

INSIGHTS INTO FUTURE AUTOIMMUNE PRICING DYNAMICS IN EU5 & THE US, USING LEARNINGS FROM RHEUMATOID ARTHRITIS



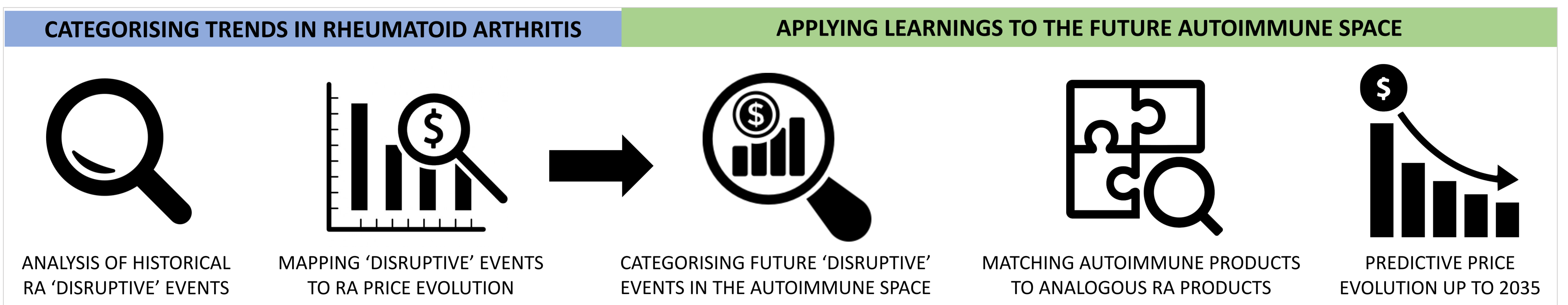
Smith LA¹, Edathodu A¹, Ganesh S²

¹Access Infinity, London, United Kingdom. ²Access Infinity, Hyderabad, India. Email: laura@access-infinity.com

INTRODUCTION/OBJECTIVES

The rheumatoid arthritis (RA) targeted therapy space has been becoming increasingly crowded in the last 10 years, with the introduction of biologics (such as anti-TNFs) and now oral targeted therapies (such as JAK inhibitors). The space has also become more dynamic with a multitude of 'disruptive' events, such as: LoE events, biosimilar introduction, new formulations, new products, new classes and indication extensions. Using historical learnings from RA and the impact these 'disruptive' events have had on list and net price, the objective of this research was to predict potential future pricing trends in the autoimmune space up to 2035 in EU5 and the US

METHODS



RESULTS

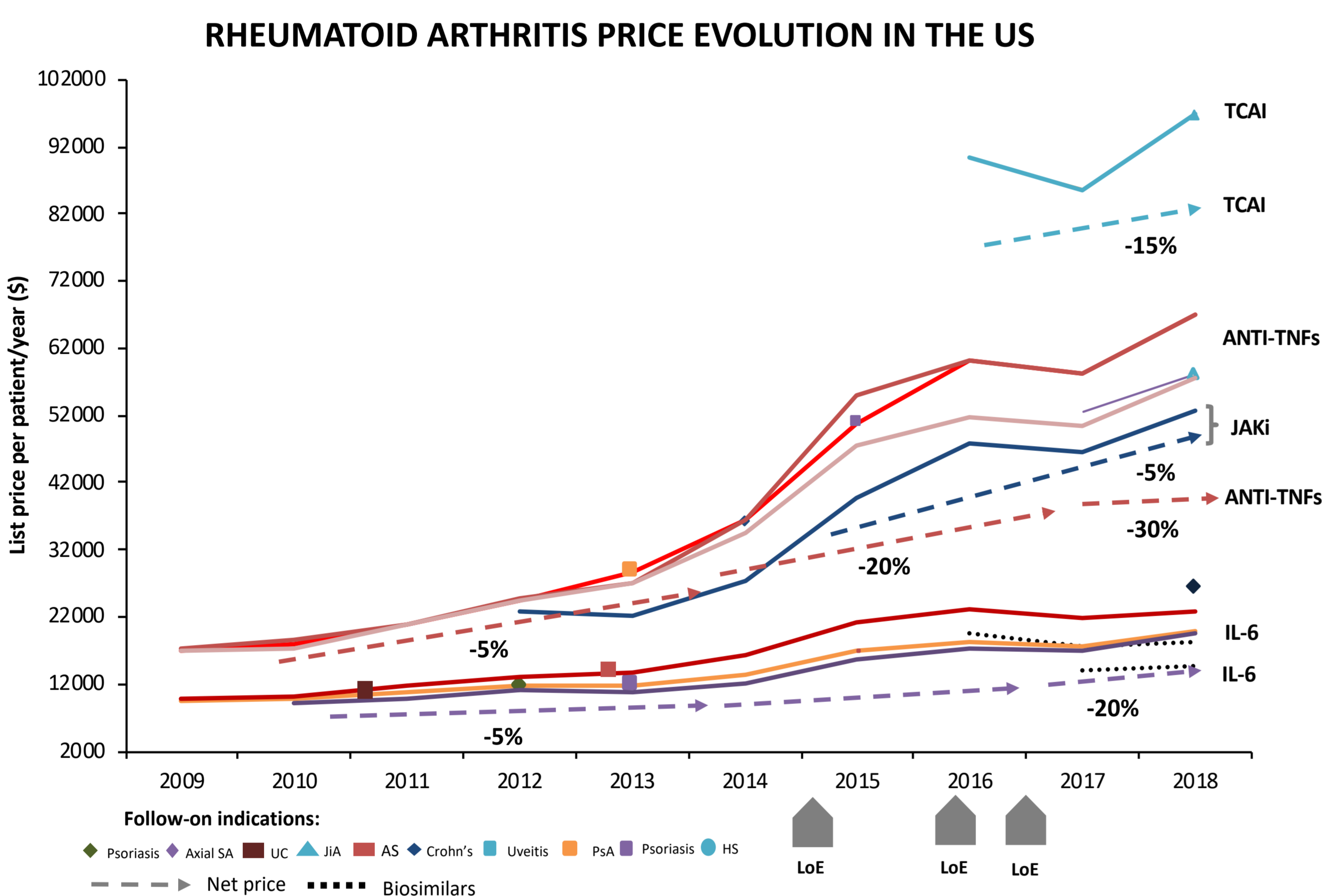


Figure 1 Price evolution for RA in the US with 'disruptive' events Source: Access-Infinity (2019)

In Germany, using learnings from RA, list prices in other autoimmune conditions are expected to remain stable over time unless a biosimilar launch reaches ~20% market share, causing a formation of reference price group with the originator; then a drop in list price is expected

In Italy, due to stable list prices over time in RA, this is also expected in the future for other autoimmune conditions too. However, net prices are expected to be impacted with additional follow-on indications. In Spain, RA list prices were also stable over time, except from after LoE and biosimilar entry, with a 10% drop in list price expected at LoE in other autoimmune conditions, followed by a further 20% drop at biosimilar entry (as seen in RA)

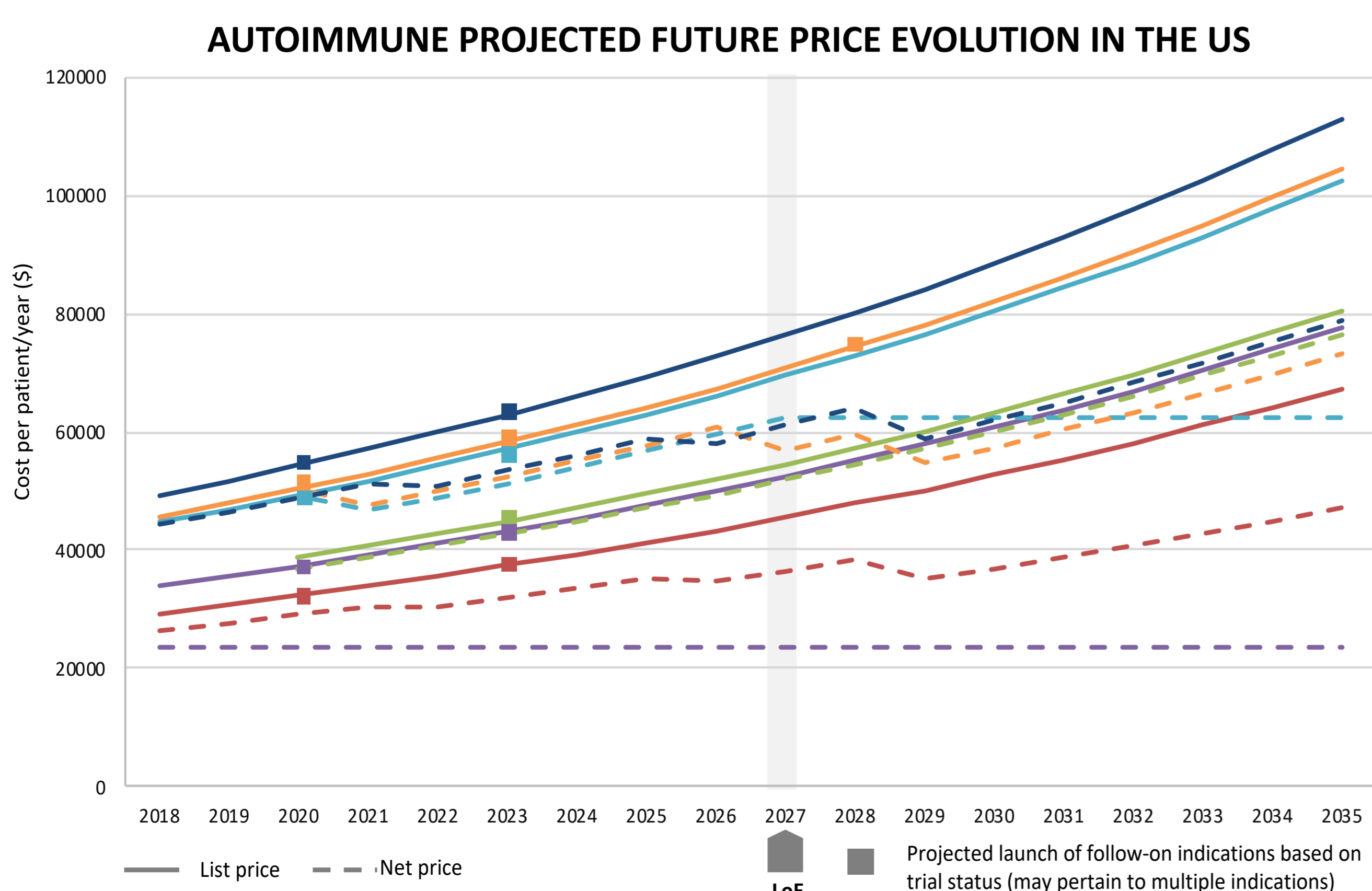


Figure 3 Projected future price evolution for autoimmune disease in the US Source: Access-Infinity (2019)

Analyzing historical 'disruptive' events within RA revealed subsequent changes in list price (in EU5) and in net price (in the US). In the US, using learnings from RA, a ~5% annual list price inflation is expected in the future, with pricing dynamics occurring more at the net price level. Therefore, applying these learnings to other autoimmune diseases, future net prices would be expected to decline with time on the market and class crowding (by ~30%, as seen with anti-TNFs in RA) (Fig. 1 & 3). As seen in RA, in the US, LoE events or biosimilar introduction in the near term (the next 5-7 years) is not expected to significantly impact net price

Conversely, in European markets, disruptive events (Fig. 2) are expected to change future list pricing dynamics in the autoimmune space. In France especially, as seen in RA, a cross-therapy price convergence is expected, catalysed by biosimilar introduction and LoE events. Originator list price erosions may be as high as 40% in 5 years (which was seen post-infliximab biosimilar launch). Dissociation from biosimilar benchmarks may be possible for new launches by targeting sub-groups with a greater unmet need (with 5-15% price premiums vs. competitors as seen in RA with abatacept and tocilizumab), and may have a lower long-term list price erosion

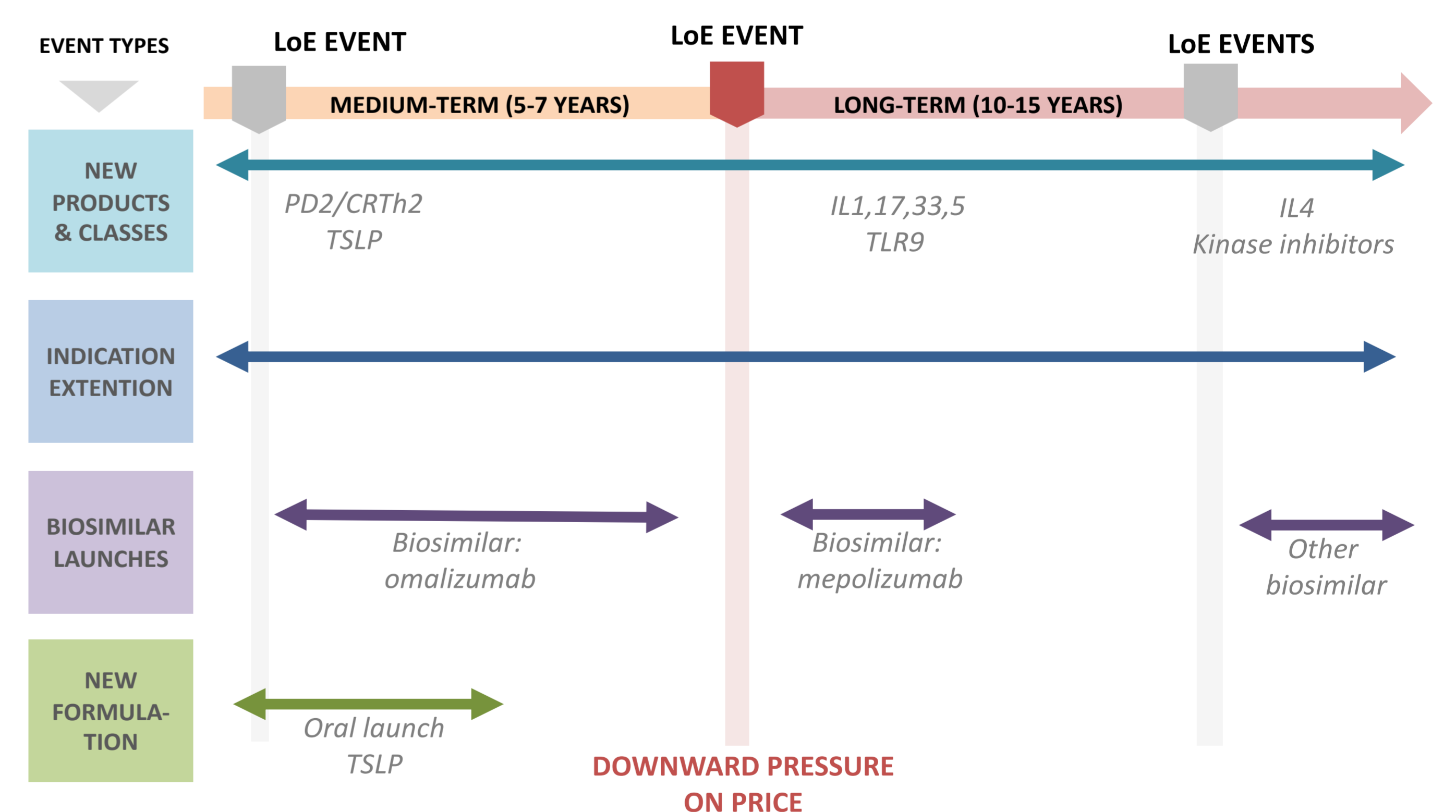


Figure 2 Expected future 'disruptive' events in the autoimmune space Source: Access-Infinity (2019)

CONCLUSIONS

Using RA as an analogous therapy area for other auto-immune conditions suggests that over time in EU5, as the market becomes more competitive and there are increasing 'disruptive' events, there will be a downward pressure on list prices. And in the US, with increasing time on the market and class crowding, products may be expected provide confidential discounts to remain competitive (as seen with anti-TNFs in RA)

REFERENCES

All RA pricing data sourced from the IHS database
All disruptive events sourced from respective company annual reports

Please contact laura@access-infinity or ahmed@access-infinity for further information
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