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

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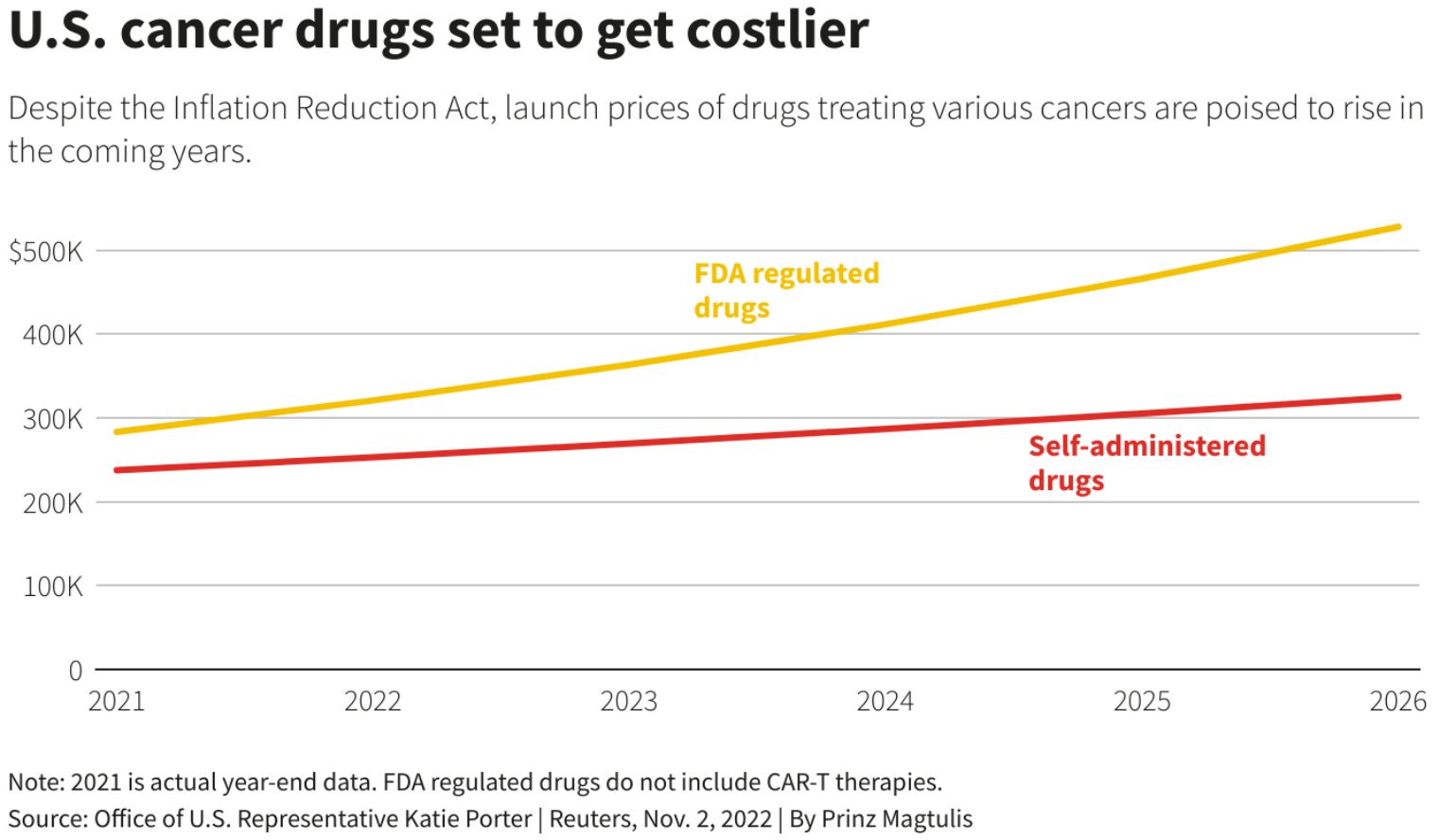
“Disclosure to the audience:
Due to the content and nature of this presentation which is cost analysis, permission was granted and accepted to benefit the audience .”

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).



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
AVERAGE			**$283,175**
MEDIAN			**$250,775**

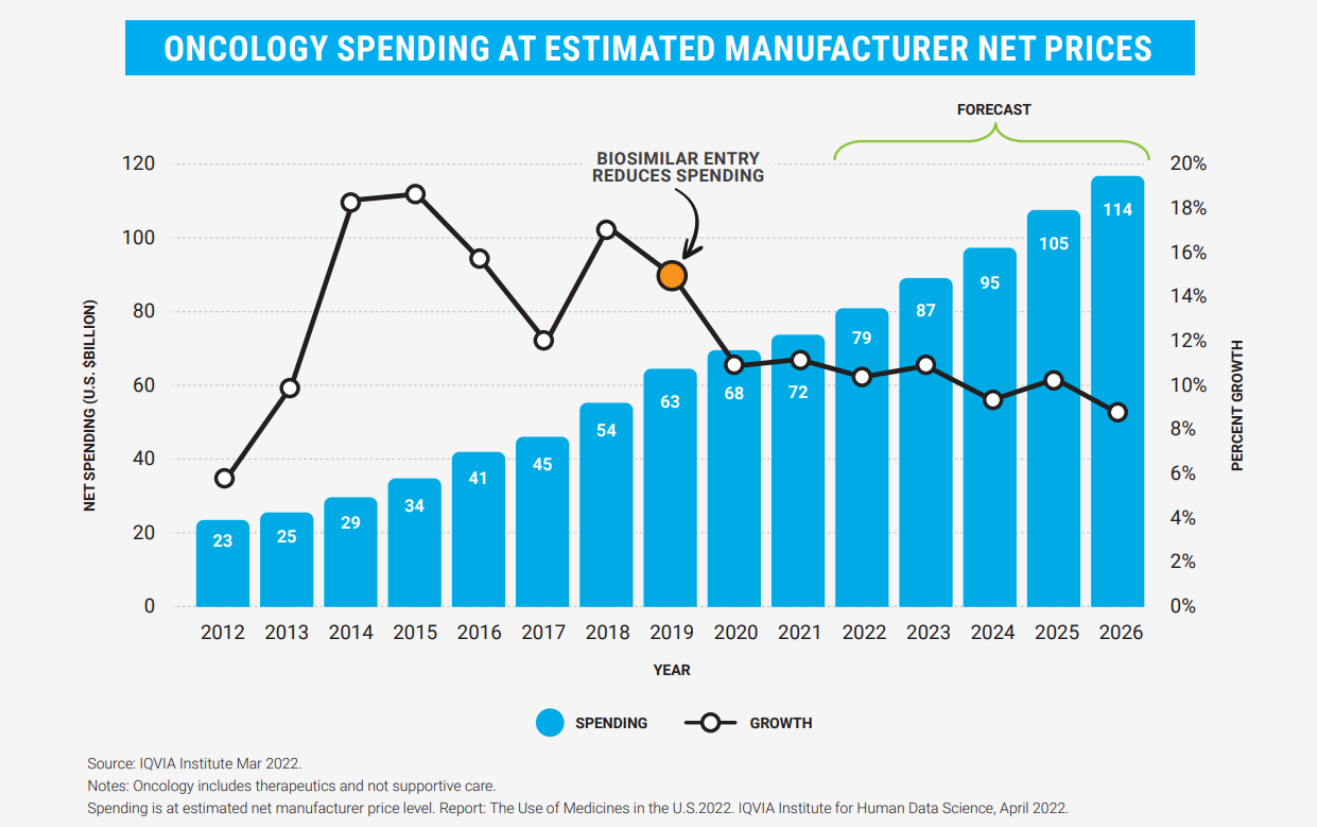
Source: Office of U.S. Representative Katie Porter | Reuters, Nov. 2, 2022 | By Prinz Magtulis

- 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

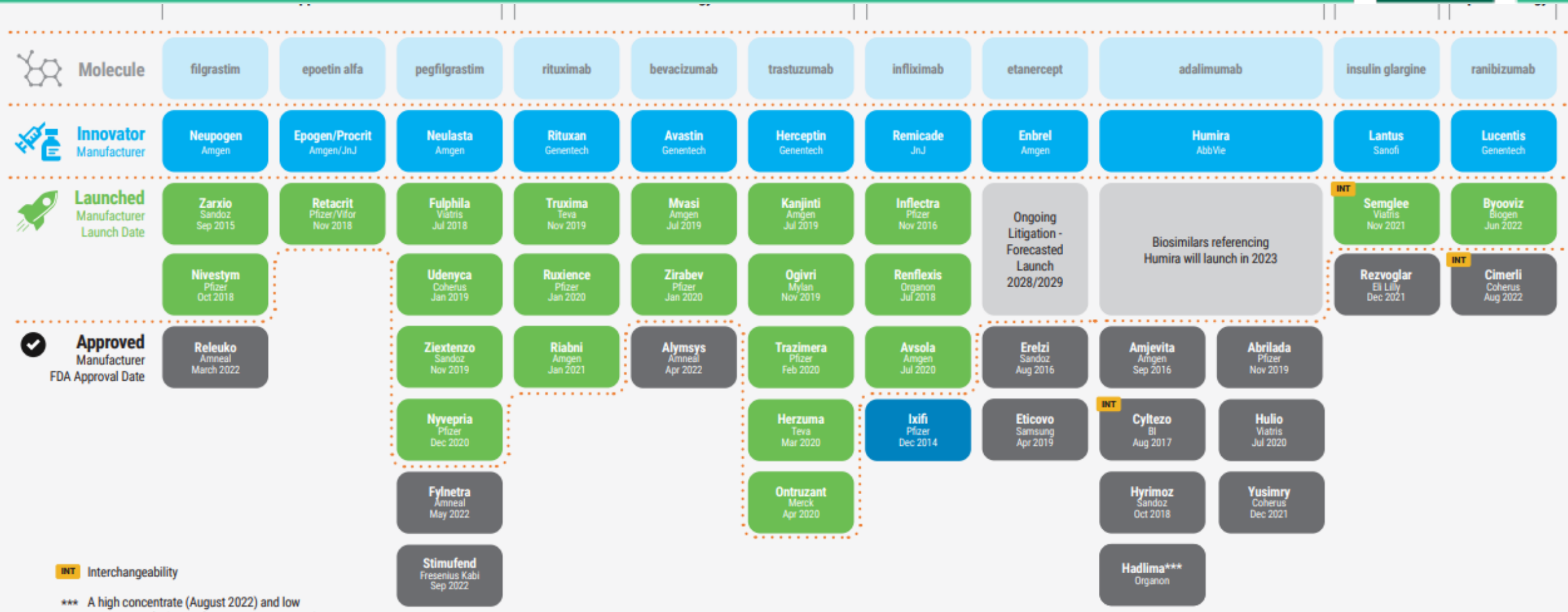
Cost Reduction Initiatives



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*

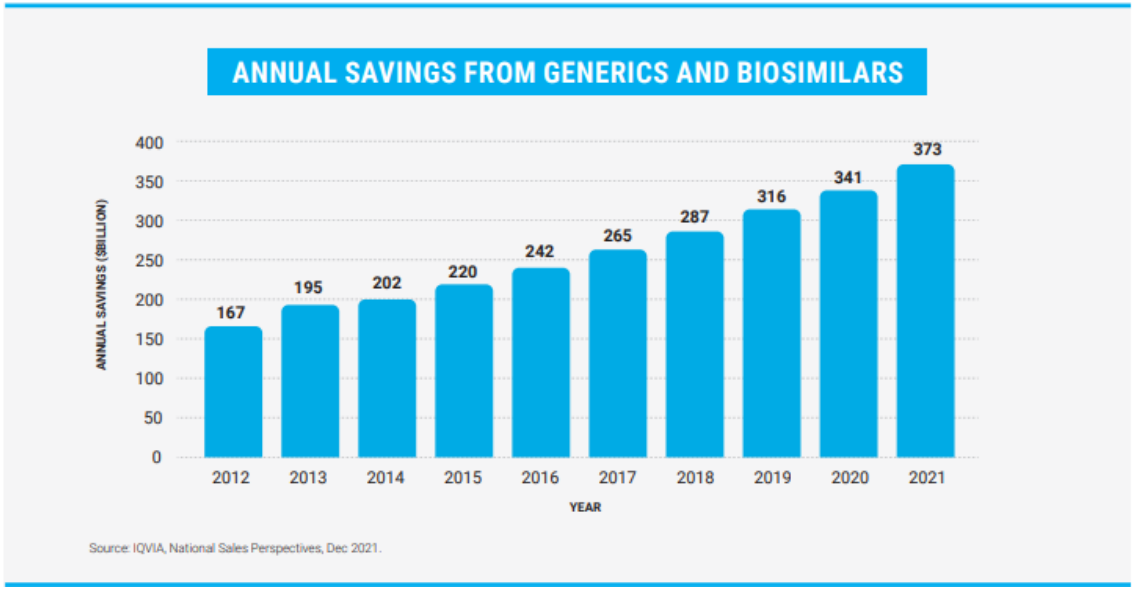
Approved Biosimilars



[AAM-2022-Generic-Biosimilar-Medicines-Savings-Report.pdf (accessiblemeds.org)]

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



AAM-2022-Generic-Biosimilar-Medicines-Savings-Report.pdf (accessiblemeds.org)

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 2nd 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