

# Understanding trends in launch prices across Canada, EU4, UK and the US for high-revenue drugs

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## OBJECTIVES

Analyze launch prices of high-revenue drugs across Canada, EU4, UK, and the US to determine trends in price differentials across markets.

## METHODS

This study investigates the launch prices of high-revenue drugs across seven markets, including the US, Canada, France, Germany, Italy, Spain, and the United Kingdom. 24 drugs were selected based on having the highest global revenue between 2020 to 2023 and commercial availability in the selected markets. Annual ex-manufacturer prices (WAC / list price) were calculated to assess differences in launch prices across each market, relative to the US. Confidential net discounts were not assessed across markets. Subsequent analyses were performed based on therapeutic areas, orphan status, and categorization as biologics versus non-biologics.

Highest global revenue between 2020 to 2023  
(commercially available in the US, Canada, EU4 and the UK)

DRUGS SELECTED FOR ANALYSIS		
Drug Name	Primary Indication	US Launch Price Per Package* (\$)
Humira	Rheumatoid arthritis	\$ 1,258.56
Keytruda	Melanoma	\$ 2,158.00
Eliquis	Nonvalvular atrial fibrillation	\$ 417.28
Biktarvy	HIV	\$ 2,945.65
Revlimid	Myelodysplastic syndrome	\$ 47.26
Stelara	Plaque psoriasis	\$ 4,663.00
Eylea	Wet age-related macular degeneration	\$ 1,850.00
Opdivo	Melanoma	\$ 959.20
Dupixent	Atopic dermatitis	\$ 2,846.16
Darzalex	Multiple myeloma	\$ 1,800.00
Trikafta/Kaftrio	Cystic fibrosis	\$ 2.84
Trulicity	Type 2 diabetes	\$ 488.32
Xarelto	Venous thromboembolic events	\$ 675.00
Skyrizi	Plaque psoriasis	\$ 14,750.00
Ibrance	HR-positive, HER-2 negative breast cancer	\$ 4.69
Enbrel	Rheumatoid arthritis	\$ 6.29
Cosentyx	Plaque psoriasis	\$ 3,420.00
Imbruvica	Mantle cell lymphoma	\$ 8,200.00
Lucentis	Wet age-related macular degeneration	\$ 1,950.00
Jardiance	Type 2 diabetes	\$ 300.88
Rinvoq	Rheumatoid arthritis	\$ 4,916.67
Avastin	Colorectal cancer	\$ 550.00
Epclusa	Hepatitis C	\$ 24,920.00
Zolgensma	Spinal muscular atrophy	\$ 2,125,000.00

Table 1. US wholesale acquisition cost (WAC) for drugs selected  
\*Package price was determined by earliest launch date

## RESULTS

No evident trends in list price differentials can be observed among the 24 drugs analyzed. European launch prices are ~40% lower than US prices on average, although the variation in the sample indicates that this is only a directional estimation. Launch prices in Canada are approximately 45% lower than those in the US. Opdivo and Xarelto were outliers in this analysis. Opdivo's high price in France, Spain, and Italy was influenced by its orphan designation. While Xarelto is recommended for reimbursement, its launch price was considered excessive by the Patented Medicine Prices Review Board in Canada, necessitating payments back to the government.

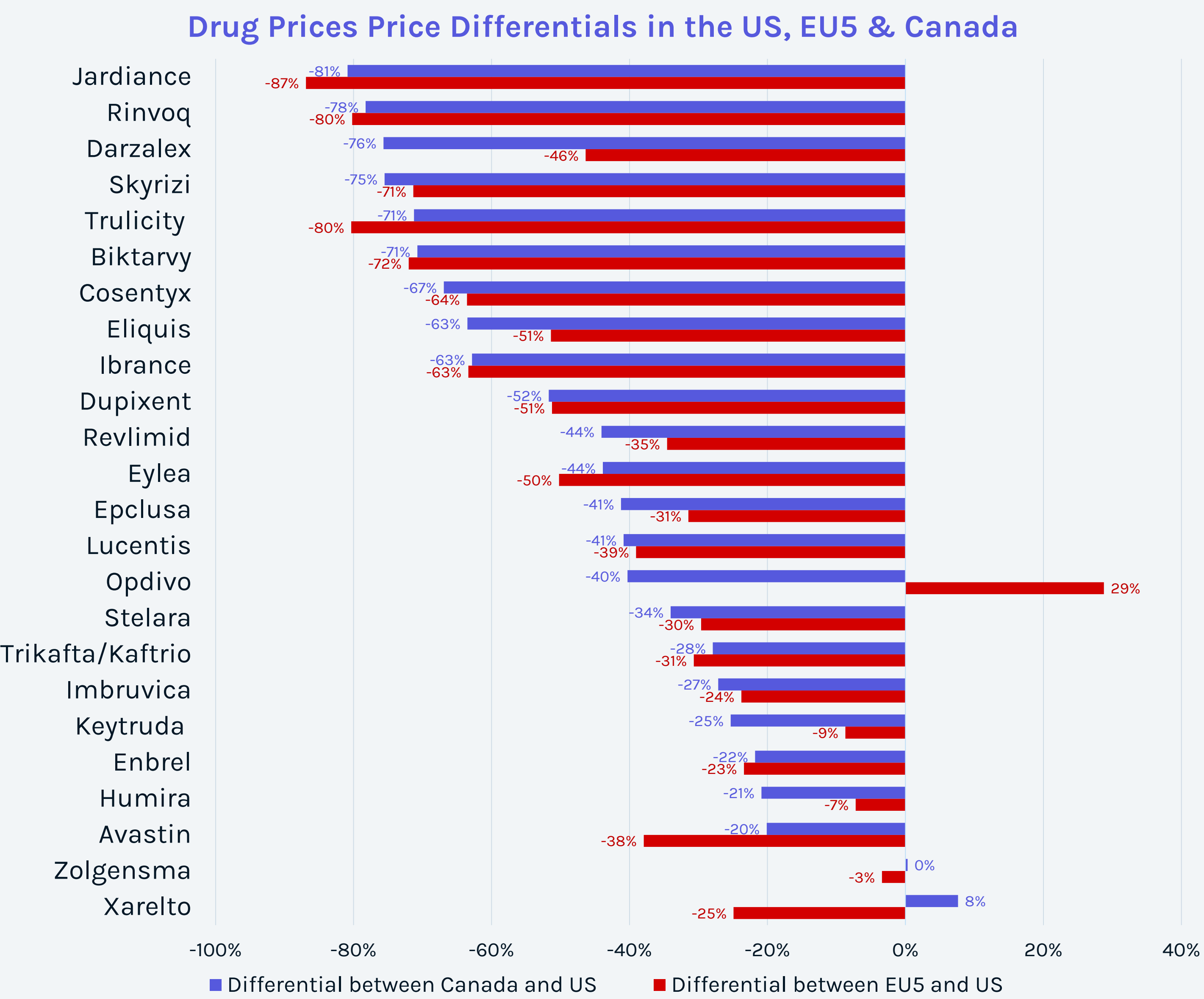


Figure 1. Percent price differentials for selected drugs in the US, EU4, UK and Canada (US WAC price as baseline)

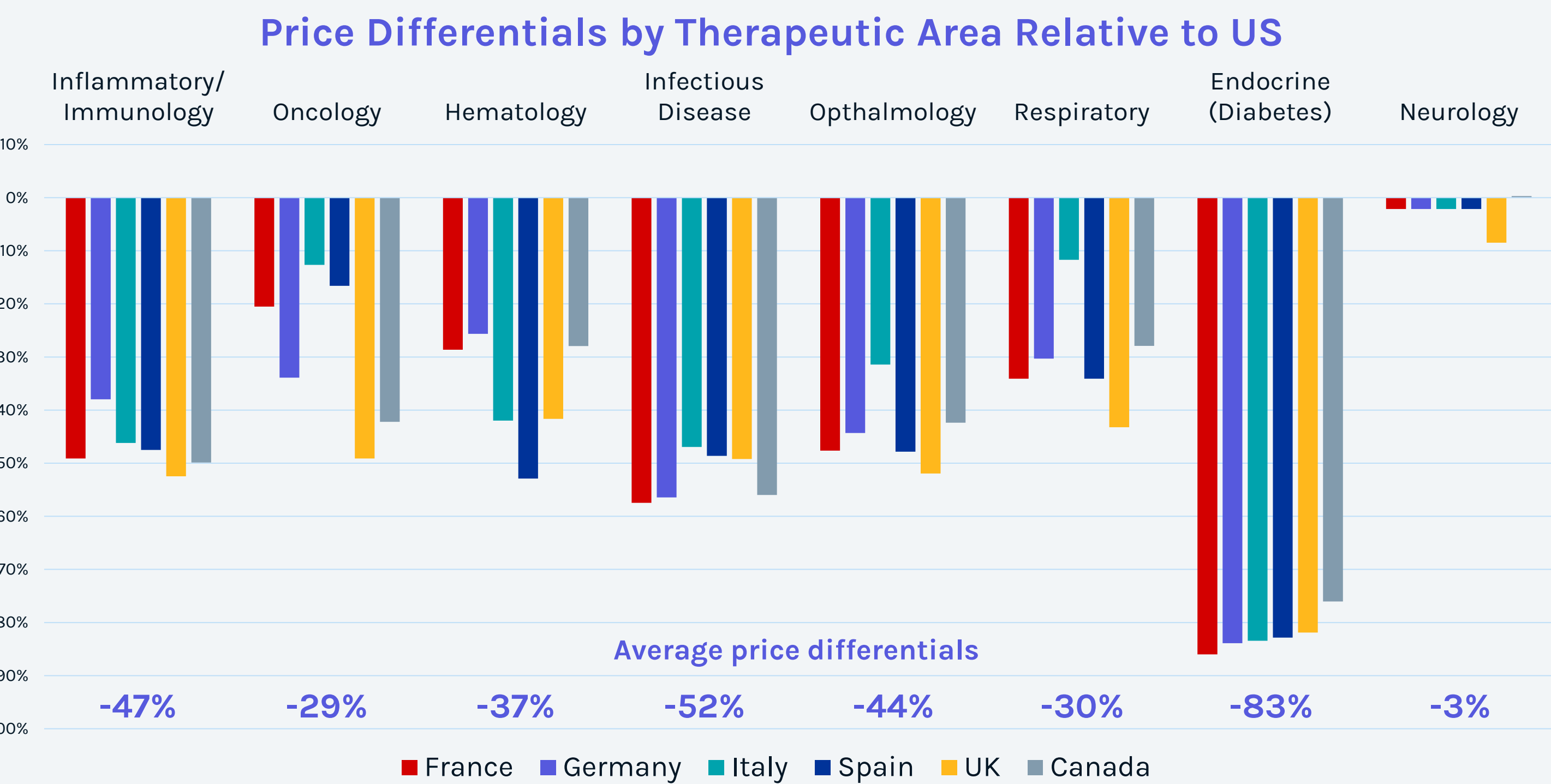


Figure 2. Percent price differentials by therapeutic area in US, EU4, UK and Canada (US WAC price as baseline)

## Sub-analyses

When products were grouped based on the therapy area associated with their original launch indication, the average price differentials are similarly inconsistent within and between therapeutic areas. However, several of the therapy areas in this analysis included  $\leq 2$  products, with most of the drugs falling into the inflammatory/immunology or oncology disease categories. Although additional analyses with categories such as indications, orphan drugs, biologics vs. non-biologics were performed, a similar lack of consistency in trends was observed.

## Discussion

While the observed differentials provide directional insights, applying this broadly to all products is challenging due to numerous considerations manufacturers must address when entering multiple markets. Factors such as launch timing, international reference pricing mechanisms, and health technology assessment methodologies contribute significantly to pricing variations. The order of product launches in EU markets can impact reference pricing, while different evaluation methodologies and payer archetypes across regions further complicate comparisons. Despite similarities in payer archetypes correlating with more comparable prices, variations persist across markets with distinct evaluation processes. Additional investigation into these factors is essential for a comprehensive understanding of launch prices globally.

## CONCLUSIONS

There are significant differences between European, Canadian, and US launch prices. A myriad of factors (e.g., launch timing, international reference pricing, payer price and reimbursement dynamics) influence the lack of a consistent trend in launch prices across markets. Additionally, confidential net discounts may result in prices being more comparable across markets, adding a layer of complexity to the observed pricing dynamics. Therefore, manufacturers must recognize the importance of considering broader market dynamics (payer evaluation criteria, policy, etc.) and the landscape (competitive landscape, access and reimbursement, etc.) to appropriately define their launch pricing strategy.

## FUTURE IMPLICATIONS

This analysis suggests a need for manufacturers to navigate complex global market dynamics when considering the optimal market launch sequence to support sustainable prices. With significant price differentials across regions and diverse factors influencing pricing, understanding market nuances is crucial. Manufacturers must adapt launch strategies to account for international reference pricing, payer dynamics, and competitive landscapes. Moreover, as market complexities evolve, continual assessment and adaptation of pricing strategies will be essential to ensure market access and competitiveness.

## REFERENCES

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