

Real World Oncology Evidence and Value Based Pricing (VBP):

A unique opportunity for an integrated NHS solution?

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VBP DH Consultation Summary

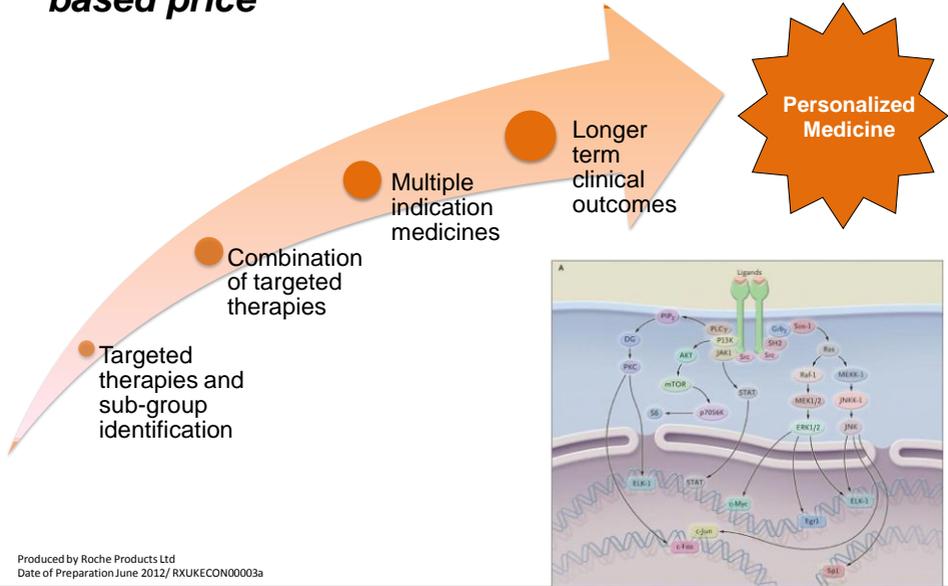
- Objectives of *outcomes* and *innovation*
- Prospective – *new active substances*
- Evolutionary in design:
 - Free *contingent* pricing at time of license
 - Preserves a QALY and Threshold based valuation system
 - Plan to publish *maximum reimbursed price*
 - NICE remains focal point for evidence review and price evaluation
- A new “basic threshold” in development
- QALY *modifiers* introduced (Burden of Illness, Innovation, Societal perspective)



http://www.dh.gov.uk/en/Consultations/Liveconsultations/DH_122760
Last accessed - June 2012

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Science and evolution of oncology medicine creates challenges when defining a *value based price*



What does *Value Based Pricing* really mean?

Traditional pricing model

Unit-based pricing



Price by vial independent of outcome

Cost to NHS driven by the amount of drug that is used

Value-based pricing models

Cost Capping



Cost to NHS managed via Patient Access Schemes:
-Episode of Care caps
-Fixed Cost per Patient

Multiple Indication Pricing



Price for Metastatic Breast Cancer

Price for Adjuvant Breast Cancer

Cost to NHS driven by the expected value that the therapy delivers to patients across all its indications

Outcomes-based Pricing



Price for responder

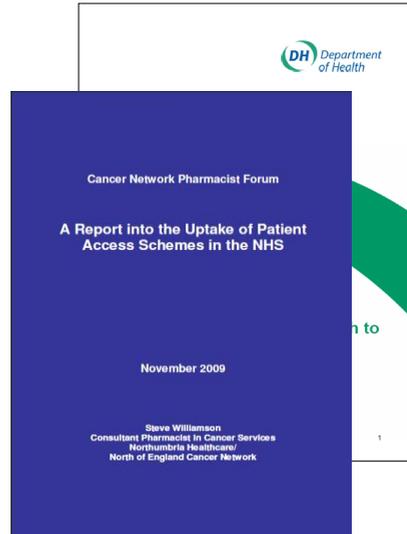
Price for non responder

Cost to NHS driven by a pre-specified clinical outcome monitored at an individual patient level

If we wish to link price/cost to outcomes – what are practical requirements in order to implement this within NHS?

What is required to address such challenges?

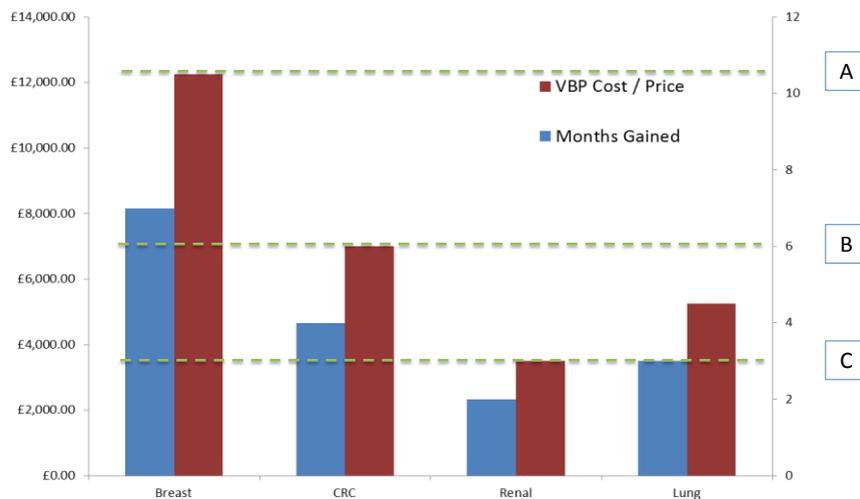
1. Prices that reflect value of oncology medicines and ensure patient access
2. Prices that are a fair reflection of the value across all approved indications
3. Prices that are flexible to accommodate dynamic value of oncology medicines
4. Price that can be administered by the NHS with minimum additional workload



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http://www.bopavsite.org/content/images/publications/Report_into_Uptake_of_Patient_Access_Schemes_9_11_09.pdf Last accessed - June 2012

Multiple indication oncology medicines: How do we set a Value Based Price?*



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* Hypothetical figures for illustrative purposes only

Multi-indication Pricing

- NHS cost/price currently driven by *volume* of drug consumed not always the *value* of drug
- No means to discriminate price of vial / tablet at point of purchase due to exchangeability
- Two possible options:
 1. Utilise existing PPRS style *clawback* mechanism to ensure a VBP retrospectively based on actual utilisation by indication
 2. Agree ex-ante weighted average VBP based on projected patient numbers with future audit / clawback adjustment
- Requires *utilisation by indication* data to estimate weighted average value based price

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SACT Systemic Anti-Cancer Therapy
Chemotherapy Dataset

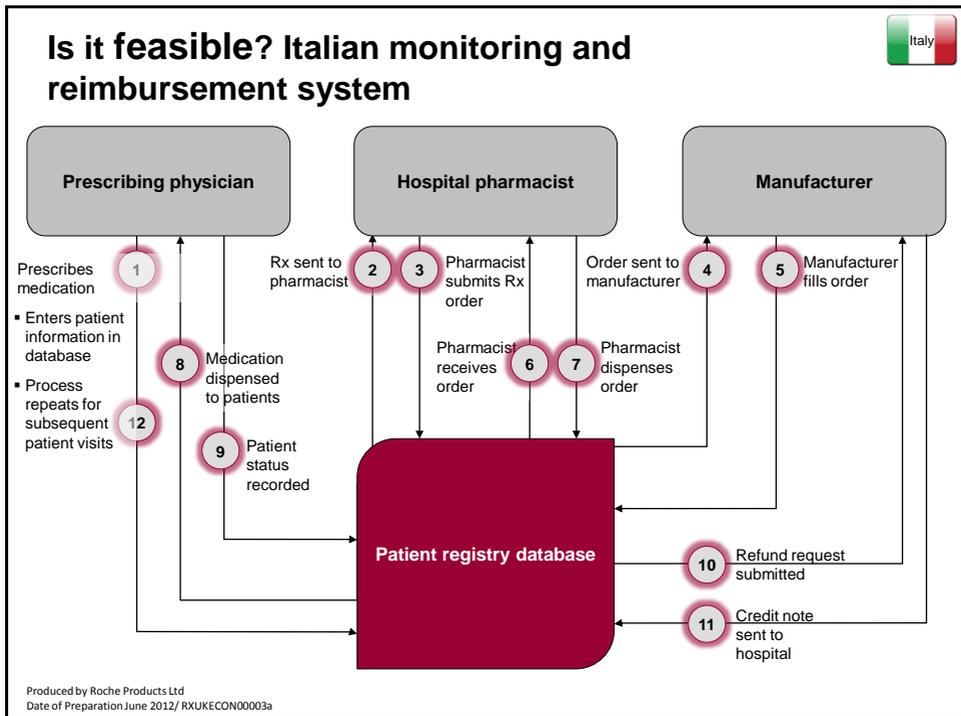
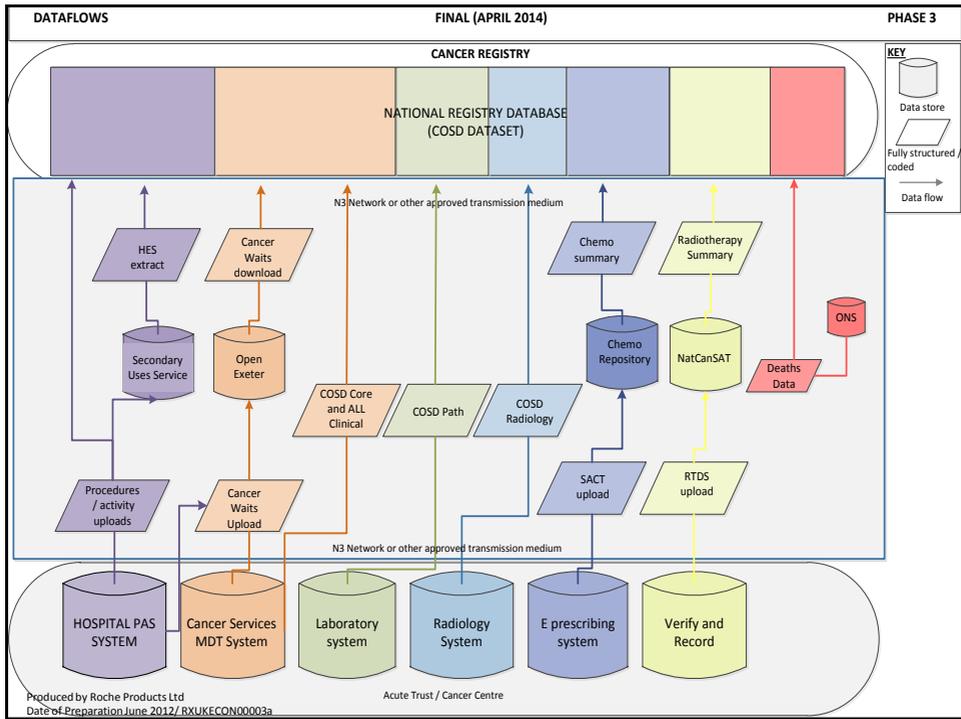
ciu
Chemotherapy Intelligence Unit

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SACT Training

- Required data to implement increased principles of Value Based Pricing within oncology available via SACT
- Initial 8 data fields sufficient for *indication pricing*
- SACT *Reporting* capability and remit appears key:
 - NHS capacity and resources
 - Centralised or trust based reporting
 - A mandate to support NICE / VBP pricing requirements
- Facilitation of Patient Access Schemes (PAS)

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http://www.ncin.org.uk/collecting_and_using_data/data_collection/chemotherapy.aspx
Last accessed – June 2012



Summary and Recommendations

1. Value Based Pricing offers opportunity to improve current pricing system to better accommodate complexities of dynamic oncology medicines
2. Prices that reflect *average* value that can be *flexible* and change with evolving evidence is key
3. Outcomes based pricing more challenging especially for estimating treatment effects
4. Relatively basic patient level information is required to implement improved concepts of VBP within oncology
5. SACT can possibly provide this with minimal incremental administration
6. An opportunity for dialogue between DH, NICE and NCIN