned by drug companies. “There are lots of perfectly fine drugs or drug candidates that get discarded because the people who are developing them don’t see the potential for a high-value market,” says Julie Cheng, a vice president and general counsel for the organization.

While the big drug companies may be content to let potential

to patients, as does its commitment to working with manufacturers that agree to produce the final product for little or no profit. The model also keeps costs low in a more fundamental way. Developing paromomycin, for example, cost nearly \$50 million—most of which came from a grant by the Bill & Melinda Gates Foundation—but unlike the for-profit pharmaceutical companies, OneWorld Health doesn’t need to recoup this cost by charging sky-high prices for the medication.

The executives hope their work will not only lead to new medicines, but new philanthropic pharmaceutical companies. “The concept of a nonprofit drug company is fresh and new,” says Myrtle Potter, a strategic adviser to OneWorld Health. “If we prove that the concept is sustainable and scalable, it will be a big success, not just for us but also for the patients we serve.”

This past April, OneWorld Health announced an innovative agreement with the pharmaceutical giant Roche, which will give

---

*“Ninety percent of research money goes to the diseases that affect only ten percent of people.”*

---

cures languish if they don’t offer high profit margins, OneWorld Health doesn’t have to let concerns about profits derail the development of medicine. The company negotiates for the rights to investigate whether compounds shelved by pharmaceutical companies might work against one or more of the so-called neglected diseases—from *kala-azar* to malaria—and shepherds the potential drugs through any necessary clinical trials. The company’s use of partially developed medications helps cut down on a drug’s ultimate cost

the company access to Roche’s proprietary library of thousands of drug compounds. The executives at OneWorld Health hope that one of these compounds may hold a cure for the more than 2 million children who die every year of diarrheal disease. “Ninety percent of research money goes to the diseases that affect only ten percent of people,” says Nina Grove, OneWorld Health’s vice president for access and delivery. “OneWorld Health focuses on the diseases of those other 90 percent.” —EMILY ANTHERS



**OneWorld Health** is also working with researchers at the University of California, Berkeley, Sanofi-Aventis, and Amyris Biotechnologies to develop a new, cheap method of manufacturing an antimalaria drug.