

# Transparency of (real) pharmaceutical costs

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# Interest declaration

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- Self employed. work for not-for-profits, academia, governments, UN
- Occasional grant from small foundations and Unitaid
- Our work is open access and freely available on:

[www.medicineslawandpolicy.org](http://www.medicineslawandpolicy.org)

## Medicines prices vs. production cost (target)

<b>Cancer medicines</b>				
<b>Medicine</b>	<b>Lowest-highest list prices in EU</b>		<b>Target price</b>	
Bortezomib (Multiple myeloma)	\$982 (Spain) - \$1,123 (UK) per month		\$255 per month	
Dasatinib (Chronic myeloid leukaemia)	\$2,146 (UK) - \$3,624 (Latvia) per month		\$12 per month	
Everolimus (Breast cancer)	\$3,155 (UK) - \$3,958 (Latvia) per month		\$1,086 per month	
Gefitinib (Lung cancer)	\$1,786 (France) - \$2,568 (Latvia) per month		\$13 per month	
Imatinib (Chronic myeloid leukaemia)	\$2,261 (Latvia) - \$32,906 (Spain) per year		\$172 per year	
Erlotinib (Lung, pancreatic and others)	\$26,416 (France) - \$36,678 (Latvia) per year		\$240 per year	
Lapatinib (Breast cancer)	\$33,549 (Spain) - \$49,887 (Latvia) per year		\$4,020 per year	
Sorafenib (Kidney and liver cancer)	\$45,162 (France) - \$67,877 (Latvia) per year		\$1,450 per year	
<b>Human Immunodeficiency Virus (HIV) and Hepatitis C Virus (HCV) medicines</b>				
<b>Medicine (Indication)</b>	<b>List price/ pill in UK</b>	<b>Target price/ pill</b>	<b>Current price/ treatment in UK</b>	<b>Target price/ treatment</b>
Daclatasvir (HCV)	\$379.44	\$0.08	\$31,872.96	\$6.72
Darunavir (HIV)	\$12.90	\$1.45	\$387 a month	\$43.50 a month
Efavirenz+emtricitabine+tenofovir (HIV)	\$23.09	\$0.15	\$692.70 a month	\$4.50 a month
Ledipasvir+sofosbuvir (HCV)	\$603.26	\$1.02	\$50,673.84	\$85.68
Sofosbuvir (HCV)	\$541.40	\$0.57	\$45,477.60	\$47.88
Tenofovir disoproxil fumarate (HIV)	\$8.85	\$0.07	\$265.50 a month	\$2.10 a month

Andrew Hill et al, 'Estimated generic prices of cancer medicines deemed cost-ineffective in England: a cost estimation analysis' (*BMJ Open*, 2017) <<https://bmjopen.bmj.com/content/7/1/e011965>>

Andrew Hill et al, 'Target prices for mass production of tyrosine kinase inhibitors for global cancer treatment' (*BMJ Open*, 2015) <<https://bmjopen.bmj.com/content/6/1/e009586>>

Andrew Hill, Melissa Barber, and Dzintars Gotham. 1/1/2018. "Estimated costs of production and potential prices for the WHO Essential Medicines List." *BMJ Global Health*, 3, 1. <http://dx.doi.org/10.1136/bmjgh-2017-000571>

# Importance of price & cost transparency

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- Good for consumers and patients (secret prices are hardly ever low prices)
- Corrects the information imbalance
- Informs policy debate e.g. to determine level of R&D incentives
- Is good for academic research
- Is essential for good governance and democratic processes and public confidence

Leading up to the World Health Assembly 2019 ..

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- [UN High Level Panel on Access to Medicines 2016](#)
  - [Lancet Commission on Essential Medicines Policies 2016](#)
  - [WHO Fair Pricing Forum 2019](#)
    - Call for transparency on pricing and cost
- Proposed transparency resolution to the 72<sup>nd</sup> WHA on **price, R&D cost, patent status** information 2019

# Transparency of costs and net prices

## An emerging global norm

**2019 World Health Assembly Resolution 72.8** on the transparency of the medicines market urges Member States:

- To publicly share information on the net prices of health products
- To support dissemination of and access to the costs of clinical trials
- To work collaboratively to improve reporting by suppliers of sales revenue, prices, units sold, marketing costs, subsidies and incentives

Initial co-sponsors: Andorra, Brazil, Egypt, Eswatini, Greece, India, **Italy**, Kenya, Luxembourg, Malaysia, Malta, Portugal, Russian Federation, Serbia, Slovenia, South Africa, Spain, Sri Lanka, Uganda

Adopted by WHA 72 - Germany, UK, Hungary disassociated

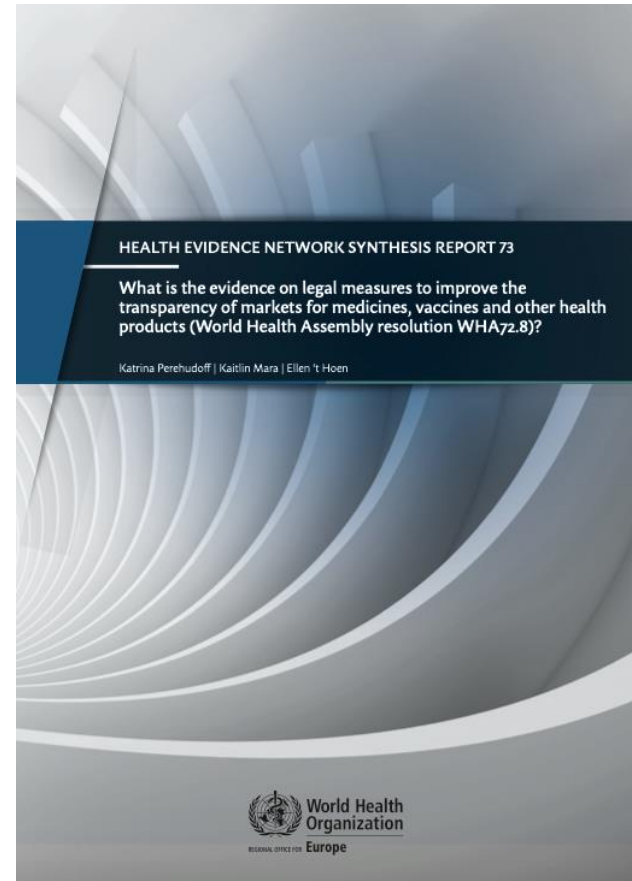
# Medicines Law & Policy

## Evidence of legal measures to improve the transparency of markets

### Key findings:

- National legislation in France, Italy and Spain;
- Online repositories of prices of medicines;
- Pooled procurement;
- Clearing-house method.

→ Much scope to implement the WHA transparency resolution




Report: <https://apps.who.int/iris/bitstream/handle/10665/342474/9789289055789-eng.pdf>

## 'Specialty' medicines

- Public database
- Information shared:
  - maximum price
  - rebate amount (if available)
- Ex. Pertuzumab (Perjeta)
  - max. price: Fr. 3304.10/vial
  - Health insurers reimbursed Fr. 452.33/box purchased for indication

Préparation

<b>07.</b>	<b>METABOLISME</b>	 Schweizerische Eidgenossenschaft Confédération suisse Confederazione Svizzera Confederaziun svizra
<b>07.16.</b>	<b>Oncologica</b>	
<b>07.16.10.</b>	<b>Cytostatica</b>	
	<b>Perjeta</b>	Département fédéral de l'intérieur DFI Office fédéral de la santé publique OFSP
	<b>conc perf 420 mg/14ml</b> (Pertuzumabum 420 mg)	
<b>(L)<sup>1</sup></b>	<b><sup>1</sup>Limitatio:</b> <i>Limitation limitée jusqu'au 31.12.2021</i> <b>Cancer du sein métastatique</b> <i>Perjeta est indiqué en association avec Herceptin et docétaxel dans le traitement des patientes souffrant d'un cancer du sein HER2-positif métastatique ou localement récurrent, non résécable, non prétraitées par chimiothérapie pour leur maladie métastatique. Après l'arrêt de la chimiothérapie (environ 6 cycles de docétaxel), Perjeta est administré en association à Herceptin jusqu'à progression de la maladie.</i> <i>Sur demande de l'assureur-maladie auprès duquel la personne était assurée au moment de l'achat, le titulaire de l'autorisation Roche Pharma (Suisse) SA rembourse pour l'association Perjeta et Herceptin la somme de Fr. 452.33 à l'assureur-maladie pour chaque boîte de Perjeta achetée en cas d'un cancer du sein métastatique. La taxe sur la valeur ajoutée ne peut pas être exigée en sus de ce montant. La demande de remboursement doit intervenir à partir du moment de l'administration.</i> <i>Après accord préalable sur la prise en charge des frais par l'assureur-maladie après consultation préalable du médecin-conseil.</i>	

<http://www.xn--speziallittenliste-yqb.ch/ShowPreparations.aspx>

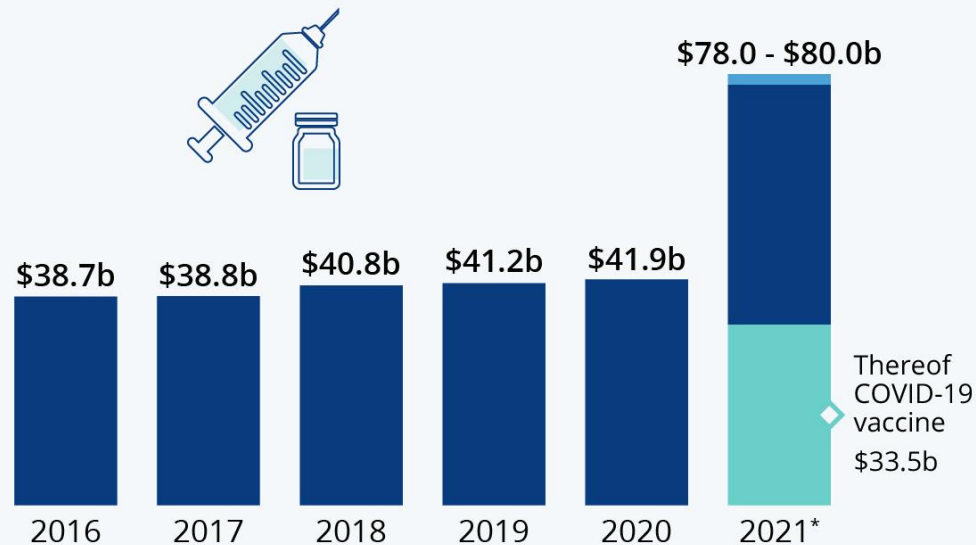
Credit: Patrick Durish, Public Eye, More info: [doi.org/10.1016/j.lanep.2021.100050](https://doi.org/10.1016/j.lanep.2021.100050)



# Will C-19 pandemic drive greater transparency?

## Pfizer Gets a Booster Shot From Its COVID-19 Vaccine

Pfizer's annual revenue since 2016



\* official guidance as reported on July 28, 2021

Source: Pfizer



# Conclusions

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- Review of EU pharma legislation opportunity to introduce greater transparency re cost and pricing
- Opportunity to implement the WHO transparency resolution
- EU countries to collaborate in procurement and share pricing info

# Thank you!

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@ellenthoen

For background sources please visit:

[www.medicineslawandpolicy.org](http://www.medicineslawandpolicy.org)

<http://tripsflexibilities.medicineslawandpolicy.org/>

<https://apps.who.int/iris/bitstream/handle/10665/342474/9789289055789-eng.pdf>

Our Covid pages:

<https://medicineslawandpolicy.org/covid-19/>

Our Brief on Pharmaceutical Incentives in the EU:

<https://medicineslawandpolicy.org/wp-content/uploads/2019/06/MLP-European-Union-Review-of-Pharma-Incentives-Suggestions-for-Change.pdf>

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