



THIRD ROCK

V E N T U R E S

Achieving Sustainable Patient and Market Access

**ASGCT Annual Meeting
Post-Approval Commercialization Workshop
Moderator – Philip Reilly
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PRESCRIPTION DRUG SPENDING IN THE USA - 1970-2019 (BILLIONS OF US DOLLARS)

- 2019 \$360
- 2015 \$325
- 2010 \$259
- 2005 \$205
- 2000 \$121
- 1990 \$ 40
- 1980 \$ 12
- 1970 \$ 6

PRESCRIPTION DRUG SPENDING IN THE UNITED STATES

- 2019 -2025 ????
 - *Base \$360 Billion*
- 2013 -2019 Annual growth in spending averaged ~ 6-7%*
 - *Base \$265 Billion*
- 2007 -2013 Annual growth in spending averaged ~ 2-3%*
 - *Base \$236 Billion*
- 1997 -2007 Annual growth in spending averaged ~ 9.9%
 - *Base \$100 Billion (inflation adjusted!)*
- *The actual growth was substantially less than that predicted by CMS (possibly due to increased sales of generics)

SOME FORCES SHAPING PRICING TRENDS

- Large increase in number of **blockbuster** drugs (>\$1B in sales) from 12% of sales to ~50% over last decade.
- Much more prescribing by **specialists**, compared to primary care doctors.
- Big increase in sales of **biologics** - jumped from 9% to >15% of market from 2002-2007.

FORCES TO REMEMBER

- Impact of **competition** on selling to small patient populations. Examples, SMA1, Hemophilia A, Duchenne MD.
- Inability of state Medicaid programs to pay – possible huge force limiting pricing.
- Impact of **early diagnosis** on likelihood of second affected child born to family. Example: cystic fibrosis
- Growth of **carrier testing**. Example: Tay-Sachs disease.
- Emergence of **non-invasive prenatal diagnosis**: Whole fetal genome sequencing available and reimbursed by 2020?