

# Cost of Medications: How to Make Them Affordable- Are We on the Right Direction?



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“Disclosure to the audience:

Due to the content and nature of this presentation which is cost analysis, permission was granted and accepted to benefit the audience .”

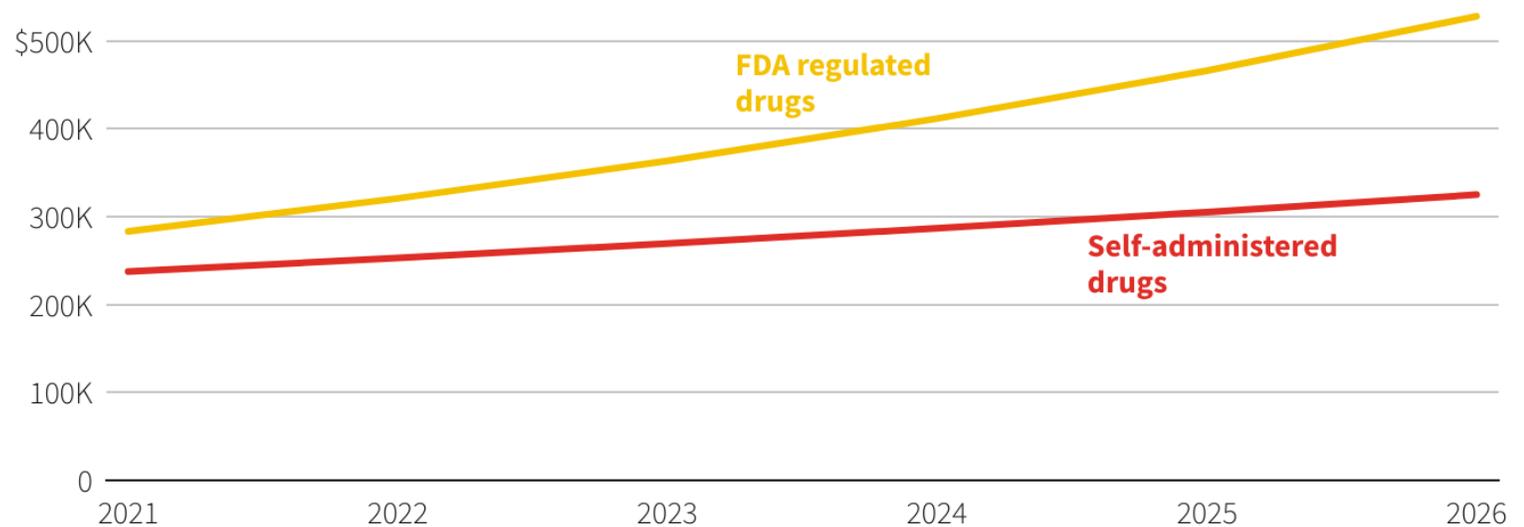
# Cost of Cancer



- Global economic cost of cancers from 2020 to 2050 was estimated to be \$25.2 trillion (in international dollars at constant 2017 prices).

## U.S. cancer drugs set to get costlier

Despite the Inflation Reduction Act, launch prices of drugs treating various cancers are poised to rise in the coming years.



Note: 2021 is actual year-end data. FDA regulated drugs do not include CAR-T therapies.

Source: Office of U.S. Representative Katie Porter | Reuters, Nov. 2, 2022 | By Prinz Magtulis

Chen, S, et al. Estimates and Projections of the Global Economic Cost of 29 Cancers in 204 Countries and Territories From 2020 to 2050. JAMA Oncol. doi:10.1001/jamaoncol.2022.7826 Published online February 23, 2023.

# Cost of Cancer Drugs



## U.S. cancer drug launch prices in 2021

| Brand name     | Date     | Cancer type          | Launch Price (2021) |
|----------------|----------|----------------------|---------------------|
| Besremi        | 11/12/21 | Blood Cancer         | \$182,000           |
| Scemblix       | 10/29/21 | Leukemia             | \$214,800           |
| Tivdak         | 9/20/21  | Cervical Cancer      | \$529,650           |
| Exkivity       | 9/15/21  | Lung Cancer          | \$299,995           |
| Truseltiq      | 5/28/21  | Cholangiocarcinoma   | \$258,000           |
| Lumakras       | 5/28/21  | Lung Cancer          | \$214,800           |
| Rybrevant      | 5/21/21  | Lung Cancer          | \$327,360           |
| Zynlonta       | 4/23/21  | Lymphoma             | \$490,195           |
| Jemperli       | 4/22/21  | Endometrial Cancer   | \$186,000           |
| Fotivda        | 3/10/21  | Renal Cell Carcinoma | \$289,900           |
| Pepaxto        | 2/26/21  | Multiple Myeloma     | \$247,000           |
| Ukoniq         | 2/5/21   | Lymphoma             | \$190,800           |
| Tepmetko       | 2/3/21   | Lung Cancer          | \$250,775           |
| <b>AVERAGE</b> |          |                      | <b>\$283,175</b>    |
| <b>MEDIAN</b>  |          |                      | <b>\$250,775</b>    |

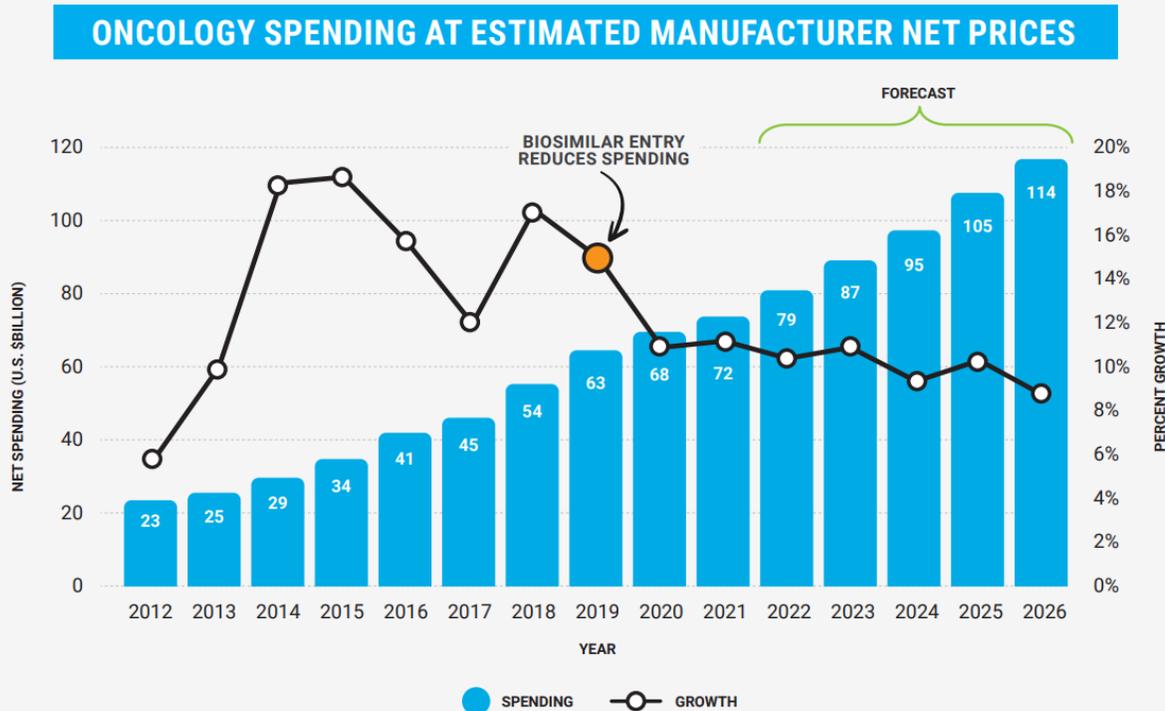
- Average launch price of a Cancer SAD, after adjusting for inflation, rose by nearly 26% to \$238,000
- By 2022, six out of the eight newly-launched oral cancer drugs had prices over \$200,000 per year.

# Financial Toxicity



- Seen across cancer types, countries, and health care systems
- Cost of therapy not always associated with increased efficacy or treatment outcome
  - Expedited approvals
- High Risk
  - younger patients
  - new immigrants
  - visible minority groups
  - Uninsured and underinsured

# Cost Reduction Initiatives



Source: IQVIA Institute Mar 2022.

Notes: Oncology includes therapeutics and not supportive care.

Spending is at estimated net manufacturer price level. Report: The Use of Medicines in the U.S.2022. IQVIA Institute for Human Data Science, April 2022.

- Use of Biosimilars
- Drug Inflation Reduction Act
- ~~Oral Oncolytic~~
- Patient assistance programs (PAP)\*
- Screening and Early Detection\*

# Approved Biosimilars



| Molecule                                | filgrastim                      | epoetin alfa                          | pegfilgrastim                           | rituximab                     | bevacizumab                   | trastuzumab                      | infliximab                      | etanercept                                       | adalimumab   | insulin glargine                  | ranibizumab                        |
|---|---------------------------------|---------------------------------------|---|-------------------------------|-------------------------------|----------------------------------|---------------------------------|--|--|-----------------------------------|------------------------------------|
| Innovator Manufacturer                  | Neupogen<br>Amgen               | Epogen/Procrit<br>Amgen/JnJ           | Neulasta<br>Amgen                       | Rituxan<br>Genentech          | Avastin<br>Genentech          | Herceptin<br>Genentech           | Remicade<br>JnJ                 | Enbrel<br>Amgen                                  | Humira<br>AbbVie                                   | Lantus<br>Sanofi                  | Lucentis<br>Genentech              |
| Launched Manufacturer Launch Date       | Zarxio<br>Sandoz<br>Sep 2015    | Retacrit<br>Pfizer/Viitor<br>Nov 2018 | Fulphila<br>Viatis<br>Jul 2018          | Truxima<br>Teva<br>Nov 2019   | Mvasi<br>Amgen<br>Jul 2019    | Kanjinti<br>Amgen<br>Jul 2019    | Inflectra<br>Pfizer<br>Nov 2016 | Ongoing Litigation - Forecasted Launch 2028/2029 | Biosimilars referencing Humira will launch in 2023 | INT Semglee<br>Viatis<br>Nov 2021 | Byooviz<br>Biogen<br>Jun 2022      |
| Nivestym<br>Pfizer<br>Oct 2018          |                                 | Udenyca<br>Coherus<br>Jan 2019        | Ruxience<br>Pfizer<br>Jan 2020          | Zirabev<br>Pfizer<br>Jan 2020 | Ogivri<br>Mylan<br>Nov 2019   | Renflexis<br>Organon<br>Jul 2018 |                                 |  |  |                                   | Rezvoglar<br>Eli Lilly<br>Dec 2021 |
| Approved Manufacturer FDA Approval Date | Releuko<br>Amneal<br>March 2022 |                                       | Ziextenzo<br>Sandoz<br>Nov 2019         | Riabni<br>Amgen<br>Jan 2021   | Alymsys<br>Amneal<br>Apr 2022 | Trazimera<br>Pfizer<br>Feb 2020  | Avsola<br>Amgen<br>Jul 2020     | Erelzi<br>Sandoz<br>Aug 2016                     | Amjevita<br>Amgen<br>Sep 2016                      | Abrilada<br>Pfizer<br>Nov 2019    |                                    |
|   |                                 |                                       | Nyvepria<br>Pfizer<br>Dec 2020          |                               |                               | Herzuma<br>Teva<br>Mar 2020      | Ixifi<br>Pfizer<br>Dec 2014     | Eticovo<br>Samsung<br>Apr 2019                   | INT Cyltezo<br>BI<br>Aug 2017                      | Hulio<br>Viatis<br>Jul 2020       |                                    |
|   |                                 |                                       | Fylnetra<br>Amneal<br>May 2022          |                               |                               | Ontruzant<br>Merck<br>Apr 2020   |                                 |  | Hyrimoz<br>Sandoz<br>Oct 2018                      | Yusimry<br>Coherus<br>Dec 2021    |                                    |
|   |                                 |                                       | Stimufend<br>Fresenius Kabi<br>Sep 2022 |                               |                               |                                  |                                 |  | Hadlima***<br>Organon                              |                                   |                                    |

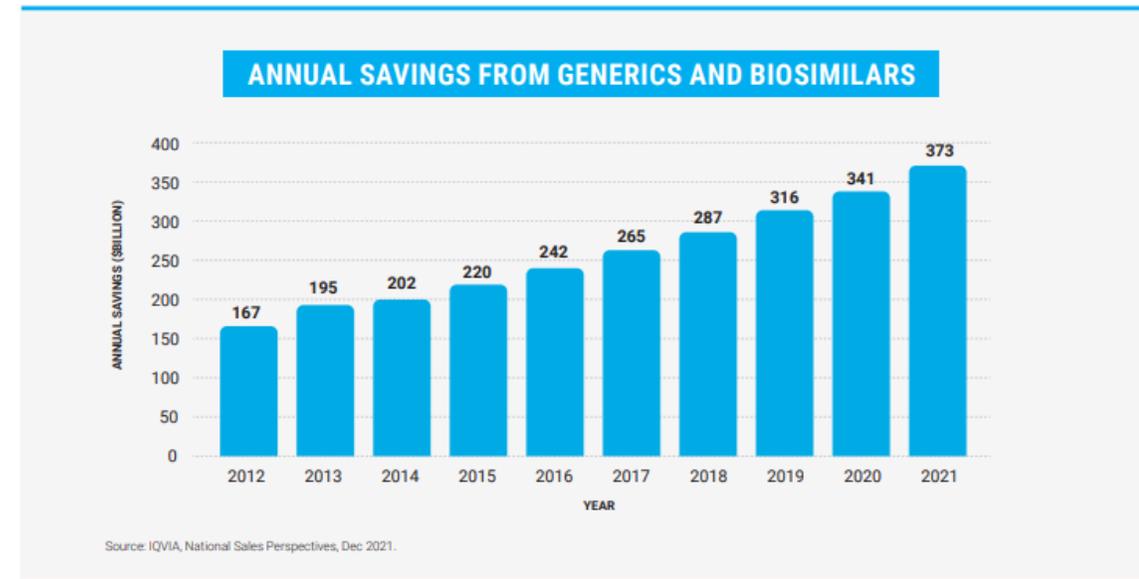
INT Interchangeability

\*\*\* A high concentrate (August 2022) and low concentrate (July 2019) version are approved.

# Biosimilars



- Annual savings from generics and biosimilars have exceeded \$373 billion
  - \$33 billion more than 2020
- Yearly savings 7-10%
- Biosimilars savings~\$7 billion in 2021



# Inflation Reduction Act



- CMS Implementation Timeline
- 2022
  - Enhanced reimbursement for qualifying biosimilars
  - Limit manufacturers from increasing cost of drug faster than rate of inflation. Medicare Part D Drug Rebate requirement.
- 2023
  - Medicare Insulin co-pay of \$35
  - Vaccines at no cost
  - Lower coinsurance for some Part B drugs if price increase faster than rate of inflation

# Inflation Reduction Act



- The Centers for Medicare & Medicaid Services (CMS) defined rebatable drugs as “a single source drug or biological product, including certain biosimilar biological products, which are generally injectable and infused drugs or biologicals administered by a physician in a doctor’s office or hospital outpatient setting.”
- Unknown impact on biopharmaceutical research and development
- Will roll out over the next 3 years to full impact

# Increasing Cost of Care/ Medications



- Drug Shortages
  - Off contract therapeutic alternatives
  - Increased cost from 2<sup>nd</sup> sources
  - Added Labor
  - Delay in therapy
- Pharmacy Benefit Managers (PBM)
  - Medication approval process
  - Delays in Therapy'
  - Added Labor

# What next?



- Better understanding of the legislation on cost of drugs, and PBM
- Supporting cost effective and high value treatment
- Promotion of affordable cancer control strategies
- Prevention and screening initiatives to reduce advance stage at diagnosis and reduce morbidity and mortality
- Patient education on financial implications of drugs