INTRODUCTION

The launch of anti-VEGFs did not only revolutionize the management of the wet-age-related macular degeneration (AMD) and diabetic macular edema (DME) markets but also increased its economic burden. Wet AMD is an important cause of blindness, with a worldwide prevalence of 8.7%1. DME is an ocular complication of diabetes mellitus (type 1 and 2) up to 7% of people with diabetes whereby damaged blood vessels cause leakage and macular edema2. Prices of anti-VEGFs fluctuate overtime as new indications and competitors come into the market; the most significant price changes have been observed with Lucentis. Manufacturers are under pressure to protect their prices and market share through various strategies.

OBJECTIVES

This research aims to analyze the impact of indication expansion and market competition on anti-VEGF drug prices. Focus is on understanding implications for lifecycle management in the United Kingdom, France and Germany.

METHODS

Secondary research was conducted to identify official list prices for Lucentis (ranibizumab), Eylea (afibercept), Macugen (pegaptanib), Countdye (dexamethasone), Valsudyn (vetoportin) in the three largest European markets from launch to September 2015 using the following sources: The British Formulary, The French Assurance Maladie database4, The German Rote List6. Indications were reviewed based on the European Medicines Agency (EMA) and individual countries’ official journals. Annualized treatment costs were calculated based on the official list prices and compared over time.

RESULTS

Lucentis launched in 2007 in wet AMD at a price two times higher than the price of the first anti-VEGF, Macugen (Figure 1) - Based on licensed dosing and list prices, Lucentis is the most expensive anti-VEGF; however, public sources indicate that the estimated confidential discount offered for Lucentis across the SEU markets was around 45% (in 2014)4. Since launch, Lucentis faces competition from cheaper Avastin which is used off-label in the UK and Germany. Since September 2015, Avastin is reimbursed for wet AMD in France - It is the first time that without the request from the manufacturer, the French National Agency for Medicines and Health Products Safety (ANSM) issued a Temporary Recommendation for Use (RTU), which is designed to provide a legally robust right to prescribe drugs off-label. Treatment with Avastin is 30 times less expensive than with Lucentis in France2. Competition further increased with Eylea’s launch in wet AMD in 2012 as a cheaper alternative to Lucentis. Price per injection is similar but required injections per year are fewer than those required for Lucentis, resulting in lower annual treatment cost (7 versus 12 injections/year respectively). Annual cost of treatment with Eylea is 36 to 42% cheaper compared to Lucentis in the studied countries.

Lucents list price has not been affected by subsequent indications (except for France, Figure 2) but contracting and confidential discounts prevail in the wet AMD market. In Germany, the price of Lucentis dropped before competitors entered the market (Oct 2009) and has remained relatively stable at the national level due to a cost ceiling scheme that was agreed in 2009 with SHIs. In the UK, price has remained stable, likely due to the negotiated risk-sharing and confidential discount agreements. In 2008, uncertainty around the Lucentis ‘stopping rule’ led to a negotiated risk-sharing scheme providing free injections to patients after receiving 14 doses. The scheme was replaced in 2012 by a confidential discount Patient Access Scheme (PAS) on list price. In France, the price of Lucentis drops over time as new indications come with several years before patent expiry, but with competition from Eylea and Avastin, the lifecycle management strategy of Lucentis has changed on several approaches:

- Expansion into new indications with large patient populations – Offering improved dosing and administration schedules (Figure 3) – Expansion into new indications with large patient populations – Offering improved dosing and administration schedules (Figure 3)

DISCUSSION

Lifecycle management of high cost drugs in competitive markets is challenging. Manufacturers need to continue optimizing their product offerings after launch, to defend their price and market share as competition increases and/ or expand in new markets with higher return on investment potential. Engaging with Payers to understand their needs and expectations and investing in evidence generation strategies to support the product value are imperative for success across lifecycle.

Offering direct discounts, managed entry agreements and value adding services is also key, employing different approaches depending on Payer types per market. In France, Payers prefer price-volume agreements, resulting to list price drops every time that the patient volume increases (through additional indications). In the UK and Germany (prior to AMNOG), list prices are not affected by new indications – In the UK, NICE negotiates confidential PAS with manufacturers of high cost drugs to reach cost effectiveness thresholds before issuing a positive recommendation for use at the local level; – In Germany, there are fixed discounts compulsory for all drugs and, less frequently, performance-based risk sharing schemes, negotiated at the SHI level – Since AMNOG, Germany is no longer a free pricing market and price depends on benefit assessment.

CONCLUSIONS

Due to different market characteristics, the impact of indication expansion on price varies across the markets in scope. Maintaining a high list price is complicated by price regulated countries. List prices are not affected by subsequent indications in free pricing markets, where contracting and confidential discounts are usually key for access. To maintain high list prices and avoid impact of international price referencing, PAS may be potential options, but acceptability and type may vary across countries. In high economic burden markets, off label use of cheaper alternatives may force manufacturers of on-label agers to significantly drop their prices in order to remain competitive, especially when off-label use is endorsed by Payers.

REFERENCES

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