The global spend on pharmaceuticals continues to increase. The use of biological medicines offers new treatment choices to patients, but at a high financial cost. What are the challenges faced by payers and physicians in preserving access to biological medicines within a financially constrained healthcare system?
Population aging is increasing the pressure on health systems

- Between 2015 and 2030, the number of people in the world aged 60 years or over is projected to grow by 56%, from 0.9 billion to 1.4 billion\(^1\)
- By 2050, this population is projected to increase to nearly 2.1 billion; more than double the size it was in 2015\(^1\)

Approximately 80% of adults aged 60 years or over have at least one chronic condition\(^2\)

Health systems must adapt to meet the growing demand for the treatment of chronic conditions. With the global prevalence of age-related chronic diseases rising, access to cost-effective medical treatment will become increasingly important over the next decades.

In the US, chronic conditions account for:

- Two thirds of all healthcare costs
- 93% of Medicare spending

Access to cost-effective treatment is paramount for the short, medium, and long-term sustainability of healthcare systems.

Footnotes: *Medicare is a US federal health insurance program for elderly patients.
Progress in therapeutic options is accompanied by serious budgetary implications

- 225 new products are expected to come to market between 2016 and 2020\(^1\)
- Global spending on medicines is expected to reach 1.4 trillion USD by 2020*\(^2\)

**A large proportion of the new therapeutic options under development are biological medicines**\(^4\)

---

**Abbreviations:** CAGR, compound annual growth rate.

**Footnotes:** *Due to exchange rate effects, growth was reduced by 100 billion USD and increased by 268 billion USD in 2011–2015 and 2016–2020, respectively.

The use of biological medicines continues to grow consistently each year

- Biological medicines are expected to account for 30% of new drug products launched between 2016 and 2020\(^1\)

- By 2020, a number of diseases will have new biological treatment options available across developed markets\(^1\)

- Biological medicines can cost up to 100,000 USD per year per patient, negatively impacting on both patient choice and the healthcare system\(^2\)

- The constrained payer environment is triggering a range of initiatives designed to limit growth in healthcare budgets\(^3\)

Payers seek to provide and preserve access to cutting-edge medicines, but also need to ensure the long-term financial sustainability of their healthcare systems\(^3\)

The long-term potential of biological medicines is hampered by their high cost

Psoriasis

- Psoriasis affects approximately 7.4 million Americans

- Access to biological medicines remains a challenge for many American patients due to factors such as limited insurance coverage and prohibitive costs

- Up to 24% of dermatologists in key EU countries and Canada felt that cost is a key barrier to using biological medicines in psoriasis

A number of markets, including Western markets, restrict patient access to biological medicines due to their cost

Access to biological medicines is not uniform across Europe

- Compared with Western Europe, Central and Eastern Europe have experienced reduced access to biological medicines\(^1,\)\(^2\)

**Percentage of patients with rheumatoid arthritis (RA) treated with a biological medicine:**

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe*</td>
<td>11–12%</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe**</td>
<td>1–5%</td>
</tr>
</tbody>
</table>

This difference in access to biological medicines is largely due to general economic conditions\(^2\)

Footnotes: *Based on values from 2009; **Based on values from 2011.

A lack of treatment choice has a detrimental impact on patient care

Rheumatoid Arthritis (RA)

- There are around 1.3 million Americans living with RA, many of whom require biological medicines

- It is estimated that the US market for RA treatment will increase from 6.4 billion USD in 2013 to 9.3 billion USD by 2020

- On average, patients with RA can expect to pay in excess of 2,700 USD annually in co-payments for biological medicines

“I use Enbrel. I couldn’t walk without it, and when I lost my healthcare insurance it was $1,800 per box. I sold my car to pay for the Enbrel”

Mika Collins, Michigan
Patient with RA

The availability of biosimilar medicines enhances competition, improves access to biological medicines, and contributes to the financial sustainability of healthcare systems

## Biological medicines — the major social and economic challenges

<table>
<thead>
<tr>
<th>Population aging and the rising prevalence of chronic conditions is increasing the pressure on health systems(^1,2)</th>
<th>Global spend on pharmaceutical products continues to increase, and is expected to reach 1.4 trillion USD in the near future(^3)</th>
<th>Biological medicines represent an important but expensive proportion of new drugs(^4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payers seek to provide and preserve access to cutting-edge medicines, but also need to ensure the long-term financial sustainability of their healthcare system(^3)</td>
<td>Access to biological medicines is not uniform, and is often restricted by their high cost(^4,5)</td>
<td>The availability of biosimilar medicines enhances competition, improves access to biological medicines, and contributes to the financial sustainability of healthcare systems(^6)</td>
</tr>
</tbody>
</table>

### References:
Adapting the content for your needs

We want this content to be as much use to you as possible. Please feel free to use the slides in their current format, transfer them to your own template or use individual figures.

To copy slides into a different PowerPoint document:

1. Select
Using the left-hand panel in PowerPoint, hold ctrl and left-click on the slide(s) you want to use.

2. Copy
Right-click on a selected slide and then, on the menu that appears, left-click ‘Copy’.

Within your presentation:
3. Paste
Within the left-hand panel, click where you want to insert the new slides.

4. Personalise
The following menu will pop up when you paste the slides:

- Left-click this option to display the slides in your own template
- Left-click this option to keep the slides in the IGBA template

5. Format
When transferring the slides into your own template, some elements may move or appear larger, and therefore require minor formatting.

6. Attribute
Acknowledge the IGBA as the source of the slides within the references.