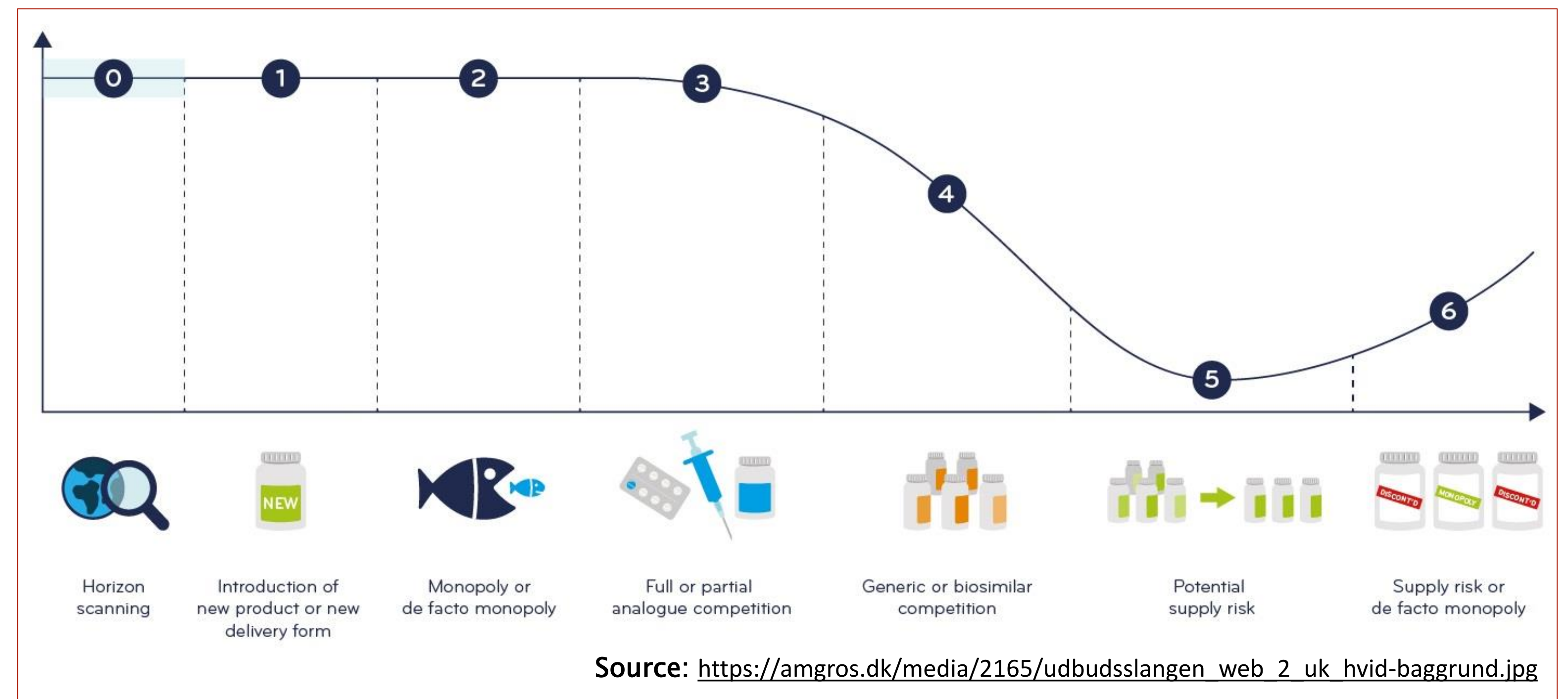


# Price developments of biological medicines do not correspond to estimated price levels

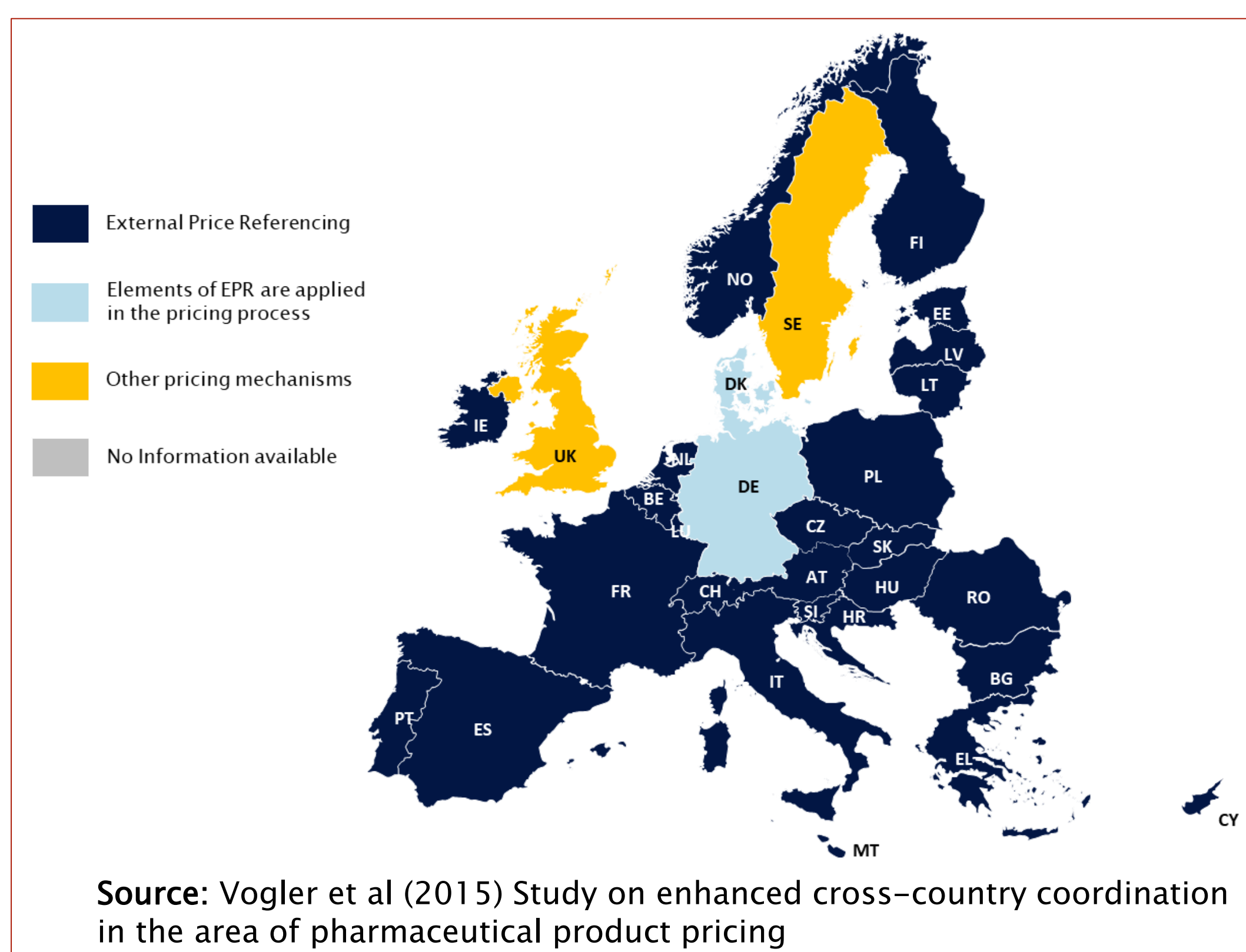
## Estimating price developments of biological medicines during market exclusivity

Peter SCHNEIDER, Lena Lepuschütz, Nina Zimmermann, Sabine Vogler

- A medicine passes through several different stages which is known as a 'product life cycle'
- Each stage is embedded in a regulatory and policy environment, which determines price dynamics
- **Aim:** To estimate price developments of biological medicines during the stage of market exclusivity and compare these results with list prices of biologicals prior to the entry of the first biosimilar



## Survey results were used as inputs for a statistical model



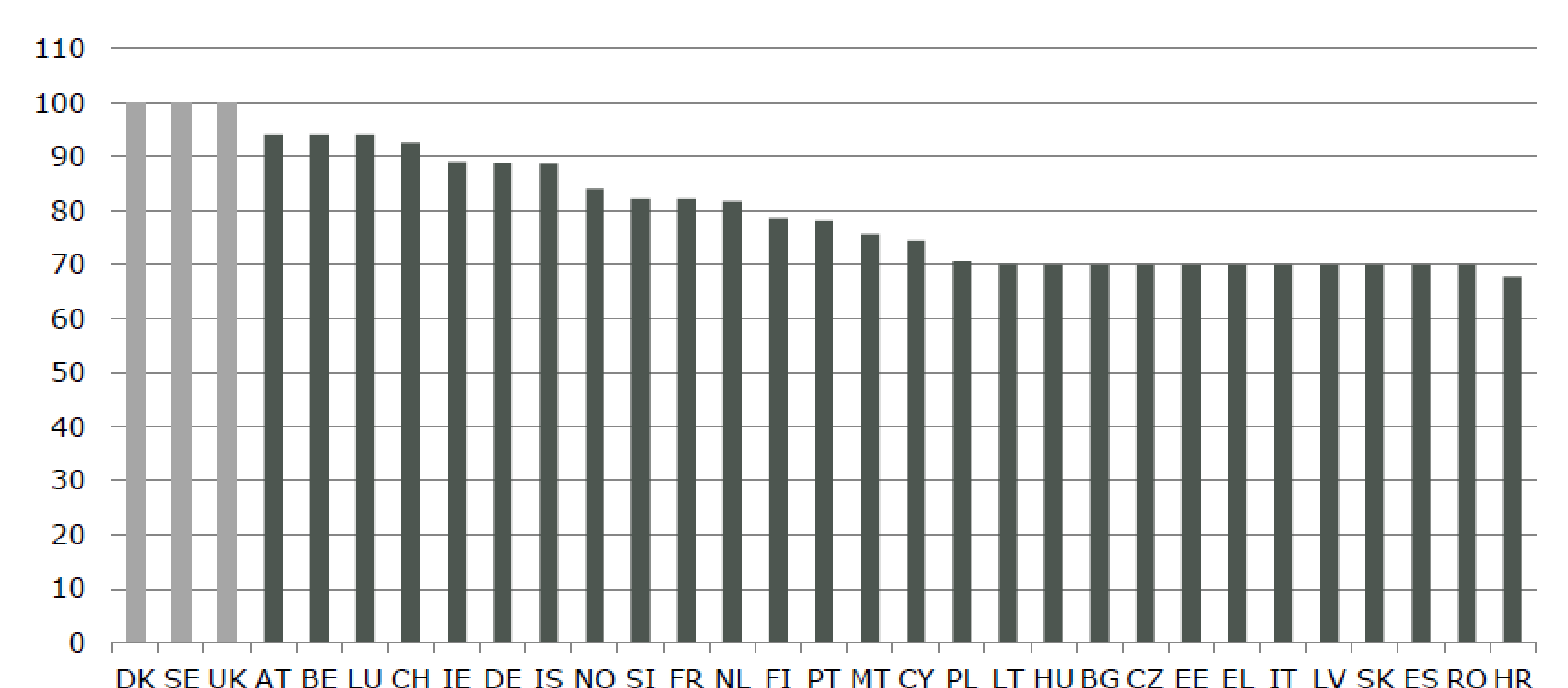
- Primary data collection on the use and practice of EPR, including detailed methodological information – among 30 European countries
- Results were used as inputs to model price developments through a discrete-event-simulation (DES)
- The model ran over a 10 year time horizon  
Pharma Price Information (PPI) service provided list prices of two biological medicines (Adalimumab and Rituximab) in the months before the first biosimilar entered the market



## The estimated average price was higher than the average of actual list prices

- The model predicted that after ten years, the average price level over the 30 countries was 80.2% of the starting price
- In the model, the highest price countries were Austria, Belgium, Luxembourg and Switzerland, while lower prices were predicted in Spain, Romania and Croatia
- In comparison to the model's estimations, the average price level of list prices was 66.8%
- The countries with the highest price level were Germany, Switzerland and Poland, while lowest prices were observed in UK, France and Greece

Estimated Ex-factory medicine prices after ten years



Source: Vogler et al (2015) Study on enhanced cross-country coordination in the area of pharmaceutical product pricing

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