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THE PITFALLS OF GOVERNMENT PRICE SETTING:

# Value Assessments in the U.S. vs. Germany



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As the U.S. considers implementation of the drug pricing provisions of the Inflation Reduction Act (IRA), which includes price negotiation for a limited subset of drugs, it is important to understand the pitfalls of a government price-setting system rooted in comparative effectiveness research. Germany, for example, assesses relative clinical benefit of medicines as part of its price-setting process. Compared to U.S. physicians' value assessment, Germany's assessments regularly undervalue innovative medicines, illustrating the risk of allowing the government to override the judgments of providers when deciding what treatment is right for a patient.

To compare U.S. physicians' perspective on value of pharmaceutical products to the perspective of Germany's Federal Joint Committee (G-BA), we looked at products in three therapeutic areas: psoriatic arthritis, ulcerative colitis and multiple myeloma. Using a similar rating scale for all products, we surveyed U.S. physicians (Figure 1) and asked them to rate the benefits of medicines based on criteria used to define the "level of benefit."

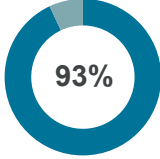
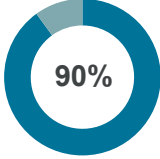
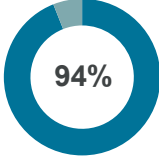
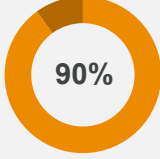
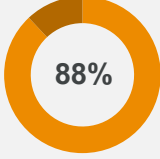
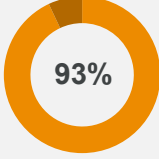
Figure 1: Project Methodology

<b>Approach</b>	<ul style="list-style-type: none"> <li>• <b>Online surveys (three)</b></li> <li>• <b>Each survey approximately 10 - 20 minutes in duration</b></li> <li>• <b>Surveys were double blinded</b></li> </ul>
<b>Sample</b>	<p><b>We surveyed 350 U.S. physicians</b></p> <ul style="list-style-type: none"> <li>• 100 Gastroenterologists</li> <li>• 51 Rheumatologists</li> <li>• 49 Dermatologists</li> <li>• 150 Oncologists</li> </ul> <p><b>The research participants met the following criteria:</b></p> <ul style="list-style-type: none"> <li>• Were board certified in specialty</li> <li>• Treat a minimum number of 30 UC, and 20 PsA/MM patients</li> <li>• A minimum number of prescriptions written and/or familiarity with the different innovative drugs of interest</li> </ul>



The results demonstrated a significant lack of alignment between how U.S. physicians rate the value of products in these categories compared with the G-BA. Across categories, for products that received a negative value determination from G-BA, the vast majority of U.S. physicians gave a more positive rating (Figure 2).

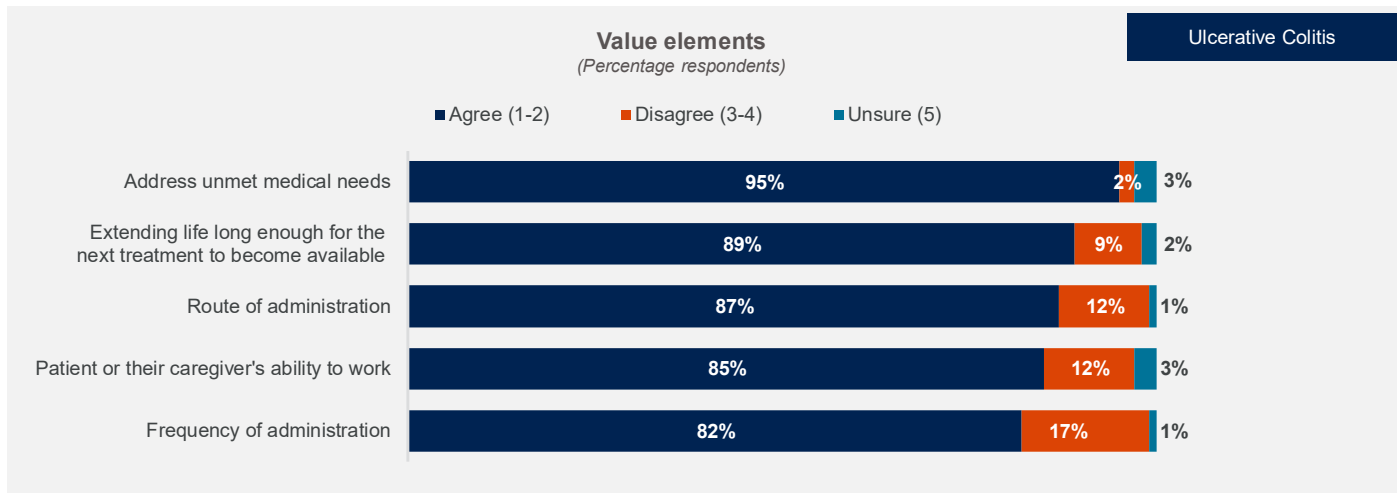
Figure 2: US Physicians Who Do Not Align with G-BA's Negative Assessment

	Ulcerative Colitis	Psoriatic Arthritis	Multiple Myeloma
Percentage of US physicians who do not align with Germany's negative assessment of the clinical benefit of innovative medicines	 93%	 90%	 94%
Of the responses that do not align with Germany's assessment, percentage of U.S. physicians who said the medicines provided additional benefit for patients	 90%	 88%	 93%

## Value Elements of Ulcerative Colitis Products

When assessing the value of pharmaceutical products, U.S. physicians look to product characteristics that are often excluded from Germany's assessments. For example, within ulcerative colitis, almost all the U.S. physicians agree that the products' ability to address unmet medical needs is important in determining its value (Figure 3). Other important factors include extending life long enough for the next treatment to become available, the route and frequency of administration and indirect benefits of a medicine, such as the patient or their caregiver's ability to work.

Figure 3: Value Elements of Ulcerative Colitis Products



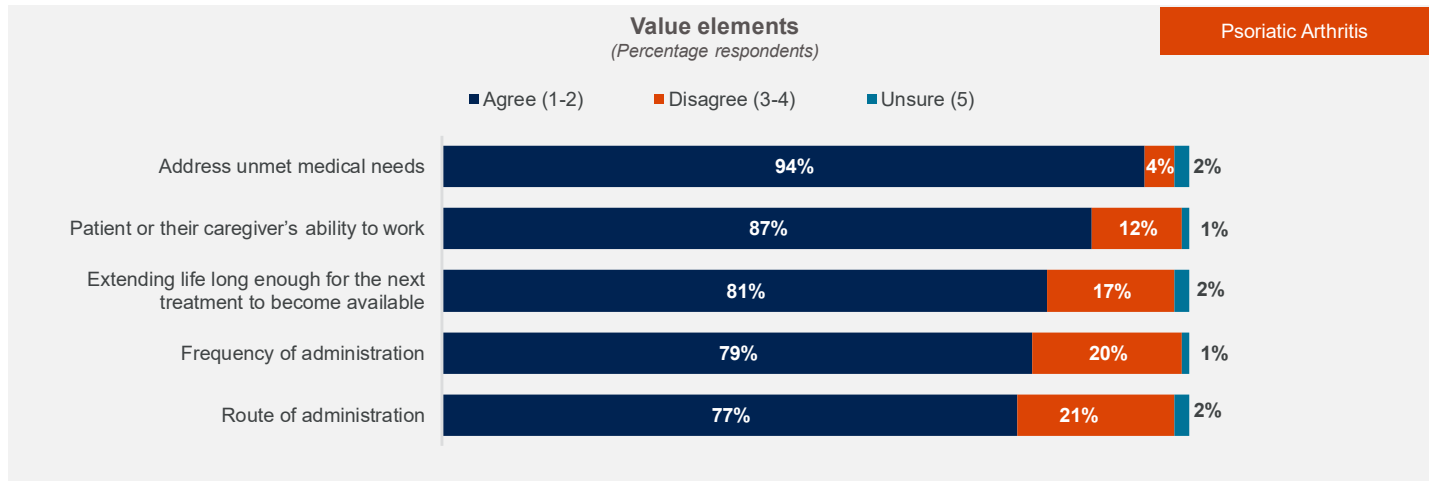
N=100  
Source: EVERSANA Custom Insights, September 2022.



## Value Elements of Psoriatic Arthritis and Multiple Myeloma Products

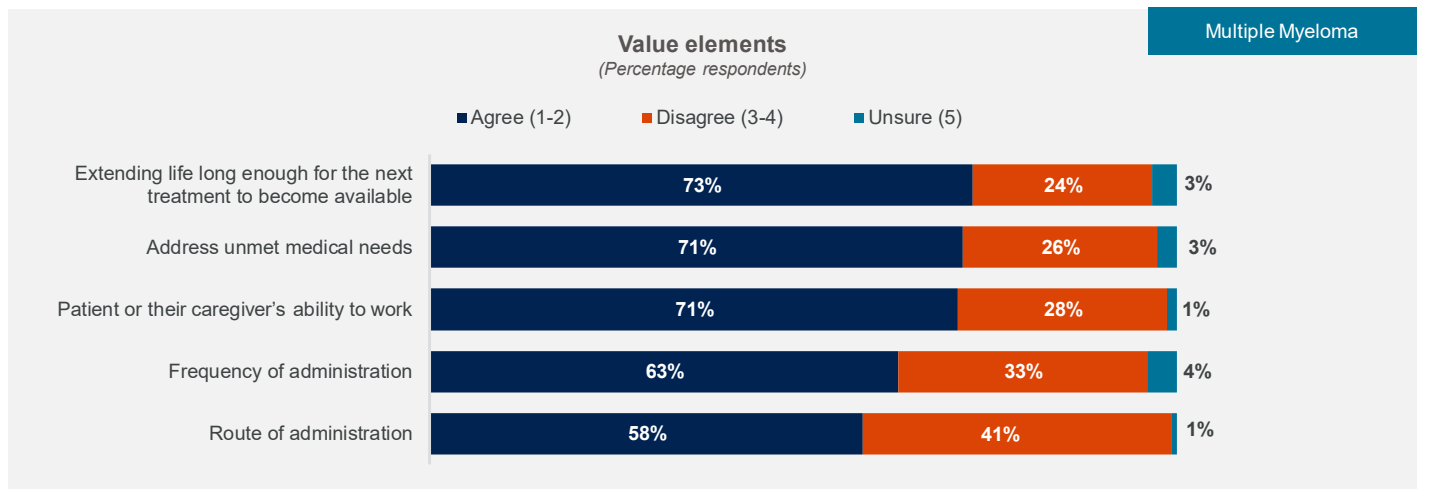
For psoriatic arthritis, most U.S. physicians agree that the products' ability to address unmet medical needs is important in determining its value (Figure 4). Meanwhile, extending life long enough for the next treatment to become available is most important in determining the value of multiple myeloma therapy (Figure 5).

Figure 4: Value Elements of Psoriatic Arthritis



N=100  
Source: EVERSANA Custom Insights, September 2022.

Figure 4: Value Elements of Multiple Myeloma



N=150  
Source: EVERSANA Custom Insights, September 2022.

## Conclusion

This study showcases the variability across value determinations between two countries – in this example the U.S. and Germany, and provides important perspectives about evolving regional systems and structures that ultimately inform patient access on a global scale. Understanding multiple value determinations can inform a more comprehensive access evaluation.

