



# Unpacking what \$475,000 means

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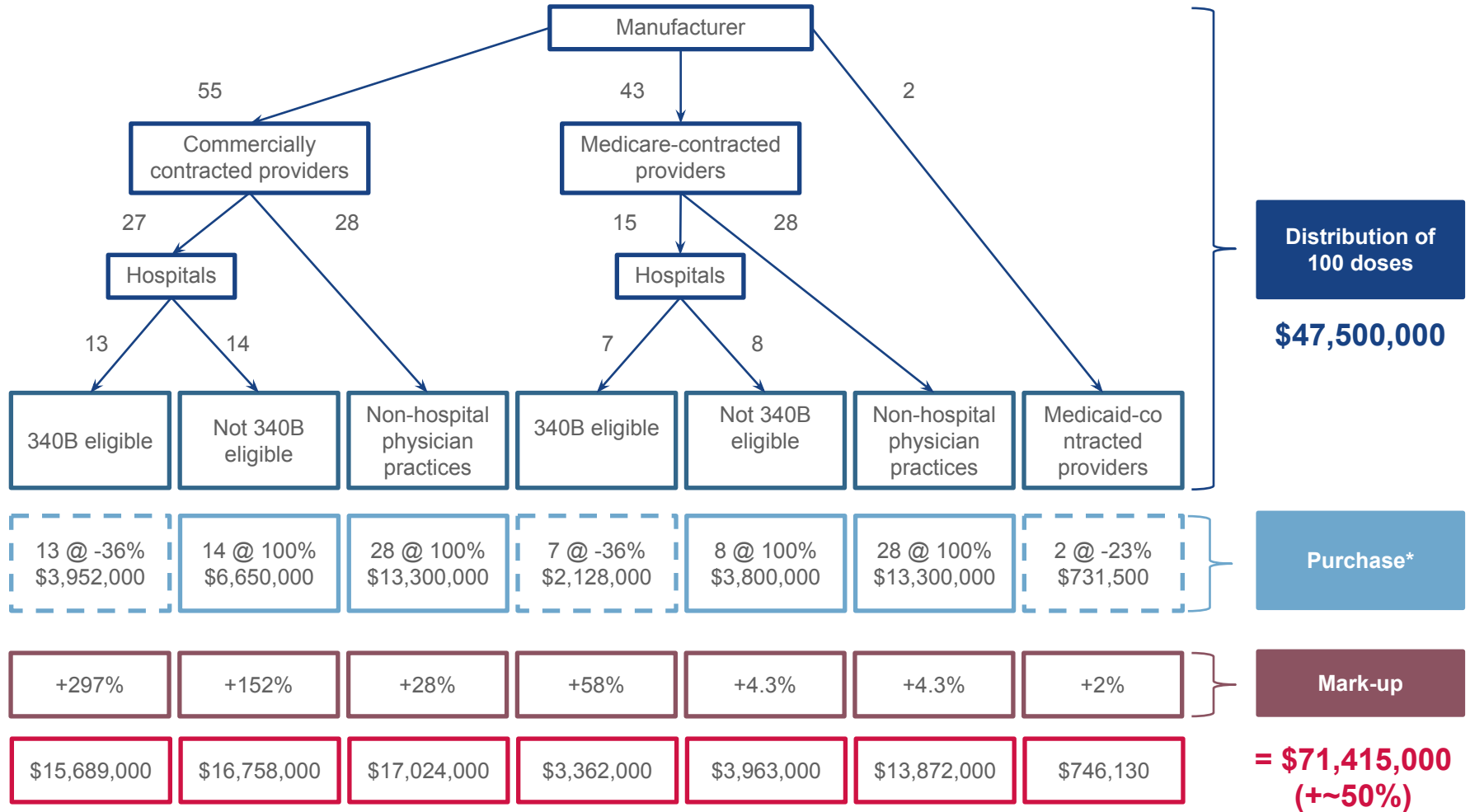
# My 2 cents on price

- Whether Kymriah's \$475,000 price is "appropriate" is up for debate, but there's no question it's expensive
- Even at this price, it could be cost effective
  - The improvement in health outcomes may be incrementally greater than the additional cost compared with existing treatment
  - Blinotumumab costs \$178,000 for 6 weeks of treatment, consistent with many other cancer therapies
- But budget impact will balloon as more treatments reach more patients

***How much will future health gains cost, and what is the right frame of reference for judging their value?***

***And how will we pay for them?***

# The way we reimburse now amplifies pricing effects



\*includes purchasing discounts

# CAR-T introduces new dynamics to this “ecosystem”, which could shift who benefits financially

- The manufacturing process breaks the mold
  - Changes pattern of physical custody
  - Enables patient-level data collection
  - Circumvents wholesalers
- As more CAR-Ts enter the market, HCPs and manufacturers will be looking to streamline logistics and paperwork for efficiency

***With wholesalers cut out, who fills that vacuum?***

# The business model that fills this space could offer some interesting tools

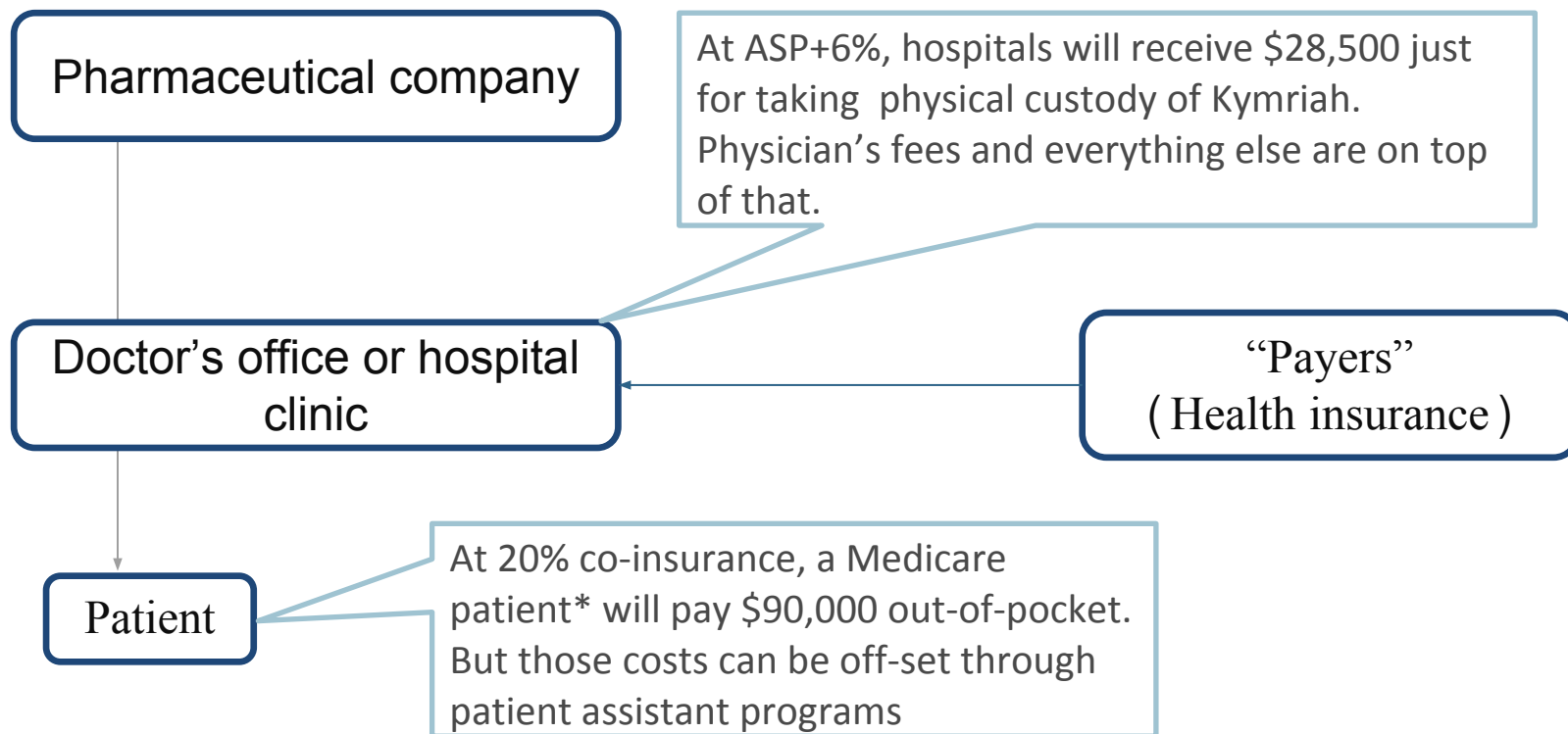
- Potential to dis-intermediate the provider
- Mechanism to control fraud (“designated felon”)
- Ability to track use by indication
- Ability to track outcomes

***How can we apply these capabilities?***

***And what kinds of spillover might we expect to other therapeutic categories?***

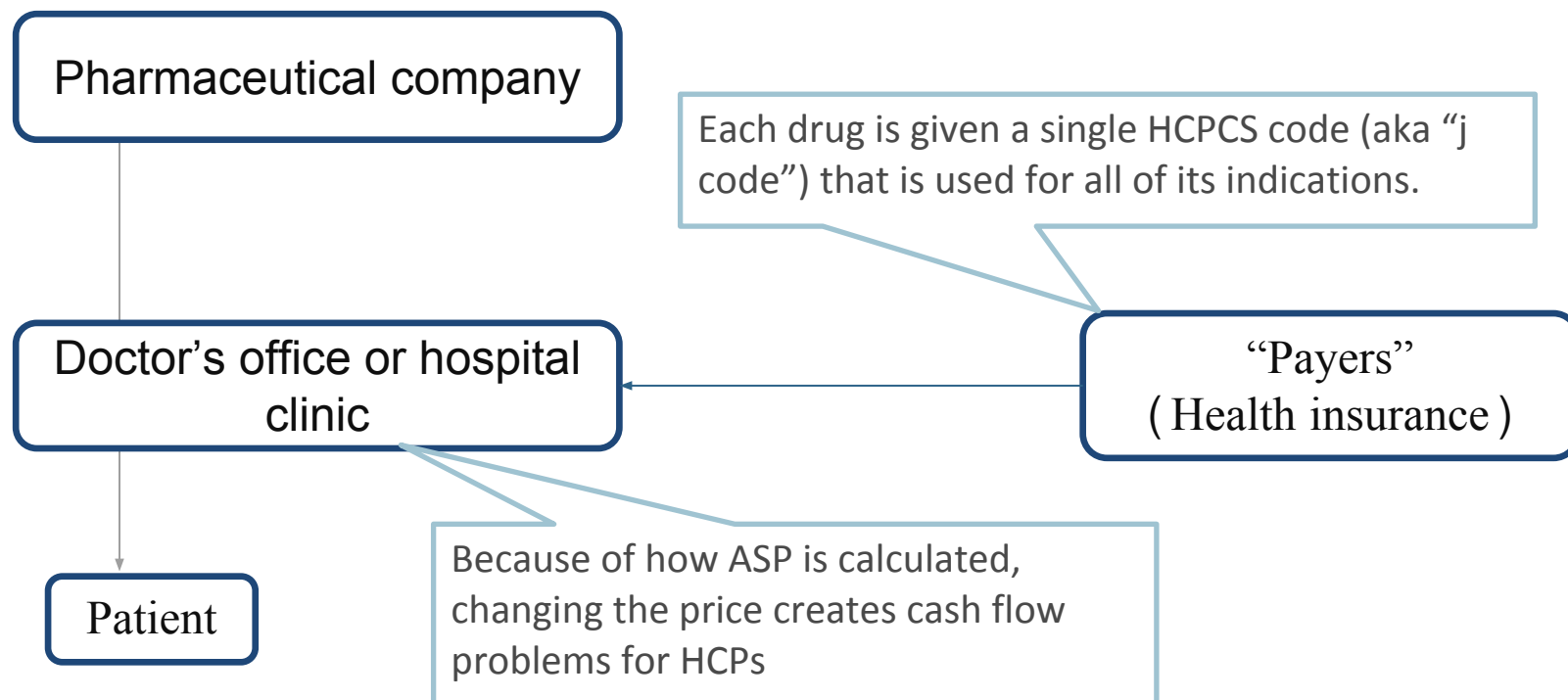
# Appendix

# The way we pay for drugs creates an ecosystem that fosters higher prices, regardless of consumer demand



***If you're trying to compete for the same patient population, will you choose a higher or lower price?***

# And once you set a price for a drug providers administer, you're locked in



***Even if you wanted to, how could you change your price for your drug's next indication?***