Biosimilars: market access considerations

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As the biosimilar market expands, payers are looking to take advantage of potential budget savings.

This eBook summarizes:

- benefits and challenges for biosimilars
- considerations for the pricing of a biosimilar or the originator product
- points for differentiating your product from competitor biosimilars and/or the reference product.

Opportunities and incentives for biosimilar entries

Many profitable biologic drugs have lost or are scheduled to lose exclusivity, providing opportunities and incentives for biosimilar entries.

- Biologics are a major cost to hospital and regional drug budgets, and treatment costs are increasing due to factors such as the aging population and the introduction of new, more expensive products.
- Healthcare providers need to save money on their drug budget to create room for innovative medicines.
- The introduction of biosimilars usually results in a reduction in the price of the originator and often also presents lower-cost treatment options.
- If successfully adopted, biosimilars can lead to significant budget savings. These savings can then lead to an overall reduction of the healthcare budget.[1]
- The use of biosimilars will likely increase as numerous stakeholders begin to implement policies to encourage adoption.

1. Mulcahy et *al*., Biosimilar Cost Savings in the United States: Initial Experience and Future Potential. Rand Health Q. 2018 Mar 30;7(4):3

The benefits of biosimilars

The benefits of biosimilars are wider than just providing a lower-cost treatment option:

- increased choice for patients and clinicians
- significant savings associated with increased competition
- further sources of supply
- wider treatment access for patients

Besides offering a discounted price, biosimilars can serve as a price control on the innovator.

In the EU, the increased competition from biosimilars is driving down the price of entire product classes.

Challenges that can affect biosimilars

However, biosimilars have not had as much impact as expected, particularly in the US. This is due to a number of different challenges:

- reference product patents
- competitive market
- difficulty differentiating from other biosimilars
- patient concerns/lack of education
- physician hesitation to prescribe/lack of experience
- complex manufacturing process (compared with generics)
- no data to support switching between biosimilars
- pricing considerations
- biosimilars are not automatically interchangeable/ substitutable
- contracts for extended periods lock out late entrants
- payer reticence
- “Pay for delay” in the US

Differentiating your biosimilar

It is key to differentiate your biosimilar from the reference product and from competitor biosimilars.

Quality
Demonstrate high-quality development, manufacturing, and services

Contracts
Where possible, offer innovative contracts with key customers/stakeholders, promoting long-term partnerships

Device
If a device is required to administer the biosimilar, demonstrate the benefits over alternative options

Experience and reputation
Ensure that relevant customers/stakeholders recognize a manufacturer's track record, whether it be as an innovator, as a leader in biologics, or in generics, etc.

Services
Provide services to improve outcomes and streamline the delivery of care

Adding value

Services that add value can be tailored to each country and can include offerings such as:

Patient support programs

- adherence programs
- patient education (e.g., disease information and resources)
- access to nurses
- online or phone advice
- devices (e.g., health trackers, monitoring)

Home care services

- administration of product (e.g., home infusion)
- disease management programs

Physician education

Real-world evidence collection

Pricing biosimilars

The biosimilar price must be carefully considered.

For example, the recent loss of exclusivity of adalimumab has led to large discounting of the originator biologic in European tendering to compete with the discounted prices of the biosimilars.

In the UK, a managed market share tender approach is being proposed nationally by NHS England.

> *This means that no one supplier of adalimumab will be awarded the whole market but it also provides a strong incentive for suppliers to offer their best price at the point of tender, with competitive suppliers gaining a greater share of the market than those who price less competitively.*[1]

1. NHSE Commissioning intentions: adalimumab

Get started

Due to the wide range of challenges associated with launching a biosimilar, it may be difficult to clearly demonstrate the unique value of your product to ensure the best market share.

PRMA Consulting is able to support you in understanding the interdependency between pricing, reimbursement, and HTA.

We appreciate your business challenges and provide partnership to enable informed market access trade-offs and strategy. We work with you to generate payer-relevant evidence and to communicate the value proposition of your product in payer-accessible language.

Our tailored services include strategic market access, landscape assessments, payer and KOL engagement, value propositions, GVDs, evidence generation, real-world evidence, pricing and reimbursement strategy.

PRMA Consulting is an independent, specialist consultancy solving some of the most challenging market access issues facing pharmaceutical and biotechnology companies today.

For a confidential conversation about your market access challenges, please get in touch.

Get in touch >>