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The impact of biosimilars on biologic medicines market in Australia: Medicines policy in action

Investigators: *Hillen JB[1,2], Stanford T[1], Ward M [1,3], Duszynski K[1] and Pratt N[1,4].*

Author affiliations:

[1]Quality Use of Medicines and Pharmacy Research Centre. Clinical and Health Sciences, University of South Australia.

[2]Capacity Building and Training portfolio. Medicine Intelligence Centre of Research Excellence. UNSW.

[3]Pharmacy and Biomedical Sciences. Clinical and Health Sciences, University of South Australia.

[4]Medicines Intelligence Centre of Research Excellence. UNSW.

***Presenter's email address*:** jodie.hillen@unisa.edu.au

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Abstract

Background: Immunomodulating-biologic medicines are effective in treating high-burden conditions, however, are expensive to manufacture. Additionally, rapid growth in approved indications has challenged payers to balance patient access with finite health care budgets. Australian medicines policies address these challenges and focus on a competitive market to reduce costs by introducing less expensive (biosimilar) medicines and mandatory price reductions for originator products (referenceRP). No Australian data exist exploring impacts of biosimilars on the Australian market.

Aims: To describe the impact of biosimilars on total volume, expenditure, and unit price on the biologics market in Australia.

Methods: Australian hospital/retail sales for biologic medicines with at least one biosimilar on the market for 12-months were extracted from the IQVIA-MIDAS database. Expenditure was measured in USD and volume in Standardised Units (SU) (2010-2020). SU price for reference and biosimilars were sales cost divided by SU. Per-capita sales of SU were SU sales per 100,000 Australian persons. NHMRC Medicines Intelligence Centre of Research Excellence. 2023 Annual Research Symposium and Policy Forum. Theme: Research translation to policy. Differences in the RP and total market expenditure, SU, and average SU price in the 12-months before and after biosimilar market entry were calculated as well as for the most recent 12-month period.

Results: Total expenditure for biologic RPs reduced 38.3% in the 12-months after biosimilar entry, and total expenditure reduced 33.8% in a market of increasing use (5%). Expenditure reduction was achieved by a decrease in average SU price of the RP (30%-40%) and lower biosimilar SU price, up to 40% less than RP price. By 2020, biosimilars accounted for 30% of the total Australian market.

Conclusions: Introduction of biosimilars to the Australian market resulted in reduced overall market expenditure and SU price of RPs. Our study suggests that Australia's medicines policies are effective in creating greater medicines access for patients by reducing expenditure and releasing capital to fund more medicines.