New Analysis Finds Manufacturers Account for Small Share of 'Social Surplus' Generated by Innovative Medicines

Researchers find manufacturers receive a minority of the net value innovative medicines create for society, with variation in how studies measure that share.

WASHINGTON, DC, UNITED STATES, September 16, 2026 /EINPresswire.com/ -- A new literature review in Applied Health Economics and Health Policy examines how the economic net value generated by innovative medicines, known as social surplus, is distributed.

“Estimating the Share of Social Surplus Generated by Pharmaceutical Innovation Accruing to Manufacturers: A Systematic Literature Review” finds that pharmaceutical manufacturers capture a relatively small share of this economic net value and that existing research may overstate manufacturers’ share because of methodological limitations. The findings clarify how net value is created and distributed – insight that can help inform evidence-based decisions about sustaining future biomedical advances and patient access.

The National Pharmaceutical Council (NPC) and research collaborators conducted a systematic literature review of 24 published studies on producer surplus in pharmaceuticals since April 2025. The studies’ outcomes varied due to the diseases and drug classes covered and utilizing inconsistent methods in measuring social surplus.

The analysis found:
- Manufacturers received a relatively small share of the net societal value. Across 24 studies and 68 estimates, the median producer surplus came to 15%. Therefore, across all studies, patients and society (i.e. consumers) captured a large share (85%) of the social surplus through gains in health and the broader economy.
- Existing literature may overestimate manufacturers' share because many studies have distinct methodological limitations. Only six of 24 studies estimated true manufacturer surplus, while one used theoretically appropriate definitions of both consumer and producer surplus. Others counted gross drug spending instead of manufacturer profit, ignored rebates and other supply-chain revenue, and left out broader societal benefits like gains in productivity.
- Producer surplus evidence is not yet sufficiently robust to support policy decisions due to inconsistent methodological standards and limited consensus across studies.

“As policymakers evaluate approaches that may affect pricing, reimbursement, and innovation,

understanding how value is created and distributed can help inform evidence-based decisions about sustaining future biomedical innovation and patient access," said Jon Campbell, PhD, NPC Chief Science Officer and study co-author. "Our research suggests that the broader policy conversation should move beyond whether manufacturers capture 'too much' value toward understanding how the value generated informs incentives to develop future treatments."

The authors note no single estimate or study should serve as a decision rule on its own for stakeholders who rely on producer surplus in value assessment, reimbursement, or health policy. This evidence can be used as a tool to evaluate frameworks that consider both current patient access and future therapeutic breakthroughs.

About the National Pharmaceutical Council
NPC serves patients and society with policy-relevant research on the value of patient access to innovative medicines and the importance of scientific advancement. We envision a world where advances in medicine are accessible to patients, valued by society, and sustainably reimbursed by payers to ensure continued innovation. For more information, visit www.npcnow.org and follow NPC on LinkedIn.

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