

Fair Pricing Forum 2019



Workshop 4

Pricing implications of policies on biosimilar cancer medicines

Purpose and agenda

To discuss the barriers and facilitating factors for enhancing the affordability of biological cancer medicines

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|----|---|--|
| 10 | An overview of biosimilar (cancer) medicines and their access | Malvika Vyas, ESMO Head of Public Policy |
| 10 | Industry's perspective on access to biosimilar (cancer) medicines | Vivian Frittelli, CEO Generic & Biosimilar Medicines Southern Africa |
| 05 | A very short introduction on internal reference pricing | Kiu Tay-Teo, WHO Technical Officer |
| 30 | Small group discussion | All participants in small groups |
| 10 | Oral summary of discussion | Rapporteurs from small groups |
| 25 | Discussion and conclusions | All participants |

Three questions for group discussion



What are the **policies in your countries** for the regulation, pricing, prescribing and use of biosimilar (cancer) medicines?



What are the **supply and demand-side barriers** to the **uptake and affordable pricing** of biosimilar (cancer) medicines?



What **could be done to mitigate these barriers**, thereby improving access to biosimilar products at affordable prices?

Pricing approaches

GOVERNMENTS' PRICING APPROACHES

Setting prices

Cost based: factors of production

What to include and how?

Tender and negotiation: best price

Market dynamics?

Reference pricing: benchmarking

To what?

Value based: (Anticipated) outcomes and preferences

What to include and how?

Managing prices

Regulation of mark-ups / remuneration: structure

To whom and at what level?

Regulate price increase: Frequency and magnitude

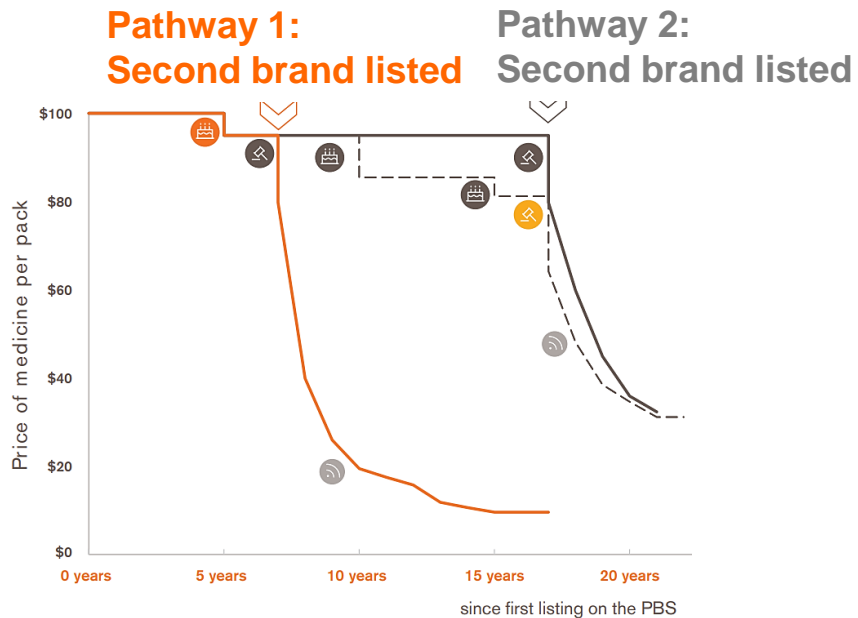
Restriction

Revise prices: changing market conditions or therapeutic landscape






When and how?

AUSTRALIA

Total population (2017)	24.6 million
Total expenditure on health per capita (Intl \$, 2014)	\$4,357
Total expenditure on health as % of GDP (2014)	9.4%
Total pharmaceutical spending as % of health expenditure (2016)	14.5%

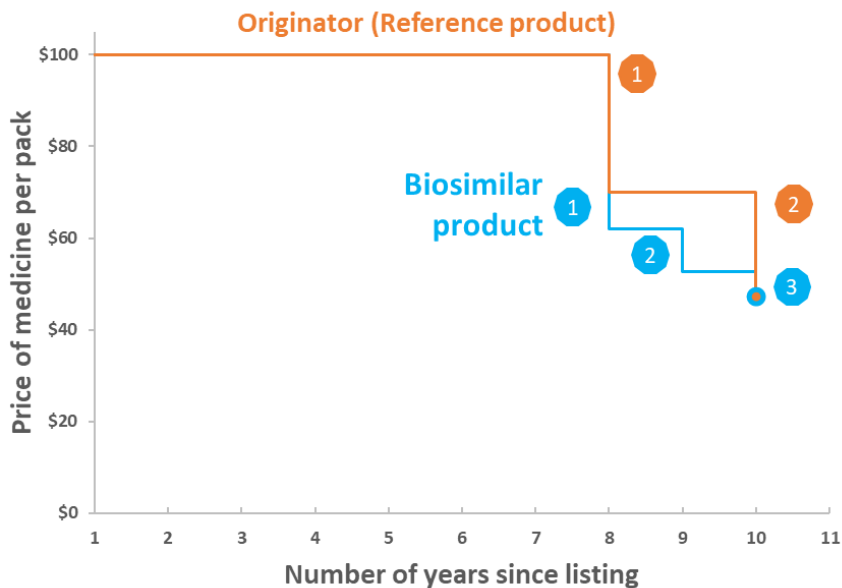


Pricing rules for single and multiple source products

-  ↓ 5% at 5 years
 -  ↓ 10% at 10 years
 -  ↓ 5% at 15 years
 -  ↓ 25% when second brand is introduced
 -  ↓ According to disclosed price
- Mark-ups regulations for single source products, including biologicals
- Internal reference pricing for multiple source products
- Market based pricing for multiple source products

AUSTRIA

Total population (2017)	8.7 million
Total expenditure on health per capita (Intl \$, 2014)	\$5,039
Total expenditure on health as % of GDP (2014)	11.2%
Total pharmaceutical spending as % of health expenditure (2016)	12.0%



Pricing rules for biosimilar products

Biosimilar products

- 1st biosimilar: ↓ 38% on the price of reference product
- 2nd biosimilar: ↓ 15% on the price of the 1st biosimilar
- 3rd biosimilar: ↓ 10% on the price of the 2nd biosimilar

Reference product

- 1 ↓ 30% price 3 months after the first biosimilar
- 2 Match price of the cheapest biosimilar after the entry of the third biosimilar product