WHO webinar series on country pharmaceutical pricing policies

Self-benchmarking
Country policies on internal reference pricing

This webinar will start shortly

Use Q&A window to post questions (not “Chat”)
- “Q&A” to send your questions to the panellists
- “Chat” ONLY when sharing comments or documents with all participants

Please keep all comments respectful and constructive

The session is recorded for viewing on demand
- Slides and recording will be shared after the session
Today’s Panellists

Inès Fradi
Professor and Head of Pharmacy Department
National Center of Bone Marrow Transplantation, Tunisia

Netnapis Suchonwanich
Advisor
National Health Commission Office, Thailand
Price Negotiation working group of the National List of Essential Medicines subcommittee, Thailand

Soumya Sudarshan
Director
Pricing and PBS Policy Branch
Technology Assessment and Access Division
Australian Government Department of Health and Aged Care
Offering a real-world example, AMA President Andrew W. Gurman, MD, a hand surgeon from Altoona, Pa., explained how one common generic drug, metformin, is priced wholesale for his local pharmacy. The same drug that costs the pharmacy less than 7 cents per 500 mg tablet costs more than $8 per 1,000 mg tablet. “That’s what’s going on in the real world,” Dr. Gurman said. “Your doctor writes that you need 1,000 mg of metformin, but she doesn’t know that that’s 100 times more expensive than writing two times 500 mg. We’ve got to fix this and docs can’t be the sole answer. They can’t be responsible for knowing all of the prices for all of the drugs in all of their possible combinations.

January 2017
Internal reference pricing and the Australian Pharmaceutical Benefits Scheme (PBS)

Soumya Sudarshan
Director, PBS Pricing and Managed Access
Australian Government Department of Health and Aged Care
February 2023
Outline

• PBS overview
  • Formularies (F1/F2)
  • Pharmaceutical Benefits Advisory Committee
  • Strategic Agreements with industry
• Administrative reference pricing reductions
• First new brand statutory price reductions
• Therapeutic Groups
PBS Overview

A national subsidy scheme for pharmaceuticals

• The PBS was established in 1948 and is governed by the *National Health Act 1953*

• The scheme is available to all Australian residents who hold a current Medicare card as well as overseas visitors from countries with which Australia has a Reciprocal Health Care Agreement.

• Pricing of medicines in the scheme is determined by legislation, guided by the expert Pharmaceutical Benefits Advisory Committee, and shaped by Strategic Agreements with the medicines industry.
PBS medicines are divided in two Formularies for pricing purposes

- The *National Health Act 1953* provides that listed drugs be assigned to formularies identified as F1 or F2.
- Allocation to F1 or F2 is determined by legislative instrument.
- Drugs on F2 are subject to the provisions of the National Health Act relating to statutory price reductions, price disclosure and guarantee of supply.
- Single brand combination drugs are not included in either the F1 or F2 formulary.
- Administrative Reference Pricing applies to drugs in F1, single brand combination products on the Combination Drug List, but not to other drugs in F2. A different methodology to align prices is applied to drugs in Therapeutic Groups regardless of formulary.
- Drugs in F1 are subject to statutory price reductions on the fifth, tenth and fifteenth anniversary of the date that the drug was listed on the PBS (regardless of the form of the medicine)
Role of the Pharmaceutical Benefits Advisory Committee

- The PBAC is an independent expert body appointed by the Australian Government. Members include doctors, health professionals, health economists and consumer representatives.

- Its primary role is to recommend new medicines for listing on the PBS. No new medicine can be listed unless the committee makes a positive recommendation.

- The PBAC is required to consider the effectiveness and cost of the proposed medicine compared with alternative therapies. It cannot make a positive recommendation for a medicine that is substantially more costly than an alternative medicine unless it is satisfied that the proposed medicine also provides a significant improvement in health.

- The PBAC advises Government on the ‘therapeutic relativity’ between medicines for the purposes of determining a price in accordance with cost-effectiveness requirements.
PBAC Guidelines: A cost-minimisation approach is appropriate where there is a therapeutic claim of noninferiority (or superiority), the safety profile is equivalent or superior (in both nature and magnitude), and use of the proposed medicine is anticipated to result in equivalent or lesser costs to the health system.
Reference Pricing

Reference pricing is a Government pricing policy which applies where drugs considered to be of similar safety and efficacy for pricing purposes are linked, and recommended by the PBAC as cost-minimised. The lowest priced brand or drug sets a benchmark price for either the other brands of that drug or the other drugs within the same sub-group of therapeutically related drugs. Pricing within these sub-groups is based on the therapeutic relativities between drugs. Those relativities may be direct or indirect (for example, in the case of combination products, they may be based on relativities between drug components).

Reference pricing applies to drugs in F1, single brand combination products on the Combination Drug List, but not to other drugs in F2. A different methodology to align prices is applied to different drugs included in Therapeutic Groups, regardless of formulary.

For new drugs being considered by the PBAC for listing on the PBS comparators for pricing purposes may be in either formulary.
Implementation of Reference Pricing

- Reference Pricing is an administrative policy that relies on the expert advice of the PBAC regarding the therapeutic relativity between medicines.

Example of a therapeutic relativity where recommendation is on a cost-minimisation basis:

5. Peginterferon beta-1a was recommended for listing for the treatment of multiple sclerosis on a cost-minimisation basis compared with interferon beta-1a. The equi-effective doses are peginterferon beta-1a 126 µg fortnightly to interferon beta-1a IM 30 µg once a week or interferon beta-1a SC 44 µg three times per week.

- The current Strategic Agreement with Medicines Australia contains a Government commitment that statutory price reductions (for example, due to a first new brand listing) will not trigger the application of Reference Pricing.
Strategic Agreements with industry

A partnership approach

- The Government has 5-year agreements with Medicines Australia (representing the innovative medicines sector) & the Generic Biosimilar Medicines Association.

- The agreements contain a comprehensive package of reforms to ensure that Australians continue to gain access to new medicines as early as possible and to deliver robust and uninterrupted supply of medicine.

- These agreements include commitments in relation to statutory price reductions, reference pricing, and ‘therapeutic groups’.

- The Statutory Price Reductions outlined under the Strategic Agreements are implemented through amendments to legislation (National Health Act 1953)
First new brand statutory price reductions

• In accordance with the *National Health Act 1953* a first new brand statutory price reduction (FNB SPR) will apply when the first new brand (new brand) of a **pharmaceutical item** (trigger item) that is **bioequivalent or biosimilar** and has the same **manner of administration** (MoA) as an existing **pharmaceutical item** (existing item) is listed on the PBS.

• When the FNB is listed for a drug that is in F1, the drug becomes multi-branded and moves from F1 to the F2 formulary. However, the criteria for a FNB SPR applies irrespective of the formulary status of the drug and some older drugs in F2 may also meet the criteria for a FNB SPR.

A *‘pharmaceutical item’* is a legal concept underpinning pricing mechanisms in the *National Health Act*, including the FNB SPR. It is made up of the legal drug, form and manner of administration (MoA) of a medicine.

<table>
<thead>
<tr>
<th>Legal Instrument Drug</th>
<th>Legal Instrument Form</th>
<th>Legal Instrument MoA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abacavir</td>
<td>Oral solution 20mg (as sulfate) per mL</td>
<td>240 mL Oral</td>
</tr>
</tbody>
</table>
Implementation of first new brand statutory price reductions

• As part of PBS reforms in 2007, the 12.5% FNB price reduction policy that had operated as an administrative policy since 1 August 2005, was legislated. Through further reforms, the FNB SPR increased from 12.5% to 16% on 1 February 2011, then again from 16% to up to 25% on 1 October 2018.

• As part of reforms agreed under the Strategic Agreement with Medicines Australia, from 1 July 2022 the price reductions happen automatically under legislation and do not require a new legal price agreement to be made between the Minister and the company.

• The Act also allows for the Minister to exercise discretion to not apply or reduce the magnitude of a FNB SPR. The company must apply for Ministerial Discretion to be exercised. This process ensures that the prices of important PBS listed medicines will not be allowed to be reduced below what is needed to secure supply for Australian patients.
Therapeutic Groups

Paying the same price for similar health outcomes

• Drugs listed within a ‘Therapeutic Group’ are therapeutically interchangeable with other drugs in the same group, that is they are of similar safety, efficacy and provide similar health outcomes.

• The government subsidises all drugs within a group up to the level of the lowest price drug. For drugs in F1, any difference between the subsidised price and the price of the drug used by the patient is called a therapeutic group premium and is paid by the patient.

• Determination of Therapeutic Groups is legislated.

• Pricing based on Weighted Average Monthly Treatment Cost (WAMTC) methodology – intended to account for different usage practices in the market compared with clinical trials.
Implementation of Therapeutic Groups

- Therapeutic Groups are determined by the Minister by legislation, and the National Health Act 1953 requires the Minister to first obtain the advice of the PBAC in relation to the proposed Therapeutic Group.

- Prescribers are free to choose between drugs in Therapeutic Groups. Pharmacists cannot substitute between drugs in Therapeutic Groups. The current policy for Therapeutic Groups acknowledges that drugs in a therapeutic group are not identical. However, they are sufficiently similar that they should be treated as interchangeable on an individual patient basis for pricing purposes.

- The current Strategic Agreement with Medicines Australia includes a commitment from the Minister to not determine any new Therapeutic Groups during the term of the agreement, and to work with industry to develop of new framework for potential therapeutic group formation, including enhancing transparency of the process.

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### EPROSARTAN

<table>
<thead>
<tr>
<th>Code &amp; Prescriber</th>
<th>Medicinal Product Pack (Name, form &amp; strengths and pack size)</th>
<th>Max qty packs</th>
<th>Max qty units</th>
<th>No. of repeats</th>
<th>DFMQ</th>
<th>Max Safety Net</th>
<th>General Patient Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>8397Y</td>
<td>EPROSARTAN eprosartan 406 mg tablet. 28 (Pt. CMI)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Available Brands**

- Tevelen

  - Additional charge for this brand is $7.00
Useful links

Overview of PBS Pricing: https://www.pbs.gov.au/info/industry/pricing/pbs-items


About the Pharmaceutical Benefits Advisory Committee: https://www.pbs.gov.au/info/industry/listing/participants/pbac

Strategic Agreements with the Medicines Industry: https://www.pbs.gov.au/info/general/medicines-industry-strategic-agreement

PBS prices for each brand of each medicine subsidised through the PBS: www.pbs.gov.au/info/industry/pricing/ex-manufacturer-price
Thank you!

pbspricing@health.gov.au

Acknowledgements: Natasha Wood & Ellen Lardner
Internal reference pricing for medicines in Tunisia

Ines Fradi, Pharm. D, Ph. D
Professor and Head of Pharmacy Department
National center of Bone Marrow Transplantation, Tunisia

Date
1 February 2023
Medicines Pricing and Reimbursement process

1. Marketing Authorization Committee (MOH)
   - Negotiation of price to guarantee an economy on the cost of health (MA)

2. Drug purchase committee (PCT)
   - **Procurement price** of imported medicines
   - Updating of the purchase price at the request of MA holders

3. Ministry of Trade
   - Approval of the initial **public price** (locally and imported)
   - Up dating the public price of the **locally manufactured medicines**

4. Committee deciding for the reimbursement of medicines
**Price revision**

**Locally manufactured medicines**
- **Revision of retail prices** by the Ministry of Trade, upon request and generally every five years

**Imported medicines**
- **Revision of the procurement prices** by the Tunisian Central Pharmacy without revision of the public price by the Ministry of Trade.

**Compensation mechanism by the Central Pharmacy**
- Compensation applies only to imported drugs
- Stable public prices >> Maintain accessibility of medicines for patients
- **Real price ≠ public price**
  
  Real price: the price that should be applied according to the purchase price and to the margins applied through the supply chain)
Medicines Distribution Channels in Tunisia

Tunisian Central Pharmacy
Importation Monopoly

- Essential Medicine List
- Specific list

Local Manufacturers

- Wholesalers
- Private Clinics
- Retail Pharmacies

Public hospitals

polyclinics (6) of the CNSS
Internal reference pricing in Tunisia

For generic products supplied in the private sector

Reference product

1st Generic

↓ at least 30% on the price of the reference product in Tunisia

2nd Generic

↓ at least 5% on the price of the 1st generic

3rd Generic

↓ at least 5% on the price of the 2nd generic

Subsequent generics

↓ at least the same price of the 3rd generic

Note: Medicines used in the public sector are purchased through tendering (> 2 marketing authorizations for the same medicines)
Internal reference pricing in Tunisia

For Biosimilar products supplied in the private sector

At least 30% on the **real price of the reference biologic product in Tunisia**

+ Take into account

The compensation (PCT)
The price in the benchmark countries (ERP)

<table>
<thead>
<tr>
<th>Originator Public price</th>
</tr>
</thead>
<tbody>
<tr>
<td>70% of the originator real price</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Biosimilar public price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 30%</td>
</tr>
</tbody>
</table>

Low price difference that hinder market penetration by the biosimilar

Note: Medicines used in the public sector are purchased through tendering (> 2 marketing authorizations for the same medicines)
Impact of Biosimilar’s entry to market

Impact of registration of SBP on the price of a Biotherapeutic product

SBP submission

SBP approval

Consultation

SBP Price 22% of the initial BTP + Access program for indigent patients
Medicines Reimbursement by the CNAM

**Specific medicines**
- Purchased by the CNAM to the PCT
- Distributed to patients by the polyclinics (6) of the National Social Solidarity Fund

**NCDs medicines**
(24 Full covered Diseases)
- Medicines reimbursed at 100% of their reference price

**Other medicines**
outpatient services provided in the private health care sector
- Vital medicines 100%
- Essential medicines 85%
- Intermediate medicines 40%
- Comfort medicines 0%

**Reimbursement** on the basis of reference prices
- the **cheapest generic** available on the local market
- **Similar dosage forms** are considered as generic

**Medicines are Dispensed** to patients
Internal reference pricing for reimbursement

For medicines that are therapeutically similar

- Beta interferons, used as multiple sclerosis first-line therapy, were considered as therapeutically similar and can be ‘substituted’ for one another

- Three medicines (AVONEX, BETAFERON, and REBIF) were commercialized and reimbursed by the CNAM (specific medicines) with different procurement prices

- The CNAM has stopped new treatment introductions for the two most expensive specialties, bringing them into line with the least expensive specialty

- The same process was applied for anti-TNF therapeutics (Infliximab, Etanercept and Adalimumab)
Recommendations

• Internal reference pricing is a good tool for price negotiation and should be combined with ERP

• There is a need of a strategy to enhance generic and biosimilar prescribing and dispensing in order to improve affordability and limit OOP expenses

• Generic and biosimilar introduction to the market should be facilitated by revising the public price of the originator at its real price

• Percentages of reduction shouldn’t be the same for generic and biosimilar products
References


Thank you for your attention
Self benchmarking:

Thailand's policy on Internal reference pricing

Netnapis Suchonwanich
Advisor to National Health commission office
& Price Negotiation working group of NLEM subcommittee
What's the pharmaceutical pricing policy in Thailand?

Thailand has achieved full population coverage and a high level of financial risk protection since 2002, through implementing three public health insurance schemes (CSMBS, SSS, UCS).

In the midst of the success, the skyrocketing health expenditure has largely been occupied by the cost of medicines.

This brought the country to amend the national drug policy strategy aimed to integrate the pharmaceuticals pricing policy in the key process of pharmaceutical management system.
Compare % value of imported medicines vs. domestic manufacturing medicines to total value of medicines consumption.
The journey of drug prices in Thailand

NLEM price negotiation WG.
- Avg price cut 5-80%

NHSO & SSS
Pooled Procurement
During 2009-2018
- Save > 740 million USD
- increased > 80,000 patients to access high-cost medicines

MOPH
- reference price
- standard price

Market price come up after registration approval

NLEM Essential drug price negotiation

Health Schemes procurement price negotiation

Regional, Provincial, hospital procurement

ED

Launched into the market

Submit into NLEM

Included in pooled procurement
Drug registered in Thailand

1. ED / NED list Drug
   - Price negotiation

2. Drug submitted to ED-list
   - Price negotiation
   - National Std. drug prices committee
   - ED drug prices
   - Maximum Purchasing prices control

3. Special access item Vaccines in EPI
   - Price negotiation

- Gov. pharma. Org. central procurement
- Medicines reimbursement for UCS, SSS

All public hospitals
After the implementation of “Good Health at low cost” policy in 2000

Reference prices of medicines for public hospitals under MOPH

<table>
<thead>
<tr>
<th>Packing</th>
<th>Manufacturer</th>
<th>Min</th>
<th>Mode</th>
<th>Mean</th>
<th>Avg.</th>
<th>Hospital</th>
<th>Trade name</th>
<th>Period time</th>
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<tbody>
<tr>
<td>100x10</td>
<td>GREATER PHARM</td>
<td>321</td>
<td>321</td>
<td>321</td>
<td>1</td>
<td>MIFORMIN</td>
<td>2564 - 2565</td>
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<tr>
<td>100x10</td>
<td>MACROPHAR</td>
<td>212</td>
<td>212</td>
<td>212</td>
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<td>AMMI-FORMIN</td>
<td>2564 - 2565</td>
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<tr>
<td>100x10</td>
<td>T.MAN PHARMA</td>
<td>240</td>
<td>241</td>
<td>241</td>
<td>2</td>
<td>GLUCOLES</td>
<td>2564 - 2565</td>
<td></td>
</tr>
<tr>
<td>30x:10</td>
<td>SIAM BHAESAI CO</td>
<td>96.3</td>
<td>108.07</td>
<td>108.07</td>
<td>2</td>
<td>SIAMFORMET</td>
<td>2564 - 2565</td>
<td></td>
</tr>
<tr>
<td>500</td>
<td>UMEJIA</td>
<td>150</td>
<td>160</td>
<td>160</td>
<td>2</td>
<td>METFORMIN</td>
<td>2564 - 2565</td>
<td></td>
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<tr>
<td>50x:10</td>
<td>R.X COMPANY</td>
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<td>118</td>
<td>118</td>
<td>1</td>
<td>METFORMIN</td>
<td>2564 - 2565</td>
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<tr>
<td>50x:10</td>
<td>THE FORTY TWO LAB</td>
<td>120</td>
<td>134</td>
<td>129.67</td>
<td>3</td>
<td>DIAFORMIN</td>
<td>2564 - 2565</td>
<td></td>
</tr>
</tbody>
</table>

Source: Drug and medical supply information center
Prices negotiation for National essential drugs’ selection

2009

Pricing tools
- External reference price
- Internal reference price
- Pricing control: Class based pricing, price cuts
- Value based pricing using HTA
- Market driving pricing

Access tools
- Policy driven:
  - Included in NLEM & reimbursement benefits (choose one drug/one price policy)
  - Compulsory licensing/Voluntary licensing
- Therapeutic or disease prioritisation
- Patient segment prioritisation
- Patient access model:
  Managed entry agreement such as risk sharing agreement, Prior authorization for defined indication, Codependent Tech. agreement etc.

2008

High-cost /high budget impact

Cost-Effectiveness threshold and price negotiation

1. ICER 300,000 THB/QALY at current price
2. Negotiated price based on CE threshold
3. Final negotiated price based on budget impact and affordability of 3 schemes

Accept the technology if ICER < 160,000 THB/QALY

*5,000 USD (1 USD = 35 THB)
NLEM committee has established pricing regulator called “National standard drug prices committee” by 1992 covered only ED at the beginning and currently extended to cover both ED and NED prices. The standard prices’ information can be downloaded after already announced in the decree.

<table>
<thead>
<tr>
<th>Drug name</th>
<th>Dosage form and strength</th>
<th>unit</th>
<th>Price (included VAT)</th>
<th>Baht</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Peginterferon alpha-2a</td>
<td>sterile sol 135 mcg/0.5 ml</td>
<td>0.5 ml</td>
<td>3,150.00</td>
<td></td>
</tr>
<tr>
<td>2. Peginterferon alpha-2a</td>
<td>sterile sol 180 mcg/0.5 ml</td>
<td>0.5 ml</td>
<td>3,150.00</td>
<td></td>
</tr>
<tr>
<td>3. Peginterferon alpha-2b</td>
<td>sterile pwd cr 100 mcg</td>
<td>1 ซอง</td>
<td>3,150.00</td>
<td></td>
</tr>
<tr>
<td>4. Peginterferon alpha-2b</td>
<td>sterile pwd cr 100 mcg</td>
<td>1 ติมม์</td>
<td>3,150.00</td>
<td></td>
</tr>
<tr>
<td>5. Peginterferon alpha-2b</td>
<td>sterile pwd cr 80 mcg</td>
<td>1 ซอง</td>
<td>3,150.00</td>
<td></td>
</tr>
<tr>
<td>6. Peginterferon alpha-2b</td>
<td>sterile pwd cr 80 mcg</td>
<td>1 ติมม์</td>
<td>3,150.00</td>
<td></td>
</tr>
<tr>
<td>7. Peginterferon alpha-2b</td>
<td>sterile pwd cr 50 mcg</td>
<td>1 ซอง</td>
<td>3,150.00</td>
<td></td>
</tr>
<tr>
<td>8. Peginterferon alpha-2b</td>
<td>sterile pwd cr 50 mcg</td>
<td>1 ติมม์</td>
<td>3,150.00</td>
<td></td>
</tr>
<tr>
<td>9. Ribavirin</td>
<td>tab 200 mg</td>
<td>1 บัตร</td>
<td>15.01</td>
<td></td>
</tr>
<tr>
<td>10. Ribavirin</td>
<td>tab 400 mg</td>
<td>1 บัตร</td>
<td>26.75</td>
<td></td>
</tr>
<tr>
<td>11. Sofosbuvir</td>
<td>tab 400 mg</td>
<td>1 บัตร</td>
<td>130.00</td>
<td></td>
</tr>
<tr>
<td>12. Sofosbuvir + Ledicasvir acetonate</td>
<td>tab 400 mg + 90 mg</td>
<td>1 บัตร</td>
<td>200.00</td>
<td></td>
</tr>
</tbody>
</table>

NLEM : National list of essential medicines
# Thailand’s policy on Internal reference price

<table>
<thead>
<tr>
<th>Pricing name</th>
<th>Legal reference</th>
<th>Data source</th>
<th>Pricing policy</th>
<th>Apply for</th>
</tr>
</thead>
</table>
| Reference price | • Regulation of the office of Permanent Secretary Ministry of Public Health  
• Commanded to all hospitals under OPS.MOPH | Derived from public hospital procurement:  
• Annual purchasing plan  
• Actual purchasing price | Information sharing of medicinal prices supporting  
• public hospital procurement  
• NLEM Price negotiation WG | Hospitals under the office of Permanent Secretary Ministry of Public Health. |

| Standard price | • the Government procurement act.  
• Approved by National standard prices committee and announced in the decree | Derived from multiple sources:  
• Reference prices from MOPH  
• Purchasing prices from University hospitals  
• Negotiated prices from ED Price negotiation WG  
• External reference prices | Pricing control regarding to the Government procurement act  
• Address as maximum purchasing prices for each generic product | All public hospitals |
For consumer protection and universal coverage of emergency patients
All private hospitals must comply with the prescribing medicines’ prices on DIT’s website

- According to the announcement of the committee Regarding prices of goods and services No. 87, 2019. The establishment of price notification rules relating to the distribution of medicines, medical supplies, medical service fees, medical service and other services of nursing homes. The private hospitals must notify the service and good prices with the Department of Internal Trade.

- Thai people can search and compare drug prices in each private hospitals via

Summary

Internal reference price (IRP) for self-benchmarking in Thailand is one of the vital information to attain fair pricing and ensure the accessibility to essential medicines for the patients and sustain the universal health coverage in final.

The evidence-based selection of essential medicines and smart procurement will make the internal reference prices more valuable in pharmaceutical management as it induces regular reviews on pricing control and quality assurance for the selected essential medicines.

Exploring the journey of prices and conducting the common data set of pharmaceutical procurement information must be well-designed before the establishment of Internal reference price in the country.
Encourage pricing and quality policies in the adoption of generic and biosimilars in the procurement process.

Emerging market of novel medicines with various patient access programs especially in high-cost or rare diseases will make more complication on setting the standard prices.

Pricing comparison in precision medicines should concern the cost of co-dependent technology in the consideration.

### Indication-based pricing in biological products

<table>
<thead>
<tr>
<th>Drug</th>
<th>Approval status: Skin cancer</th>
<th>Bladder cancer</th>
<th>Head and neck cancer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opdivo</td>
<td>2nd line</td>
<td>1st line for melanoma</td>
<td>2nd line</td>
</tr>
<tr>
<td>Keytruda</td>
<td>1st line</td>
<td>1st line for melanoma</td>
<td>1st (some) and 2nd line</td>
</tr>
<tr>
<td>Tecentriq</td>
<td>2nd line</td>
<td>In late stage trials</td>
<td>In early stage trials</td>
</tr>
<tr>
<td>Imfinzi</td>
<td>In late stage trials</td>
<td>In early stage trials</td>
<td>2nd line</td>
</tr>
<tr>
<td>Bavencio</td>
<td>In late stage trial</td>
<td>1st line for Merkel cell carcinoma</td>
<td>In late stage trials</td>
</tr>
</tbody>
</table>
Panel discussion
Offering a real-world example, AMA President Andrew W. Gurman, MD, a hand surgeon from Altoona, Pa., explained how one common generic drug, metformin, is priced wholesale for his local pharmacy. The same drug that costs the pharmacy less than 7 cents per 500 mg tablet costs more than $8 per 1,000 mg tablet. “That’s what’s going on in the real world,” Dr. Gurman said. “Your doctor writes that you need 1,000 mg of metformin, but she doesn’t know that that’s 100 times more expensive than writing two times 500 mg. We’ve got to fix this and docs can’t be the sole answer. They can’t be responsible for knowing all of the prices for all of the drugs in all of their possible combinations.

January 2017
In your country, how do you define "substitutes" for price benchmarking purpose?

› The same or in equivalent dose
  e.g. active ingredient, strength, dosage form etc
› therapeutic equivalence
  e.g. therapeutic class, dosage forms
› market composition
  e.g. market share
› administrative burden
  e.g. data collection
› other health or industrial policies
  e.g. locally produced medicines
Why have countries developed internal reference pricing policies for generic and biosimilar medicines, instead of solely relying on the invisible hand of market competition to keep prices down?
Why are internal reference pricing policies different for biologicals and small molecules?

› Difference for in-patent and off-patent medicines?
How would you recommend LMIC decision makers go about implementing internal reference pricing?

What do they need to consider?
Q&A with the audience
Upcoming webinars

- Promoting the use of generic medicines: stakeholder views and how to improve acceptance
- Value assessment through HTA to inform medicine pricing

2023 Fair Pricing Forum

- Topics of interest for the 2023 Fair Pricing Forum
  