



Desirability of PBRsAs

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Payer perspective

When?

- A new treatment that appears to be promising, but where uncertainties question the relevance of coverage:
- From a public health perspective: uncertain benefit/risk ratio, leading to potentially putting patients at risk
- From a financial perspective:
 - Opportunity cost of coverage is too high
 - High uncertainty on budget impact



Payer perspective

Why?

- A PBRSA allows access:
 - Response to patient need
- A PBRSA allows controlled access:
 - Generation of data to reduce uncertainty
 - Control of budget impact



Payer perspective

What are the alternatives?

- Refuse coverage, with the risk of facing political pressure ...
- Frees resources for other *less uncertain* innovations



Company perspective

When?

- The development program was good enough for registration, but the payer's resistance is anticipated:
 - Surrogate endpoints versus morbidity-mortality
 - Incompleteness of comparative data
 - Trial duration...
- High expected budget impact:
 - High prices
 - Large target population



Company perspective

Why?

- PBRAs may be a way to overcome a payer's aversion for risk:
 - Goodwill
 - Limit public health risk
 - Limit financial risk by accepting to share the burden
- Expected revenues over life cycle, including risk of loss, is higher than expected revenues with additional clinical development costs



Company perspective

What is the alternative?

- Extending the clinical development:
 - Extra cost or sometimes major difficulties (recruitment)
 - Risk of not getting positive results
 - Shorter time before LOP
 - Risk of facing competition



Limitations

In the case of an agreement with a pre-specified target:

- Payers may fear opportunistic pricing of companies, adjusting their price level to anticipated risk of failure:
 - Ask for a lower price upfront and agree to readjust after conclusion of the agreement
- For companies, higher uncertainty on revenues during the test-period.