CORRELATION OF PRICE PREMIA AND HTA BENEFIT RATINGS FOR ONCOLOGY PRODUCTS IN GERMANY AND FRANCE

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INTRODUCTION

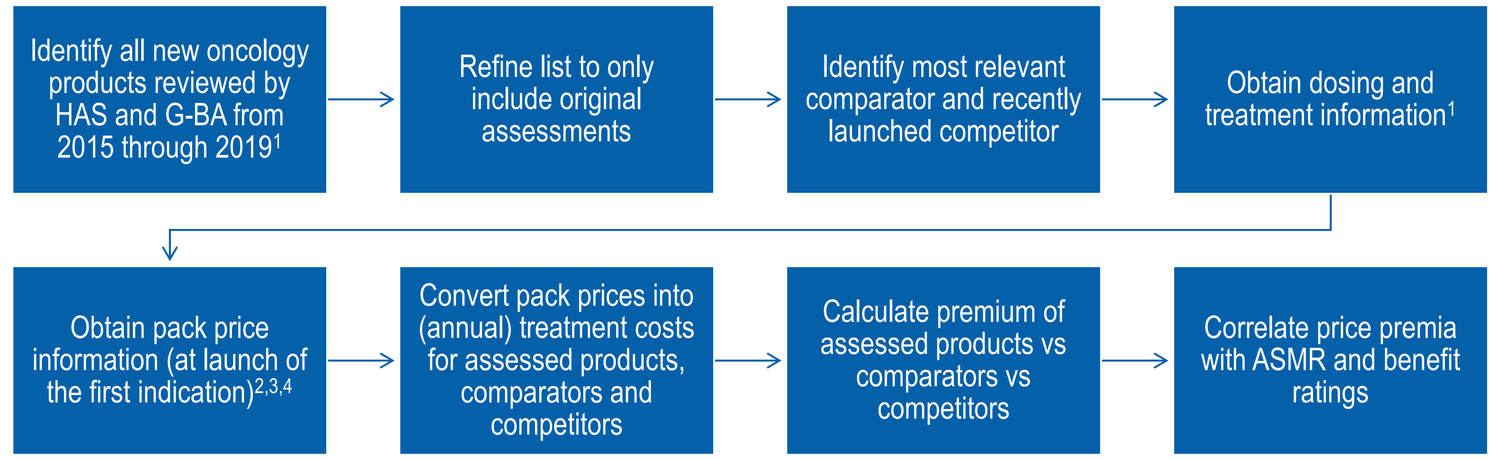
- Health Technology Assessment Bodies (HTABs) in France and Germany rate products to reflect the added (health) benefit of the new product versus the current standard of care
- A value-based pricing approach would assume that products with a higher benefit rating would be associated with a higher price premium and a lower rating with a discount or lower premium

This study assessed the correlation between the price premium or discount and the benefit rating for oncology products in France and Germany

METHODS

All newly launched **oncology** products which were assessed by HAS and the G-BA between **2015 through 2019** were included. Annual treatment costs were calculated based on the **list price** in **France** and the **post-AMNOG price** in **Germany**. Price premia or discounts were calculated over the highest-priced **comparator** defined by HAS and G-BA, respectively. In addition, prices were compared to the main **competitor** already on the market for the same indication.

Method Flow

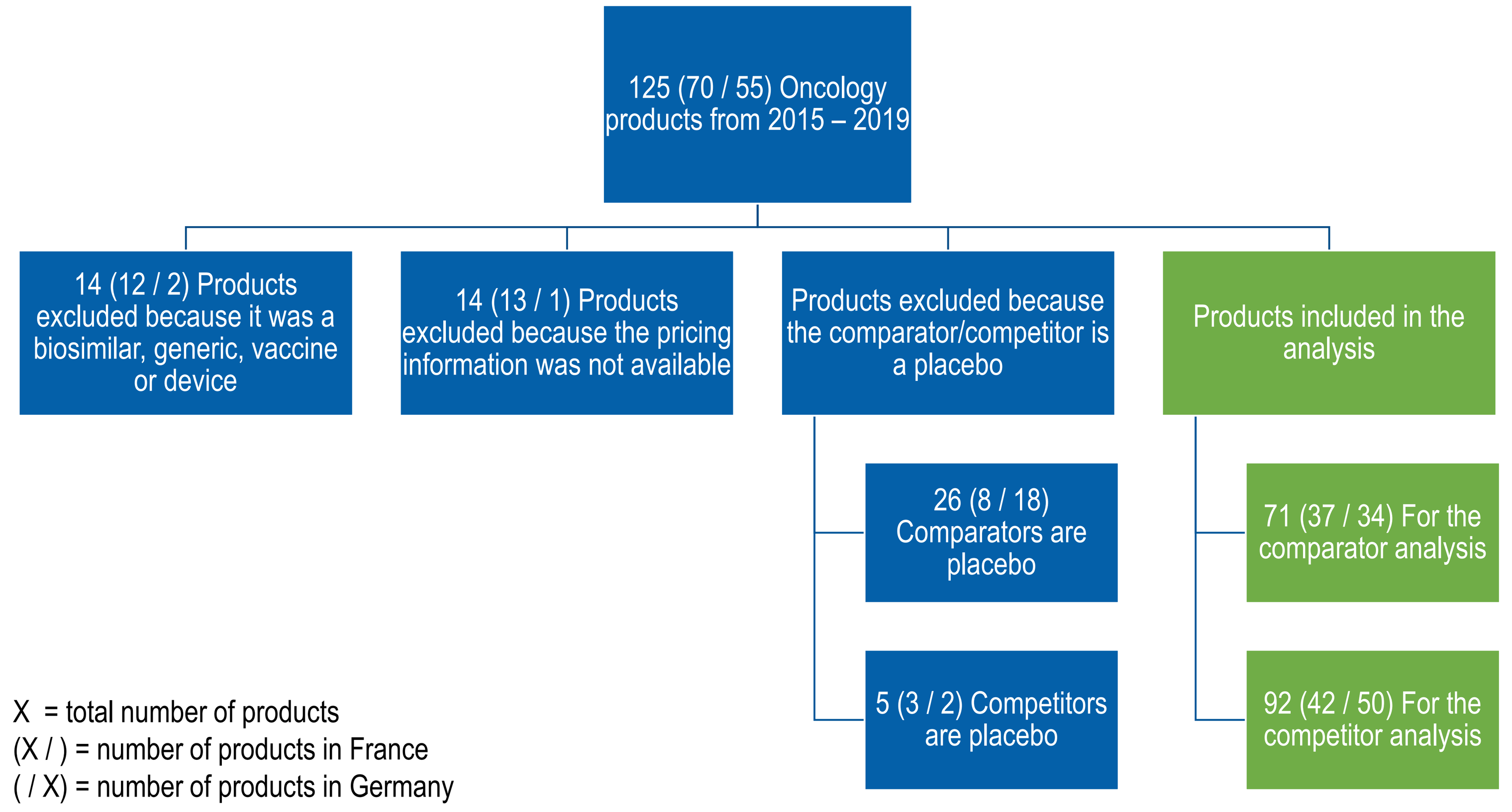


A list of the following key definitions and assumptions are used

Prices	List price taken from Vidal or Codage[2,3] Manufacturer list and the post-AMNOG prices taken from Lauer-Taxe[4] Prices at launch of the first indication are used
Benefit ratings	Highest ASMR rating given by HAS Highest benefit rating given by the G-BA
Placebo	Products with a placebo as comparator/competitor were excluded from the analysis since no premium can be calculated against placebo with cost of zero
Comparator	Comparators are defined by the agency. If multiple comparators are defined by the agency, the comparator with the latest decision date was taken. Annual treatment cost of the comparator was calculated in the same way as the annual treatment cost of the assessed treatment
Competitor	Competitors are defined as the product that launched before in the same disease area/indication (most recent product is taken for analysis). Annual treatment cost of the competitor was calculated in the same way as the annual treatment cost of the assessed treatment
Drug therapy	Oncology drugs launched for their first indication; extensions of indications, biosimilars, generics, vaccines and devices have been excluded from the analysis
Dosing assumptions	76,3kg patient weight; 1.725 m2 average body surface area (BSA)

RESULTS

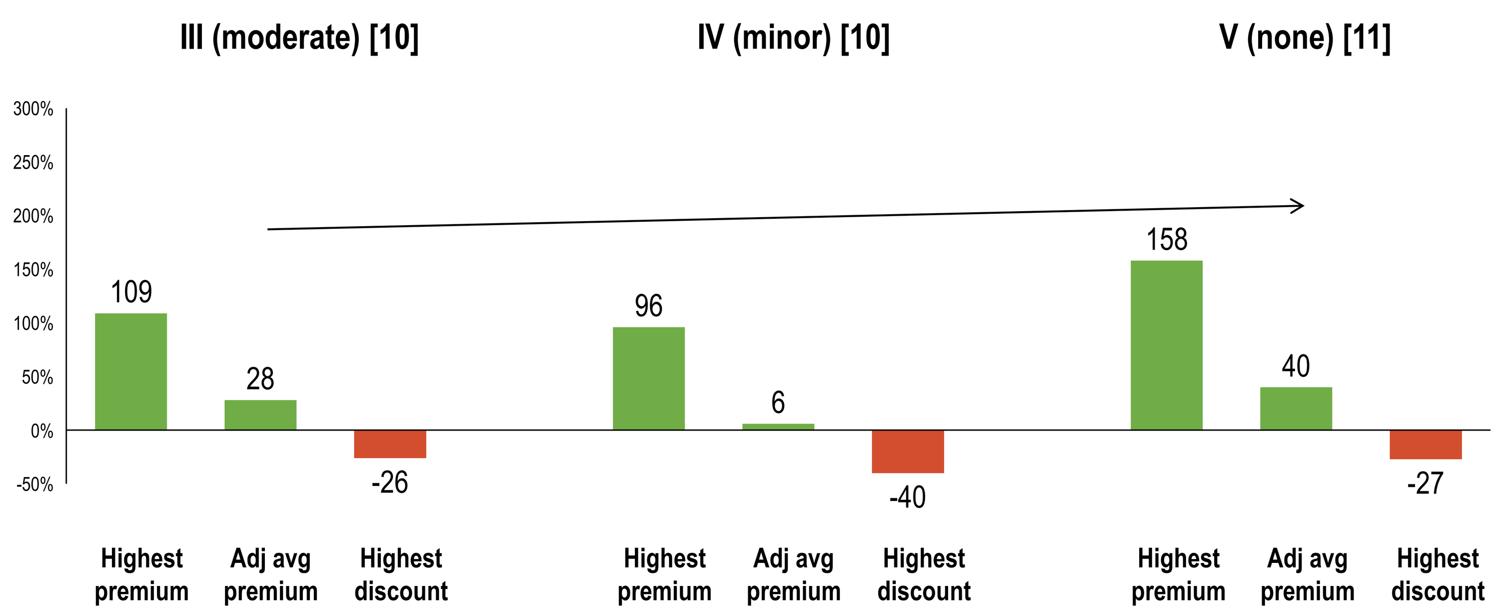
Figure 1: Number of products included in the analysis



- 125 oncology products were reviewed by HAS or G-BA from 2015 – 2019 (first indication)
- 71 (57%) oncology products were analyzed to calculate price premia vs their **comparator**; 53% of the French dataset and 62% of the German dataset
- 92 (74%) oncology products were analyzed to calculate price premia vs their **competitor;** 60% of the French dataset and 90% of the German dataset

Figure 2: Price premia vs the comparator grouped by benefit ratings in oncology in France

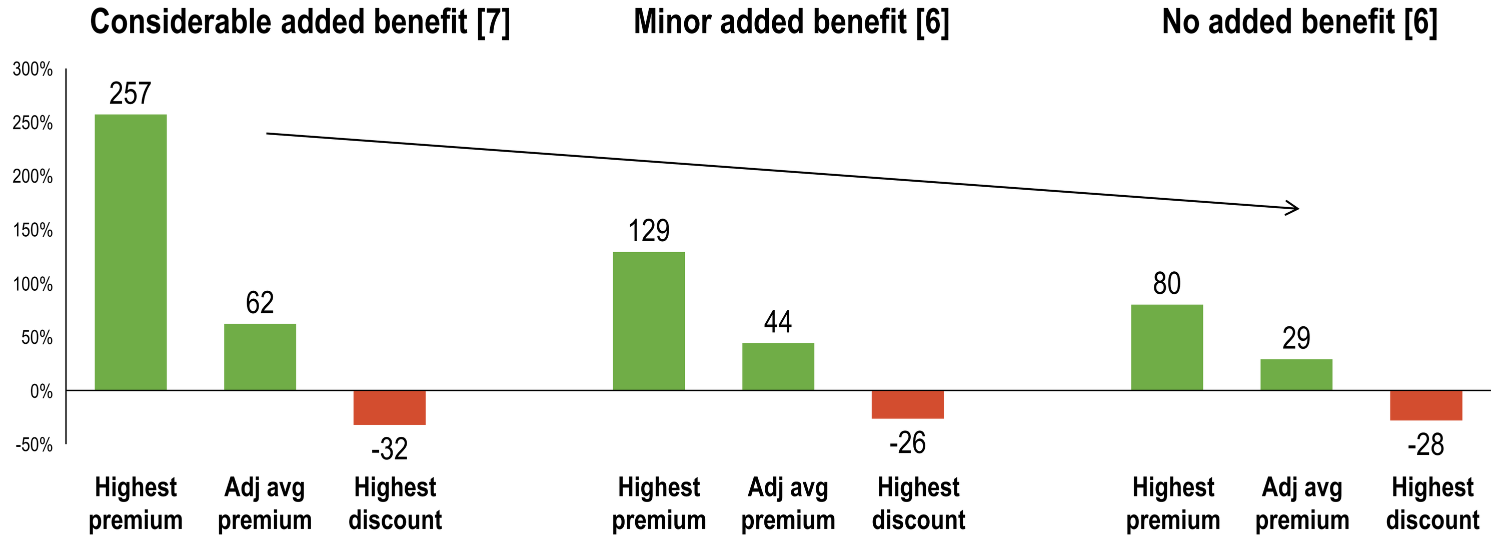
Price premium or discount vs **comparator** in % of the annual treatment cost of the assessed treatment



- The average price premium vs the **comparator** for oncology products in France per ASMR score are 28% for ASMR III, 6% for ASMR IV, and 40% for ASMR V. No products received an ASMR I or II score
- When removing the orphan drugs from the analysis, the average price premia become 17% for ASMR III, 4% for ASMR IV, and 15% for ASMR V
- The average price premium vs the **competitor** for oncology products in France per ASMR score are 8% for ASMR III, 11% for ASMR IV, and -11% for ASMR V
- In each category there is at least one product with a price premium and a price discount

Figure 3: Price premia vs the comparator and G-BA benefit ratings in oncology in Germany

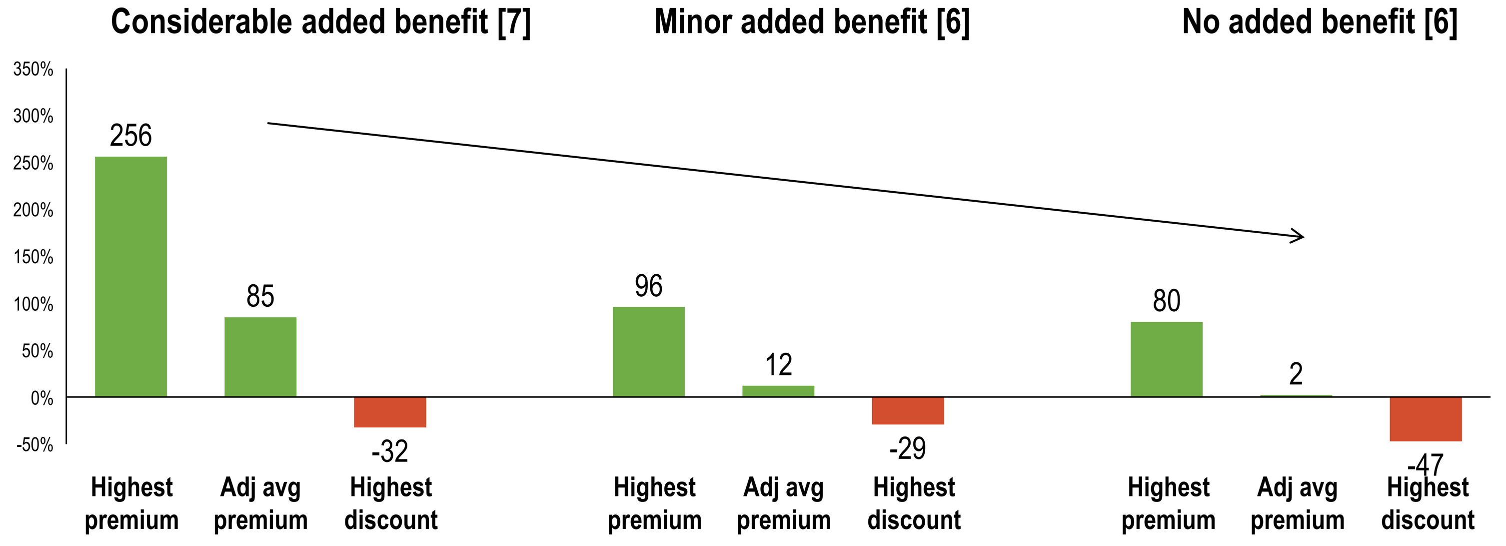
Price premium or discount vs **comparator** in % of the **post-AMNOG annual treatment cost** of the assessed treatment



- The average price premium vs the **comparator** for oncology products in Germany per benefit score are 62% for considerable added benefit, 44% for minor added benefit, and 29% for no added benefit
- When removing the orphan drugs from the analysis, the average price premia become 30% for considerable added benefit, 33% for minor added benefit, and 29% for no added benefit (no orphans)
- In each category there is at least one product with a price premium and a price discount

Figure 4: Price premia vs the competitor and G-BA benefit ratings in oncology in Germany

Price premium or discount vs **competitor** in % of the **post-AMNOG annual treatment cost** of the assessed treatment



- The average price premium vs the **competitor** for oncology products in Germany per benefit score are 85% for considerable added benefit, 12% for minor added benefit, and 2% for no added benefit
- When removing the orphan drugs from the analysis, the average price premia become 38% for considerable added benefit, 0% for minor added benefit, and 2% for no added benefit
- In each category there is at least one product with a price premium and a price discount

[X] = number of products in category | Price premium vs comparator/competitor | Price discount vs comparator/competitor

CONCLUSIONS

In Germany, price premia and G-BA benefit ratings in oncology seem to correlate at the level of the benefit categories although with large ranges

- Analysis for Germany suggests a correlation between average price premia and the benefit rating for oncology products with considerable (62%), minor (44%) and no added benefit (29%) when comparing against the respective comparator and somewhat similar results against a competitor and removing extreme outliers
- Oncology products with non-quantifiable benefit achieved average premia of 61% and are comprised mostly of orphan drugs, therefore they were treated separately from the other benefit categories

In France, price premia and benefit ratings in oncology seem not to correlate at the level of the ASMR score

- In France there seems *no* correlation between price premia and the ASMR rating when comparing against the respective comparator or competitor removing extreme outliers, which suggests that other factors beyond the benefit rating are considered during the pricing and reimbursement process in oncology

Benefit ratings might influence the price of oncology products in Germany

- For Germany, the results of this analysis suggest a correlation between the price of a product vs the comparator and the benefit rating

DISCUSSIONS

What causes the large price ranges?

- The oncologic therapeutic area is comprised of a diverse set of products and diseases that could explain the significant ranges of premia and discounts within each benefit category
- In addition, the large variation in premia and discounts observed could be resulting from differences in subgroups assessed as the analysis has looked at the highest benefit rating

Why don't we see a correlation in France?

- The lack of correlation between price premia and the ASMR score might be attributed to the use of publicly available manufacturer list prices in France as the net price is the result of a confidential price-volume agreement
- Receiving an ASMR score III, IV or V is not affected by the orphan status of a drug which causes an extra parameter in the French analysis - however removing the orphan drugs from the analysis does not suggest a correlation between price premium and the ASMR score
- In the ASMR V category there are 5 products with a price premium and 5 with a discount (1 product has an equal price with the comparator) - the premia are higher than the discounts hence the adjusted average premium of 40%

Methodology

- In the way the price premia are calculated, there is no upper limit (e.g. a five times higher price results in a price premium of 400%). However, there is a lower limit in the price discount: -100% (e.g. a five times lower price results in a price discount of -80%). As these restrictions are across all categories, it does not impact the correlation found, only the absolute values

Other pricing factors

- International reference pricing, negotiation skills of both parties, market competition and geographical location of the manufacturer are not included in the analysis and may also have an influence on the price

REFERENCES AND DISCLOSURES

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