The pharma market access and pricing environment in Europe is rapidly changing

Payers are responding to:

**Aging populations**
By 2030 25% of the European Union's (EU) population will be aged 65 and over, up from 19% in 2015.

**Chronic diseases**
From 2017 and 2045 the number of people with diabetes (aged 20-79) is projected to increase by 16%.

**Constrained health care budgets are impacting pharma spending***

**Increasing pressure to fund drugs for rare diseases**
From 2007 to 2017:
- the EMA has given 1544 orphan drug designations.
- the FDA has given 2707 orphan drug designations.

**Worldwide, it is estimated that orphan drug sales will total $216 billion by 2022, up from $125 billion in 2017.**

Governments in Europe have tightened policy towards reimbursement and pricing 2:1 ratio of unfavorable to favorable policies.

Note:* 16 European countries were included in this analysis; Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and The UK.

Pharma are responding to:

**Increasing R&D costs**
The cost of bringing an asset to market has increased from $1.18bn in 2010 to $2.16bn in 2018.

**Falling peak sales per asset**
Peak sales per asset have decreased from $816m in 2010 to $407m in 2018.

**Increasing number of biosimilars entering the European market**
As of September 2018:
- the EMA has authorised 46 biosimilar products.
- the FDA has authorised 12 biosimilar products.

**Delays in patient access following market authorisation**
The average length of time from market authorisation to the completion of post-authorisation processes has increased from 233 days between 2007 and 2009, to 318 days between 2014 and 2016.

Pharma should enhance their core capabilities:

- Earlier launch planning focused on dialogue: Understand payer needs earlier in the R&D process through earlier dialogue with payers, providers, physicians and patients.
- Innovative contracting: Design contracting and service solutions that meet the genuine needs of the system, payer and patients, and support its sustainability.
- Real-world value dossier creation: Use RWE to develop a true understanding of systemic challenges, physician and patient experiences and the benefits of your products and services.
- Build trust and understanding: Be a collaborative partner in your therapy areas and build trust.
- Build the skills and expertise needed for the future: Consider the MIAs you have between technical and communicative expertise.

Note:** Information taken from Deloitte’s annual report, Measuring the return from pharmaceutical innovation 2018. Figures presented are for the original cohort of 12 large market capitalisation biopharma companies.