Volume vs Value: Understanding pricing dynamics of multi-indication therapies in weighted-average list price markets

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Introduction

Multi-indication therapies commonly experience list price decreases following indication expansion. This is a result of both the budget impact associated with the newly targeted patient population and the influence of country-specific pricing policies[1,2].

This research examines multi-indication pricing and reimbursement (P&R) dynamics in the average weighted list price markets of Germany (DE) and France (FR). The aim is to understand country differences in P&R of multi-indication therapies and identify cases where new indications did lead to price increases.

Methodology

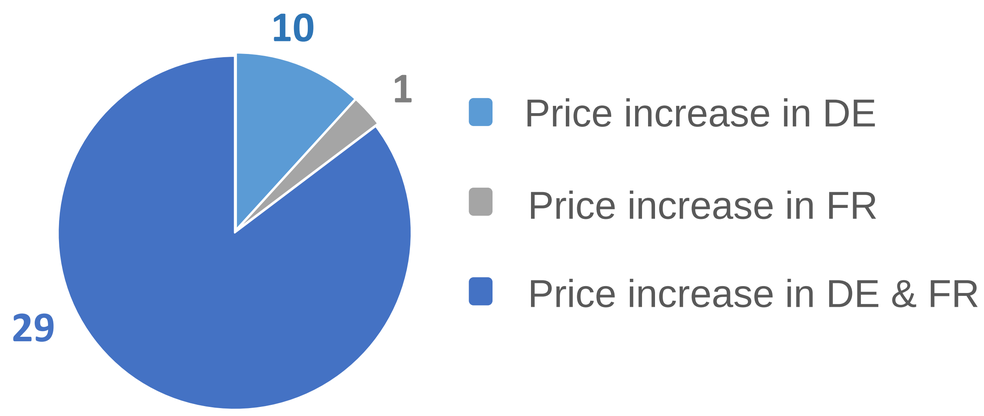
For the purposes of this research, multi-indication therapies are defined as products with ≥ 3 indications. Therapies granted European Commission (EC) authorisation between 2012-2022 were screened to identify products with ≥ 3 indications[3]. For these products, year-on-year list price data for DE and FR was collected from a pricing and access database[4], to analyse pricing dynamics and differences in DE and FR.

For products with a >20% price increase, an in-depth analysis was conducted to identify price increase drivers. This analysis was based on a review of secondary P&R data from the Gemeinsamer Bundesausschuss[5] and Haute Autorité de Santé[6]. Data analysed included re-assessment dates, health technology assessment ratings, patient populations, and clinical comparators[5,6].

Results

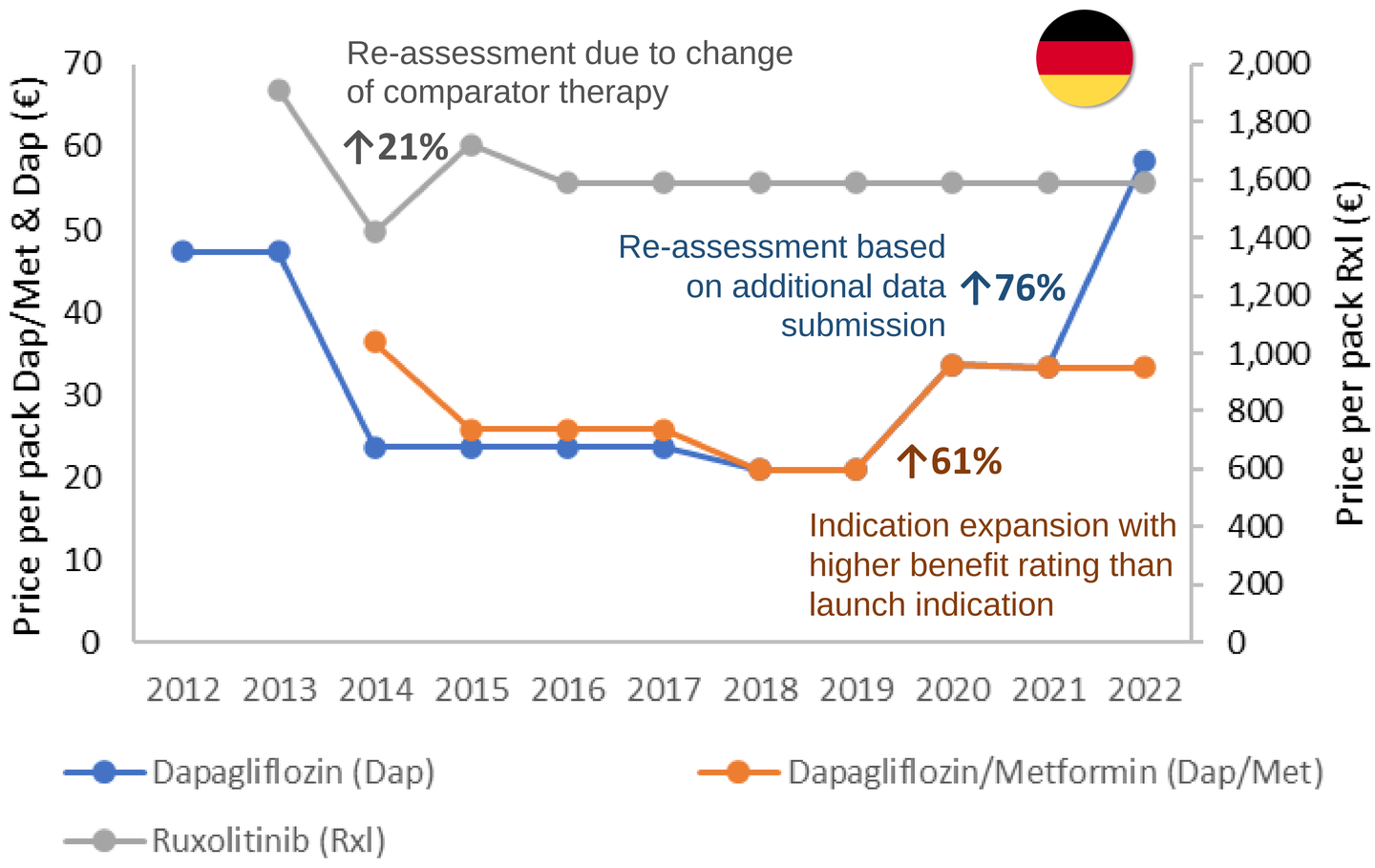
Between 2012-2022, 87 therapies received an authorisation for multiple indications, out of which 40 therapies were authorized in 3 or more indications. For these products, average year-on-year price fluctuations ranged from -4% to 0% in FR, and -11% to +2% in DE. In total, 11 therapies experienced a price increase: 10 in DE and 1 in FR, as shown in Figure 1

Figure 1: Price changes of EC authorised multi-indication therapies (≥ 3 indications, n= 40) between 2012 and 2022[3,4]



Out of 10 products that experienced a price increase in DE, 3 products experienced a price increase ≥ 20%. The price evolution of these products and the drivers of the price increases are shown in Figure 2. One product in FR (human normal immunoglobulin) experienced a price increase ≥ 20%. The reasons driving the price increase in FR could not be identified from publicly available P&R data.

Figure 2: Price evolution and drivers of price increases for multi-indications therapies in DE with price increases ≥ 20%[4,5]



Conclusion

In DE and FR, indication expansion often leads to a price decrease (29/40 therapies with ≥ 3 indications). However, exceptions may arise when a new indication delivers an added clinical value that outweighs the budget impact of a larger patient population. In DE, a higher benefit rating of a new indication can occasionally (3/10 products) lead to major price increases (> 20%), which seem mainly driven by re-assessments based on new data. Our findings, therefore, suggest that the DE system allows more flexibility in applying value-based pricing for multi-indication products compared to the FR system.

References

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