

Is No Therapy a Therapy? Effects of Watchful Waiting as Appropriate Comparator Therapy for New Drugs on Benefit Assessment and Pricing in Germany



Richter N, Glüsen M, Berger I, Martyniszyn-Eiben A, Sake SM, Kielhorn-Schönermark H, Schönermark MP^{1,2}
¹SKC Beratungsgesellschaft mbH, Hannover, Germany, ²Medizinische Hochschule Hannover, Hannover, Germany

ISPOR acceptance code: HPR114
 Poster presented at ISPOR Europe 2022
 6-9 November 2022 in Vienna, Austria.

Objectives

In Germany, the additional benefit of new drugs is evaluated during a health technology assessment, reigned by a tight regulatory framework (AMNOG) implemented in 2011. For this purpose, an appropriate comparator therapy (ACT) is determined by the Federal Joint Committee (G-BA). If in the respective indication no specific comparator therapy is available according to the G-BA, Watchful Waiting may be defined as the ACT: The drug is compared against no therapy. This analysis aims to assess the impact of Watchful Waiting as ACT on the outcome of the benefit assessment and subsequent price negotiations during AMNOG.

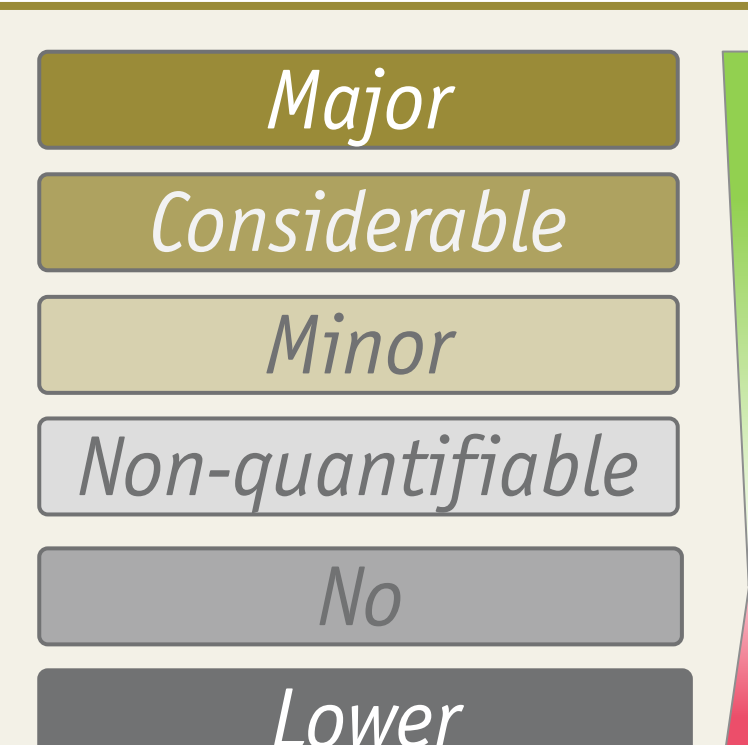
Methods

Using our MAIS database which encompasses information on benefit assessment, G-BA resolution and negotiated rebate of all AMNOG procedures ever performed, the outcomes of the benefit assessments and price negotiations of all completed AMNOG procedures with Watchful Waiting as ACT were compared to all completed procedures. We examined 780 completed procedures with a total of 1380 subpopulations. A procedure is considered as completed when the G-BA resolution is published. Data cut off is 10th October 2022.

Results

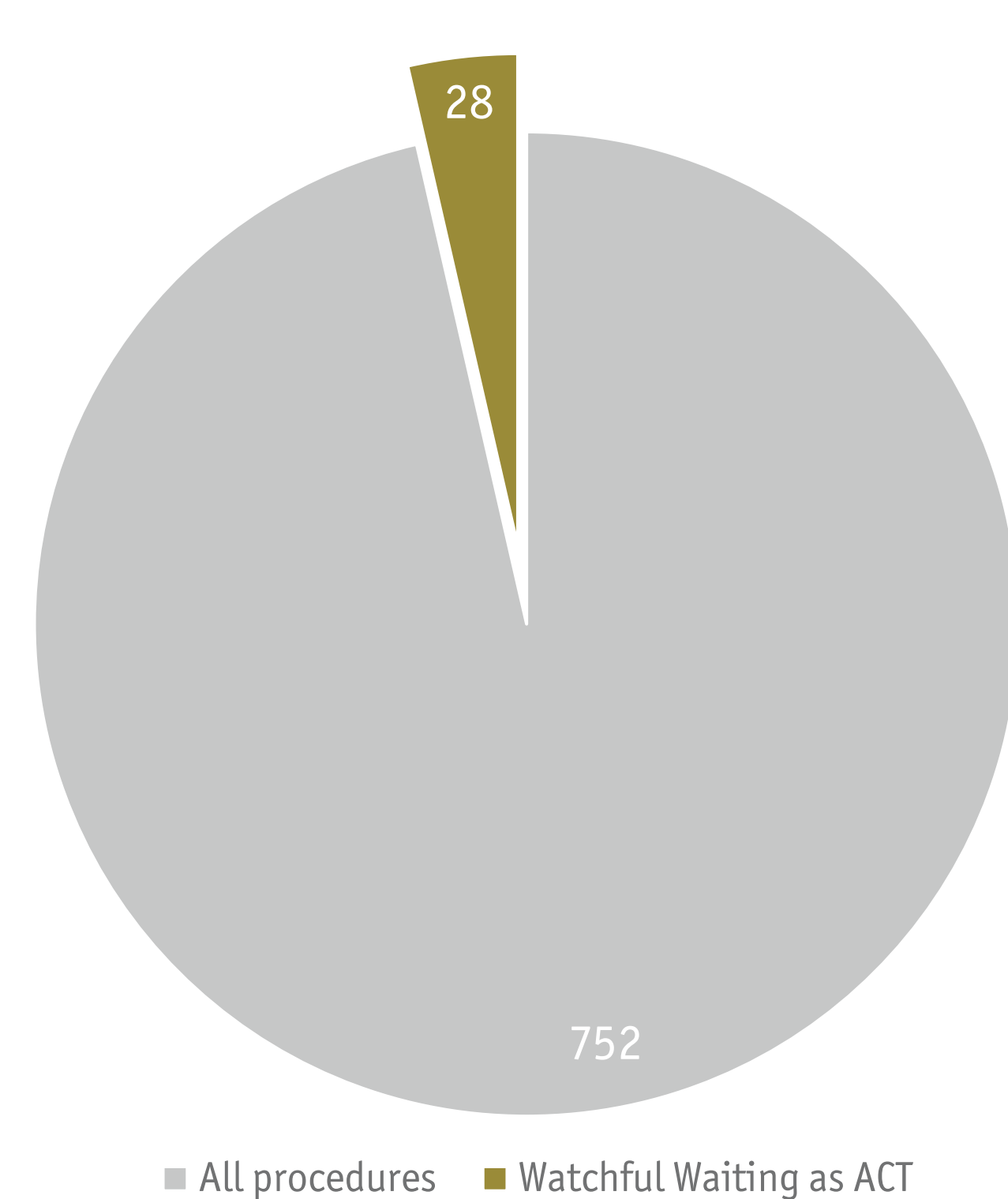
In the AMNOG process, the G-BA establishes an ACT based on the current standard of care in the German healthcare context. If there are different treatment options for different subpopulations in an indication, the G-BA may establish different ACTs for each population. Subsequently the G-BA rules on the extent of the additional benefit of the new drug over the ACT per subpopulation. For this analysis, procedures were included and analyzed per subpopulation if at least one subpopulation had Watchful Waiting as ACT.

The G-BA has defined the following additional benefit ratings:



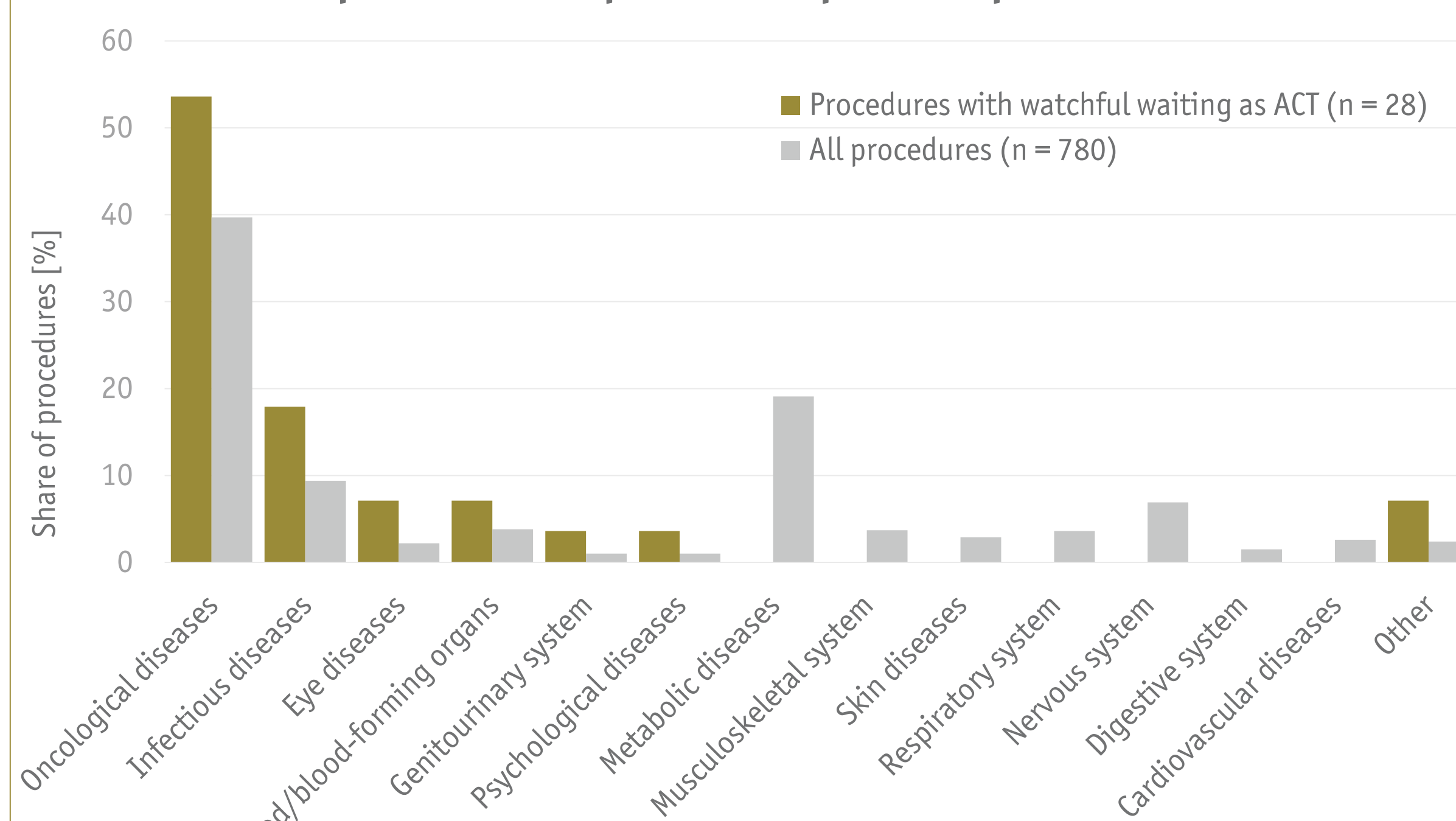
During the 12 months of free pricing after the launch of a pharmaceutical product, its future price is negotiated between the German payors and the pharmaceutical manufacturer. The resulting net annual therapy cost rebate is calculated based on the negotiated reimbursement price and the price at the beginning of the AMNOG procedure. For this analysis, only procedures with completed negotiations were considered.

Figure 1 Procedures with Watchful Waiting as ACT



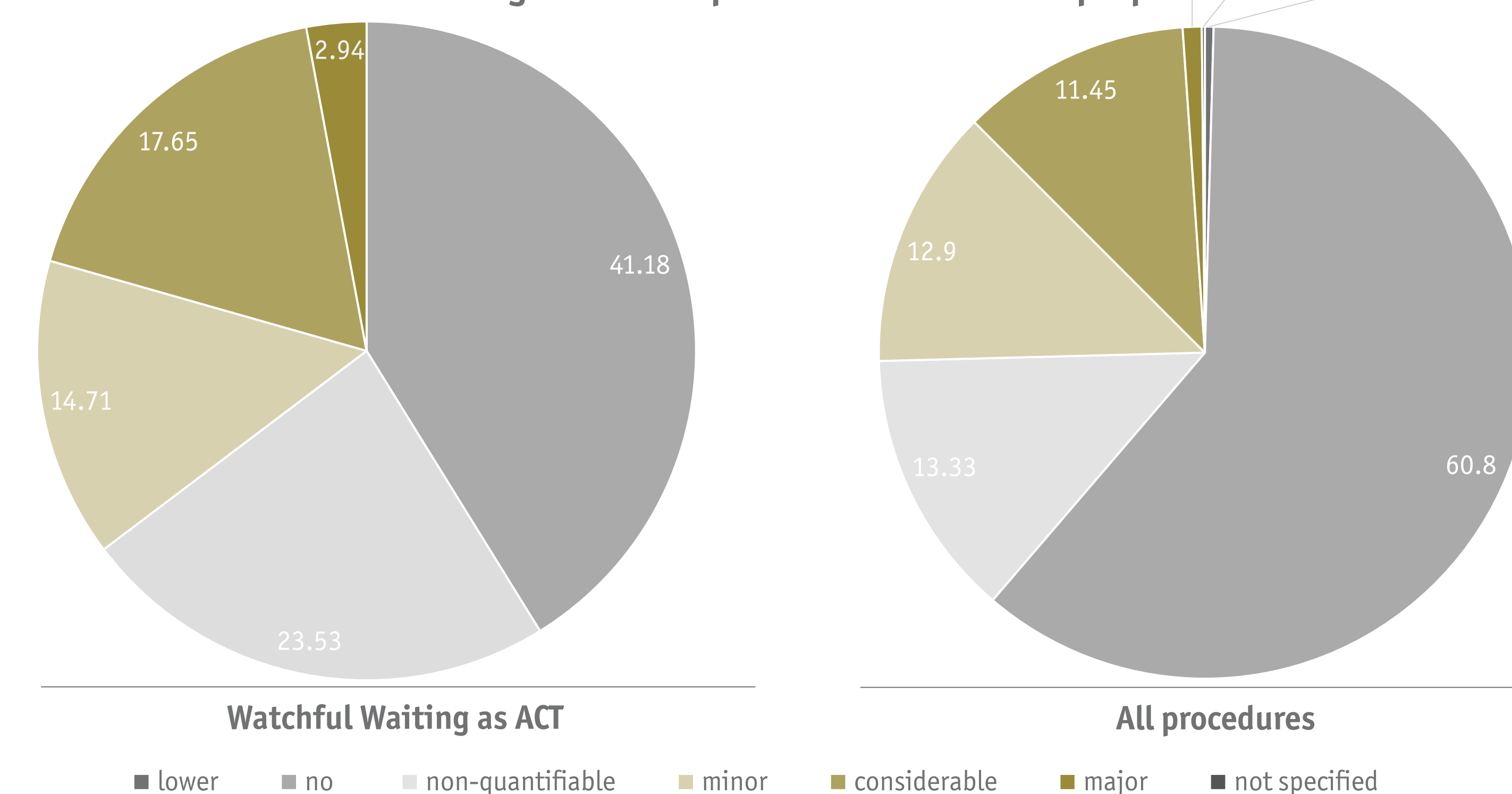
Only a small number of procedures have Watchful Waiting as ACT. Out of a total of 780 completed AMNOG procedures, 28 were assigned Watchful Waiting as ACT in at least one subpopulation. This corresponds to a share of 3.6%.

Figure 2 Share of procedures with Watchful Waiting as ACT compared with all procedures per therapeutic area



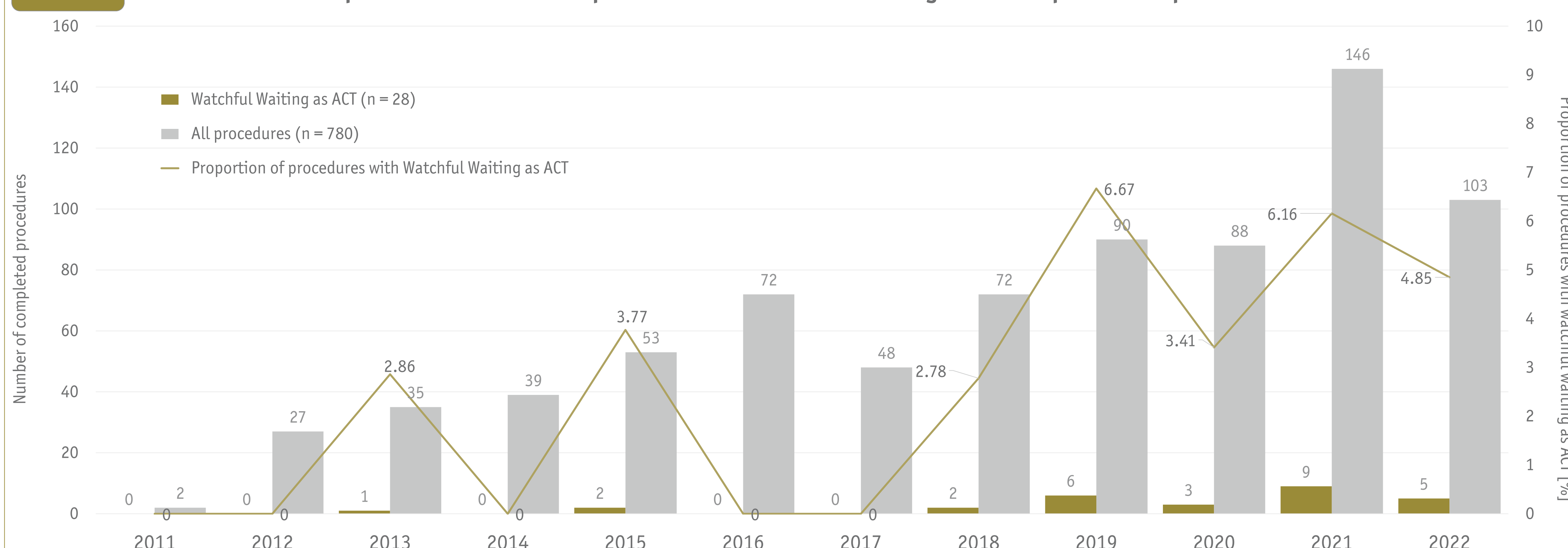
Overall, the distribution of indications is similar between procedures with Watchful Waiting as ACT and all procedures. The appointment of Watchful Waiting as an ACT does not seem to cluster in particular therapeutic areas. More than half of the procedures with WW as ACT occur in oncological diseases (53.6%). The second most common indication is infectious diseases (17.9%), followed by diseases of the blood and blood-forming organs, eye diseases and other (each 7.1%). In the indications diseases of the genitourinary system and mental diseases there is one procedure each with watchful waiting as ACT (3.6%).

Figure 3 Share of the extent of the additional benefit for procedures with Watchful Waiting as ACT compared with the overall proportion



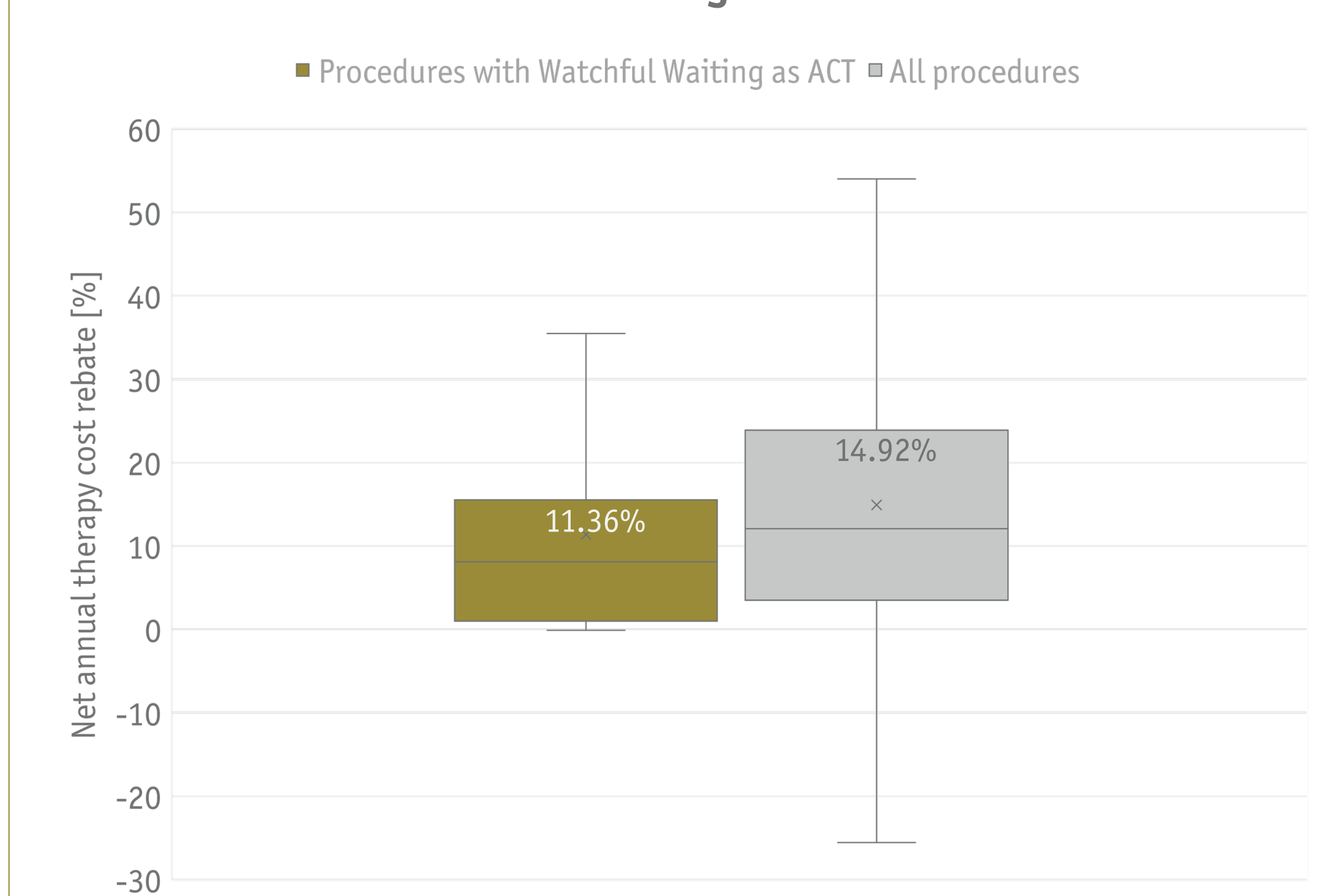
All in all, procedures with WW are less likely to receive a rating of no additional benefit while higher additional benefit categories such as major or considerable are more frequent. The share of subpopulations that are not granted any additional benefit is lower with Watchful Waiting as ACT (41.18% vs. 60.8%). Furthermore, subpopulations with Watchful Waiting as ACT get a higher extent of additional benefits. 17.65% of subgroups with Watchful Waiting have a considerable additional benefit (11.45% in control group) and 2.94% have a major additional benefit (0.94% in control group).

Figure 4 Time development of the number of procedures with Watchful Waiting as ACT compared to all procedures



Overall, the share of procedures with Watchful Waiting as ACT does not change remarkably over time. In the first years of the AMNOG (introduction in 2011), few procedures (0 – 3.8%) with Watchful Waiting as ACT were initiated. Since 2019, the share of procedures receiving Watchful Waiting as the ACT amounts to 3.41 – 6.67%.

Figure 5 Average net annual therapy costs rebate after price negotiations



Comparing the negotiated procedures with Watchful Waiting as ACT to all negotiated procedures, the average negotiated net annual therapy cost rebate was slightly lower for procedures with Watchful Waiting as ACT (~11.36%) than in procedures with other ACTs (~14.92%).

Conclusion

Due to the small number of procedures with Watchful Waiting as ACT, no reliable conclusion can be drawn regarding the development of the share of these procedures over time. However, it is apparent that higher additional benefit categories were granted in procedures with Watchful Waiting as ACT. In many pivotal studies placebo is used as the comparator treatment. Hence, when Watchful Waiting (“no therapy”) is defined as ACT, these studies meet the required ACT, which is a prerequisite for being granted an additional benefit. Additionally, effect sizes are likely to be larger and therefore allow for a better benefit rating, which is the most important factor in German price negotiations. However, being a very low price anchor, Watchful Waiting creates the risk of leading to high rebates during price negotiations in case of no additional benefit. Overall, the average negotiated net annual therapy cost rebate was slightly lower for procedures with Watchful Waiting as ACT.