Balancing national financial stability with commercial expectations of return on R&D investment

A review of price discounts for the reimbursement of oncology drugs in Brazil

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Background

Brazil is a key price reference country in Latin America and bargaining behavior in pricing negotiations for oncology products in Brazil is leading to high price discounts vs. the price initially offered, with subsequent sub-optimal revenue returns for manufacturers. This study aims to investigate the price per unit (i.e., vial/pill) discounts applied to innovative oncology drugs in Brazil based on the list and discount prices available in the public domain.

Methods

We searched for oncology drugs approved in the last 4 years (i.e., 2019-2022) that had been evaluated and received positive recommendation by the national Brazilian health technology assessment (HTA) agency (i.e., CONITEC). Of these, we compared their approved public list price per unit with 18% state tax (PMVG 18%) with the reimbursed price per unit set by the manufacturer during the HTA appraisal process. Subsequently, we assessed the discount level offered. We used a conversion rate of 1 USD=5.2826 BRL as of December 27, 2022.

Results

From 2019 to 2022, 11 oncology drugs received a positive recommendation for reimbursement in Brazil in 7 different oncological disorders (**Figure 1**). Of these, 5 were innovative biologics and 6 were innovative small molecules. The average discount offered by manufacturers was 28.8% ± 20.1% (**Figure 2**). The lowest discount offered was 4.6% for the use of blinatumomab in pediatric B-cell acute lymphoblastic leukemia, which involved a price per unit reduction from $1,767.58 to $1,685.57 per vial. The highest discount offered was 78.2% for the use of crizotinib in metastatic non-small cell lung cancer, which involved a price per unit reduction from $5,630.52 to $1,228.94 per package with 60 capsules (**Figure 3**). Overall, higher discounts were mostly driven by clinical uncertainties (e.g., when assessing the use of crizotinib) and additional discussions on efficiency and affordability based on the cost-effectiveness and budget impact results (e.g., when assessing the use of abiraterone), while lower discounts were attributed in cases of low uncertainty on both the clinical and economic value (e.g., when assessing the use of blinatumomab).

Figure 1: Oncological disorders distribution

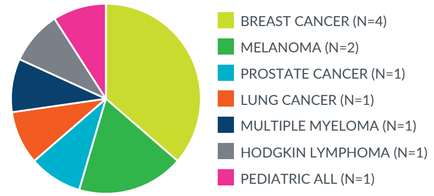


Figure 2: Average discount offered

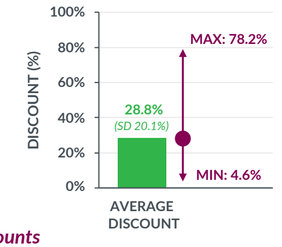
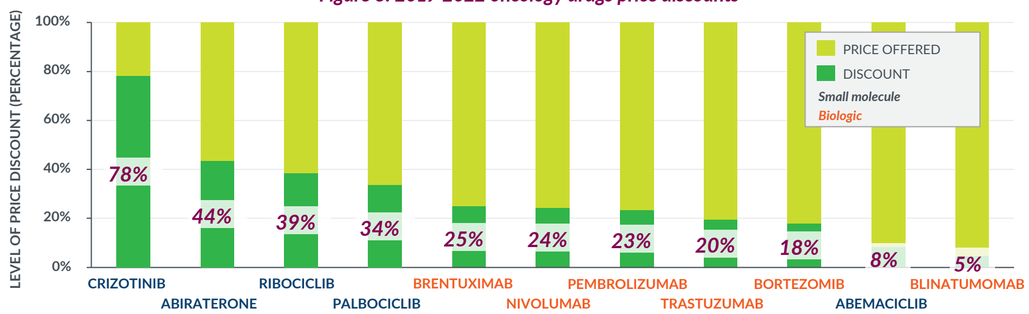


Figure 3: 2019-2022 oncology drugs price discounts



Conclusions

As manufacturers launch drugs in Brazil, CONITEC is routinely seeking discounts on the public list price of oncology drugs to provide positive reimbursement recommendations. Understanding the local parameters that pose a risk to successful pricing negotiations (e.g., ICER values, budget impact, and clinical uncertainties) and developing strategies (e.g., real-world studies, early modelling, and robust evidence packages) to mitigate these risks can help ensure profitable revenues that align with commercial expectations and the financial sustainability of the healthcare system.

REFERENCES
CONITEC — Comissão Nacional de Incorporação de Tecnologias no Sistema Único de Saúde: https://www.gov.br/conitec/pt-br/assuntos/avaliacao-de-tecnologias-em-saude/recomendacoes-da-conitec

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