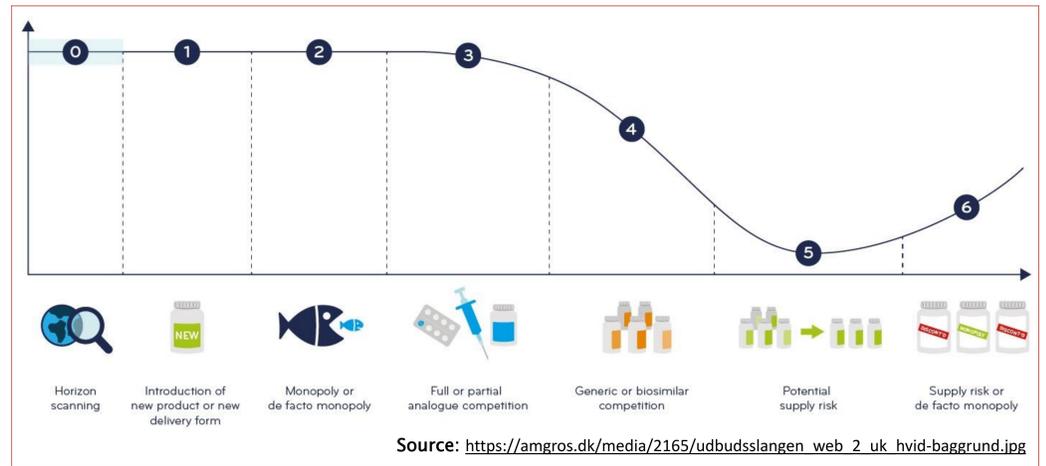


Price developments of biological medicines do not correspond to estimated price levels

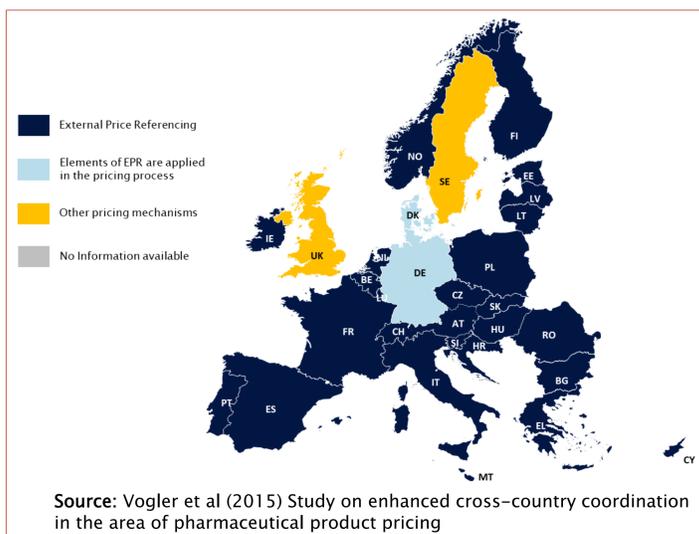
Estimating price developments of biological medicines during market exclusivity

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- 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



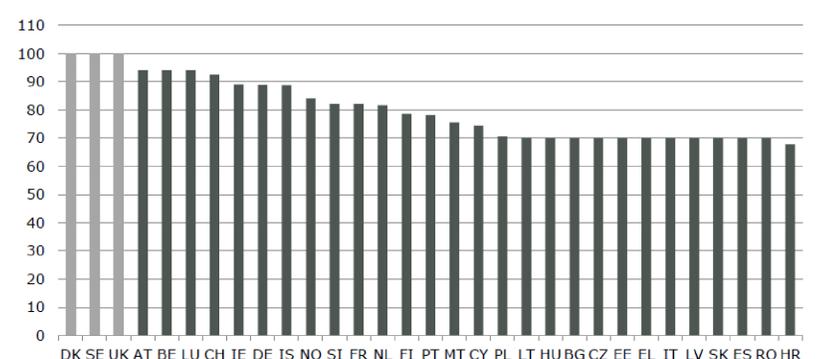
- Primary data collection on the use and practice of EPR, including detailed methodological information – among 30 European countries
- Results were used as inputs to model price developments through a discrete-event-simulation (DES)
- The model ran over a 10 year time horizon
Pharma Price Information (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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