

SURFING THE BIOSIMILAR WAVE: BIOPHARMACEUTICAL PROCUREMENT TO ACHIEVE SAFE, AFFORDABLE AND SUSTAINABLE DELIVERY

Lambros P^{1,2}, Lin W^{1,3}, Yang M^{1,3}, Lam L¹, Chynoweth T^{1,3}

¹Health Purchasing Victoria²Pharmacy Department, Eastern Health³Pharmacy Department, Monash Health

Background

The wave of biopharmaceuticals is an emerging high-cost segment of the medical field. In 2017-2018, seven of the 10 most expensive drugs by cost to the Australian Government were biopharmaceuticals, with a combined total of \$1.53 billion¹.

The introduction of biosimilars provides competition in the Australian market and with it, opportunities to reduce costs. In an environment of constrained healthcare budgets, how can the healthcare sector catch this wave to deliver biopharmaceutical medicines in a safe, affordable and sustainable way?

Description

Health Purchasing Victoria (HPV) undertook state-wide biopharmaceutical procurement to maximise the value from the availability of biosimilars. HPV's pharmaceutical procurement professionals established specialised clinical product reference groups customised to each procurement event to consider the unique clinical characteristics of each biopharmaceutical medicine, including requirements and evaluation. These reference groups consist of a diverse group of specialist clinicians from across a range of health services representing the state. HPV's tailored approach to evaluation maximised the groups' use of the available time, ensuring clinical acceptance and value delivery.

Action

HPV's pharmaceutical procurement professionals and reference groups are responsible for:

- Determining the most appropriate tender strategy.
- Customising product specifications and requirements.
- Ensuring a consultative approach to support buy-in from key stakeholders.
- Evaluating clinical products and tender responses.
- Determining the recommended products for contract award.

Reference groups are assessed to ensure effective representation of all relevant clinical areas and diverse public health service perspectives throughout the procurement decision-making process.



Evaluation

To date, HPV has implemented three state-wide biopharmaceutical contracts: filgrastim, infliximab and long-acting granulocyte-colony stimulating factor (G-CSF). The reference groups for these tenders comprised health service Directors of Pharmacy, specialised pharmacists, medical specialists and pharmacologists. Incorporating the expert recommendations of these specialists in HPV's three tenders and corresponding options reviews has delivered an estimated cost reduction of 66.6% across an estimated average cumulative spend of \$33.4 million per annum.

	Filgrastim	Infliximab	Long-acting G-CSF
Directors of Pharmacy	62%	36%	40%
Specialised pharmacists	-	21%	40%
Medical specialists	25%	36%	13%
Pharmacologists	13%	7%	7%

Table 1: Reference group composition

Conclusion

HPV's pharmaceutical procurement professionals, in strong collaboration with clinical product reference groups, have enabled more competitive supplier negotiations to successfully implement three state-wide biopharmaceutical contracts. These financial benefits derived from biosimilar competition can be reinvested to catch future waves of opportunity within the health sector and facilitate safe, affordable and sustainable healthcare outcomes.

Reference: Pharmaceutical Benefits Schedule, Expenditure Prescriptions report tables 2017-19, viewed 17 October 2019

<https://www.pbs.gov.au/expenditure-prescriptions-report-tables-2017-18>

HPV, November 2019
Contact: p.lambros@hpv.org.au



Who is HPV?

Health Purchasing Victoria (HPV) works collaboratively with Victoria's health sector to help ease cost pressures for health services through strategic procurement to provide value for hospitals so they can deliver the best outcome for patients.

