



## SUMMARY

- In 2023, a new value-rating framework was formally introduced into the NRDL assessment process to provide an objective evaluation of a product’s clinical benefits during expert review
- The framework classifies drugs into four tiers based on clinical characteristics such as efficacy, safety, innovation, fairness, and potential replaceability by existing NRDL-listed products
- During the 2024 NRDL negotiations, this value-rating framework was used in the expert review stage to determine which candidates would proceed to the negotiation phase
- However, the National Health Security Administration (NHSA) does not currently disclose the value rating results or the rationale behind them, and no published literature has yet examined the relationship between value ratings and final pricing outcomes

## INTRODUCTION & OBJECTIVES

- The 2024 NRDL listing, released at the end of November 2024, showed a modest decrease in negotiation success rates, dropping from 85% in 2023 to 75% in 2024
- Most of the drugs were filtered out during expert review (clinical and economic assessments), where the new value-rating system was leveraged, resulting in only 28% of products being eligible for negotiations or bidding
- This research aims to assess the impact of the value-rating system on innovative products’ reimbursement and pricing outcomes

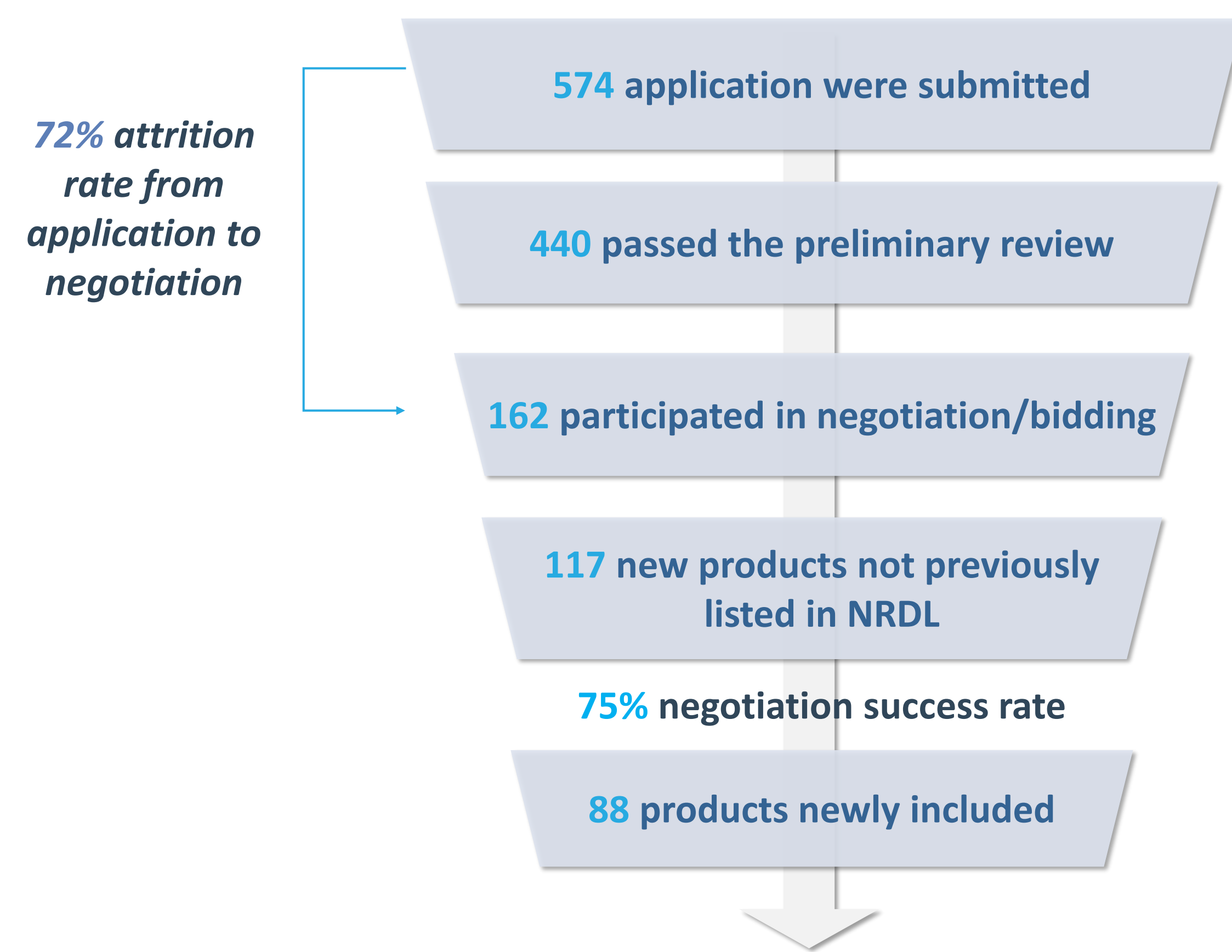
## METHODS

An in-depth analysis of the 2024 NRDL Negotiation results was performed to evaluate how the value ratings of participating drugs may influence their pricing outcomes. Our analysis employs a three-step approach:

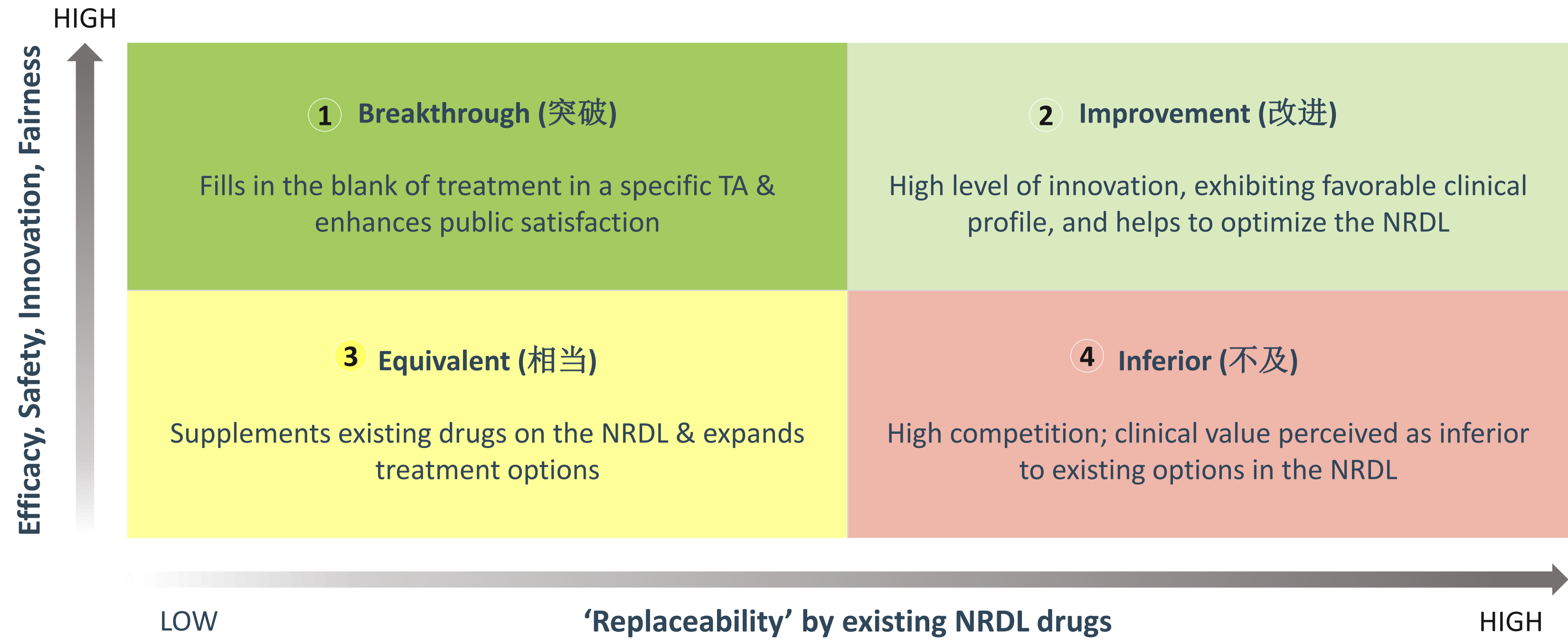
- Identify key successful drug candidates from the 2024 NRDL negotiation, focusing on oncology treatments
- Evaluate the added clinical benefit compared to standard of care/ NRDL-listed competitor(s) and estimate their likely value ratings
- Examine the potential relationship between the likely value ratings and pricing outcomes for these therapies

## RESULTS

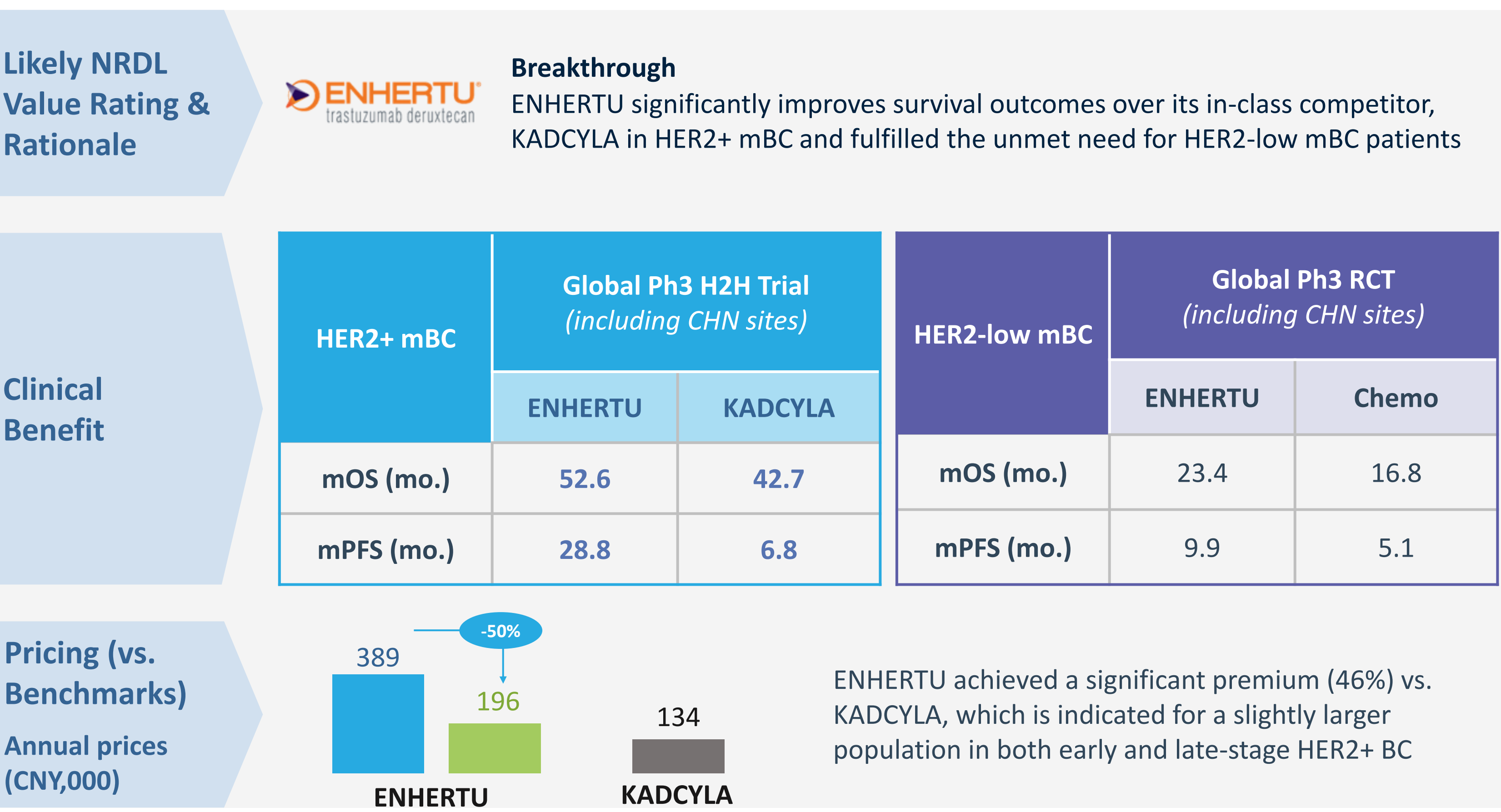
**Figure 1 | 2024 NRDL Negotiation Results Overview**



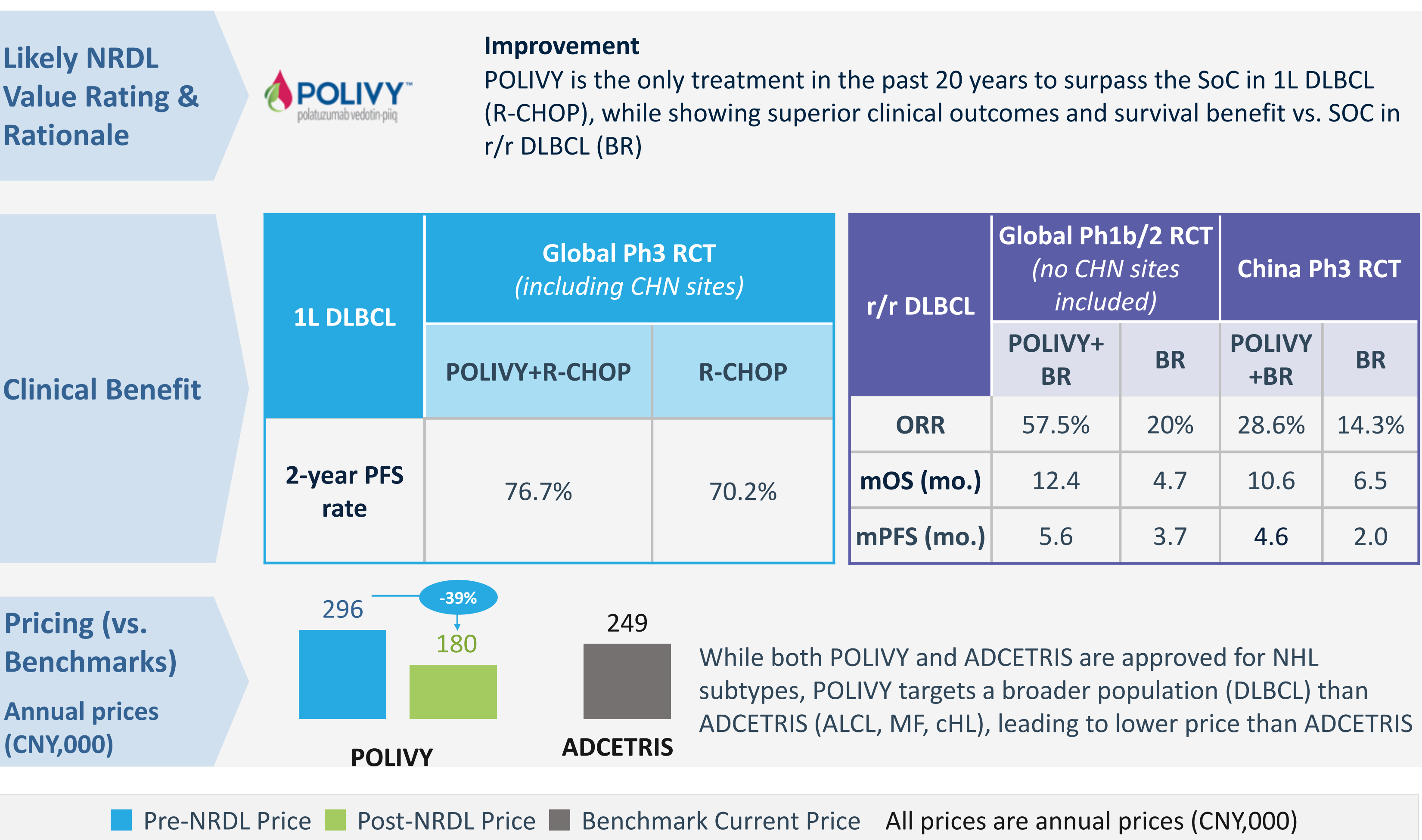
**Figure 2 | Value Rating Categories**



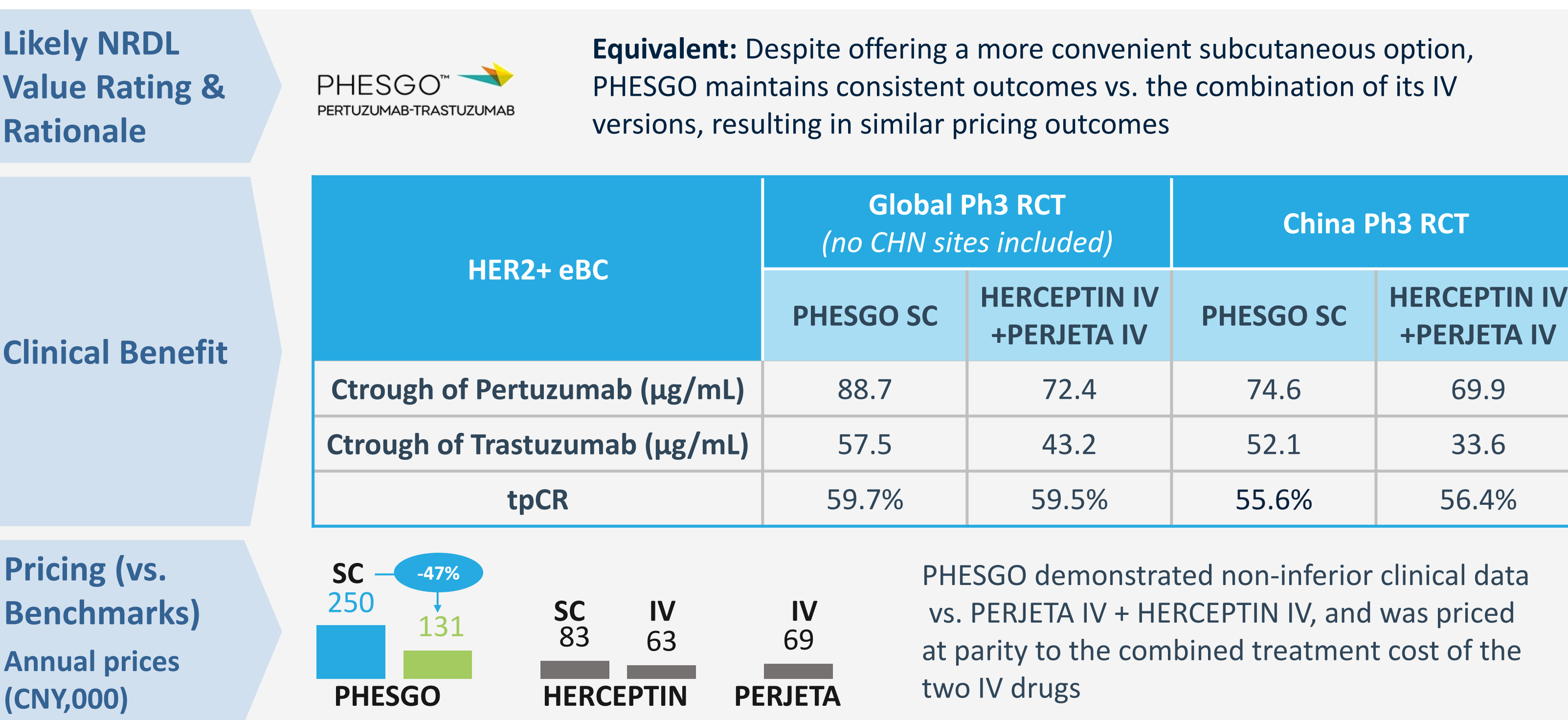
**Figure 3 | Successful Oncology Drug with Likely “Breakthrough” Ratings in 2024 NRDL**



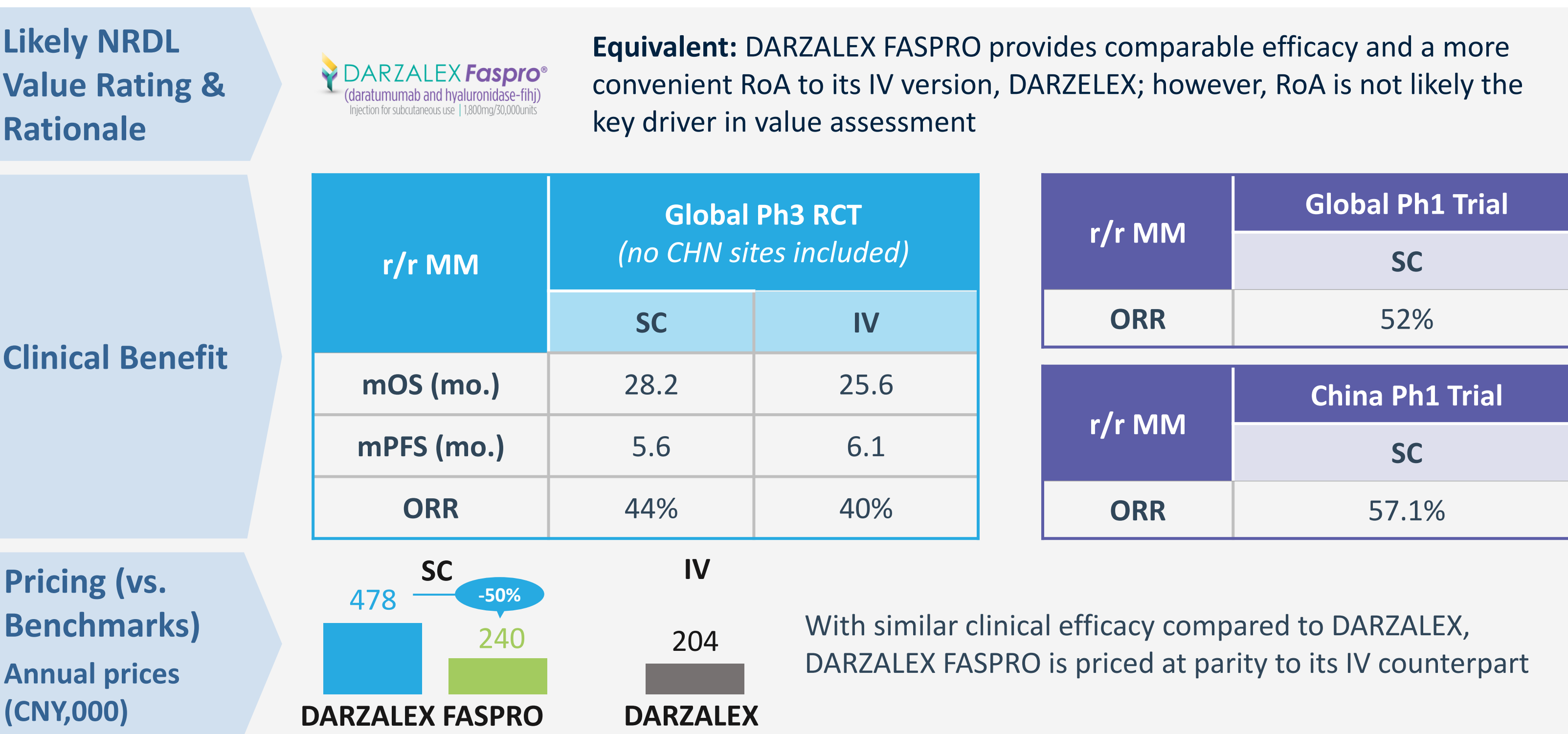
**Figure 4 | Successful Oncology Drug with Likely “Improvement” Ratings in 2024 NRDL**



**Figure 5 | Successful Oncology Drugs with Likely “Equivalent” Ratings in 2024 NRDL**



**Figure 6 | Successful Oncology Drugs with Likely “Equivalent” Ratings in 2024 NRDL**



- Despite demonstrating superior clinical performance, several high-cost innovative therapies failed to secure pricing agreements with the NHSA and were excluded from the 2024 NRDL - highlighting that, unlike in Germany where clinical value alone ensures reimbursement, pricing remains a critical guardrail in China’s system

## DISCUSSION

- While no official guidelines delineate its role in NRDL pricing, the value rating system provides a practical and directional framework for assessing pricing and access outcomes for innovative medicines in China
- Although budget impact and pricing thresholds remain critical to NRDL negotiations, the increasing significance of the value rating system has revealed emerging pricing trends tied to product value

## CONCLUSIONS

- Our analysis indicates that products with higher value ratings (e.g., "breakthrough") are more likely to achieve premium to NRDL alternative than those with lower ratings (e.g., "equivalent")
- As a result, the value tiering system may indirectly influence NRDL pricing outcomes

## REFERENCES

1. National Health Security Administration (NHSA). <http://nhsa.gov.cn/>, 6 January 2025; 2. PharnexCloud Database

## ABBREVIATIONS

IV – Intravenous | NHSA – National Health Security Administration | NRDL– National Reimbursement Drug List | OS – Overall Survival | ORR – Objective Response Rate | PFS – Progression-Free Survival | SC – Subcutaneous | tpCR – total Pathologic Complete Response