

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



**Dina Dumercy McHenry,**

PharmD, MBA, BCOP

Director of Pharmacy Services



**Miami Cancer  
Institute**

**BAPTIST HEALTH SOUTH FLORIDA**

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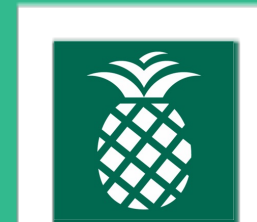




“Disclosure to the audience:

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

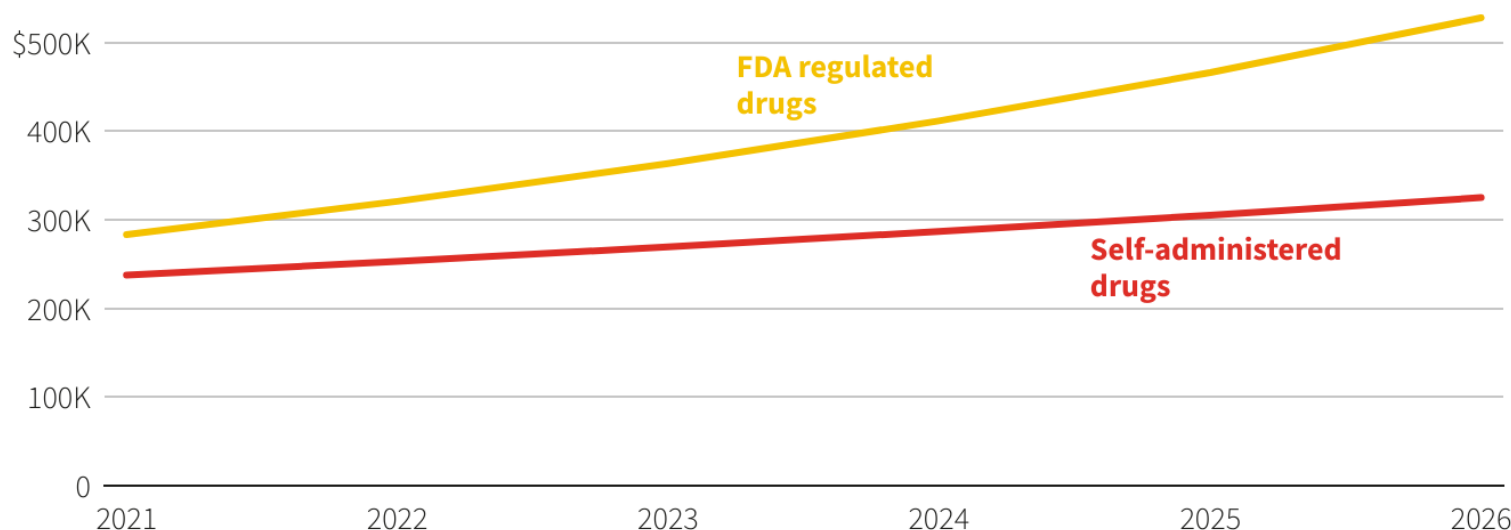
# Cost of Cancer



- 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.

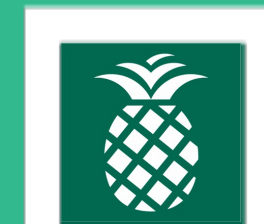


Note: 2021 is actual year-end data. FDA regulated drugs do not include CAR-T therapies.

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

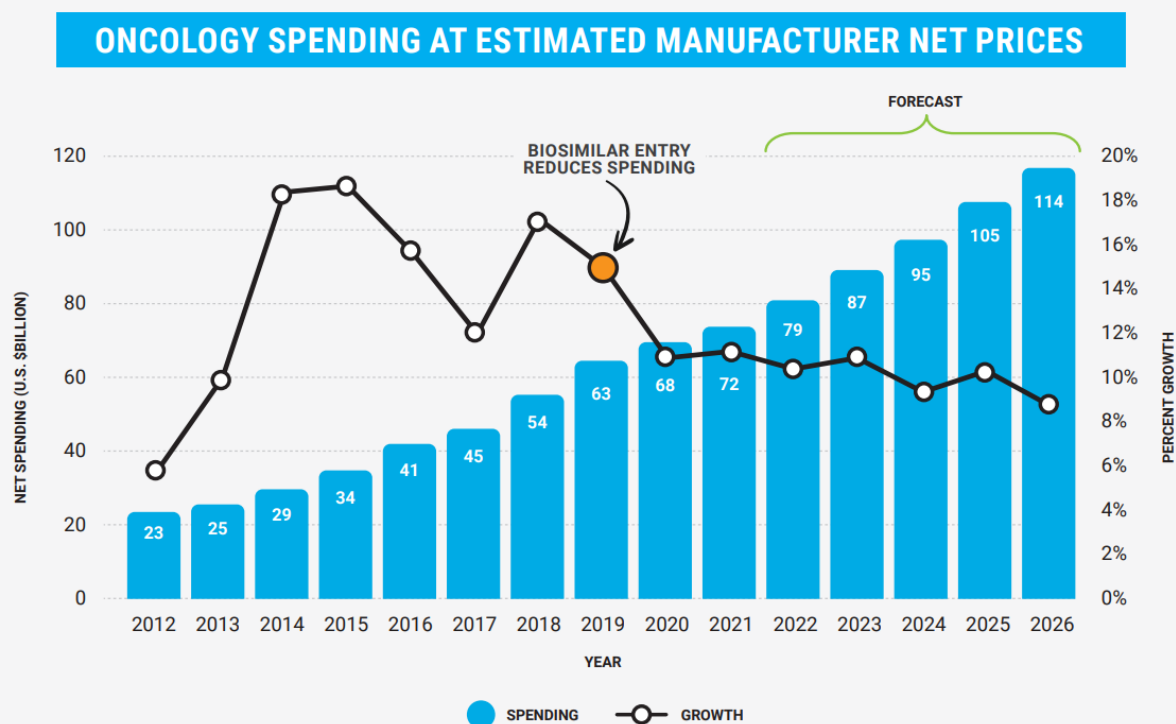
- Average launch price of a Cancer SAD, after adjusting for inflation, rose by nearly 26% to \$238,000
- By 2022, six out of the eight newly-launched oral cancer drugs had prices over \$200,000 per year.

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

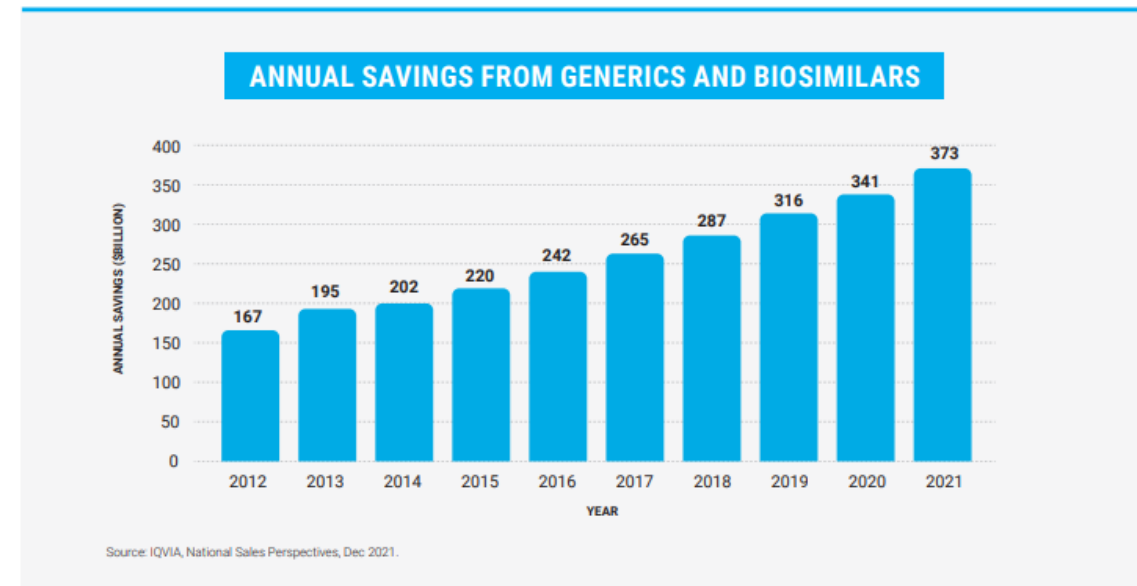
INT Interchangeability

\*\*\* 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