NASH PRICING STRATEGIES

THE PATHS TO MARKET ACCESS

The NASH market has high potential; however, aggressive pricing could hamper commercial prospects. In this infographic brought to you by Datamonitor, in collaboration with Syneos Health, we look at the two potential pathways for the market, which is dependent on payers responses to NASH pricing strategies.

(1) PREMIUM PRICING PATH

Intercept may strive for a premium price while it monopolizes the market

Payers could respond with strict reimbursement criteria, which may limit patient accessibility and reduce market uptake

> PCSK9s were highly restricted when they came out, the prior authorization criteria were well beyond the label, the manufacturers learned the hard way and reduced their prices, but I think it would be smart for the NASH manufacturers to start off lower, and use those lessons.
>
> – US payer

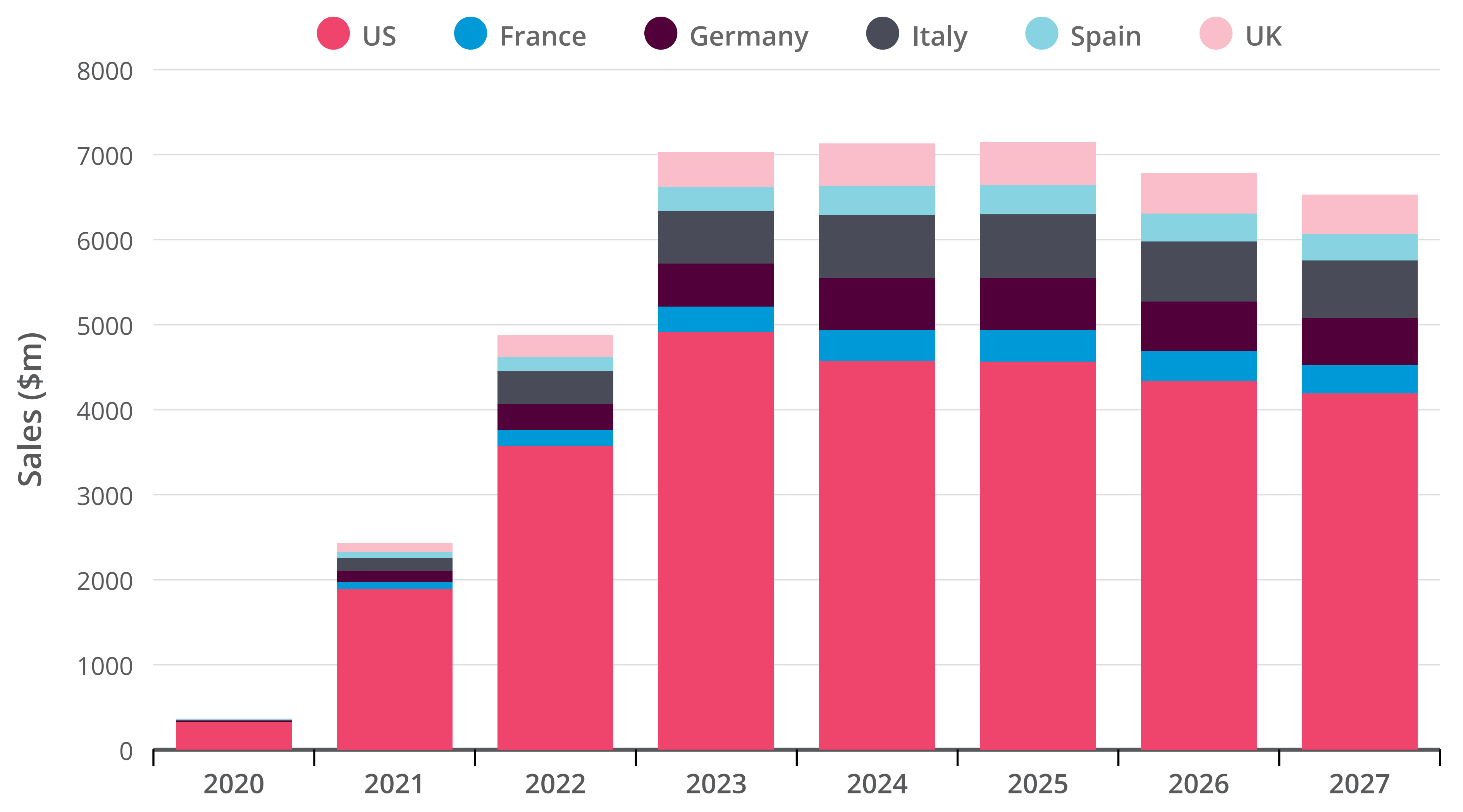
This high risk pricing strategy may not be sustainable. If future therapies follow with similar pricing strategies, it could severely limit market growth

Manufacturers should learn from PCSK9 inhibitors, which entered the market with a premium price and experienced lower than expected market adoption

(2) STRONG MARKET GROWTH PATH

Optimal pricing is key for healthy competition and ease of patient access to enable strong market growth

Ocaliva sales forecast for NASH across the US and five major EU markets, by country, 2018–27



Datamonitor Healthcare expects the NASH market to reach over $21bn in the US and 5 major EU markets, with Ocaliva dominating the market

COMBINATION THERAPIES

While such combination therapies may be more clinically promising than monotherapies, they pose a substantial problem for payers and patients because a regimen comprising multiple premium-priced drugs would be prohibitively expensive.

Thus, manufacturers will have to be mindful of the total regimen cost for payers and patients (who may have to pay separate co-payments for individual components of the regimen), and will have to price the regimen based on the clinical benefit it provides, rather than the number of components it includes.

> I think the manufacturers have to consider what the competition is going to look like, again the potential for combination is one thing, but if you have two drugs that are prohibitively priced, physicians may be reluctant to put patients on combinations unless they truly feel that they are at significant risk of fibrosis and liver failure, because of the prohibitive cost.
>
> – US payer

CONCLUSION

Although Ocaliva will have the advantage of fulfilling a significant unmet need, as it is expected to be the first approved treatment for NASH, a prohibitively high price could limit market uptake. Therefore, late-entry therapies will likely be priced lower, which will force Intercept to drop the price of Ocaliva in order to maintain its dominant position in the market.

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References

Insight in Nash Pricing Strategies Datamonitor Healthcare| Informa, 2019

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