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Global cancer treatment market grew to $107 bn in 2015

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More than 20 tumor types are being treated with one or more of the 70 new cancer treatments that have been launched in the past five years, with the sustained surge in innovative therapies driving the global oncology market to $107 billion in 2015.

However, many of these drugs are not yet available to patients in most countries, and even when registered they may not be reimbursed under public insurance programs, according to a new study released by the IMS Institute for Healthcare Informatics.

The study-Global Oncology Trend Report: A Review of 2015 and Outlook to 2020-finds that growth in global spending on oncology therapeutics and supportive care drugs increased 11.5 percent on a constant-dollar basis last year.

Growth is measured using ex-manufacturer prices and does not reflect off-invoice discounts, rebates or patient access programs.

A large and diverse set of more than 500 companies is actively pursuing oncology drug development around the world. Collectively, they are advancing nearly 600 new molecules through late-stage clinical development, most frequently for non-small cell lung cancer and breast, prostate, ovarian and colorectal cancers.

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Annual global growth in the oncology drug market is expected to be 7.5 - 10.5 percent through 2020, reaching $150 billion.

Wider utilization of new products-especially immunotherapies-will drive much of the growth, offset by reduced use of some existing treatments with inferior clinical outcomes.

Payers also are expected to tighten their negotiation stance with manufacturers and adopt new payment models in an effort to drive greater value from their expenditures on these drugs.

"The new science redefining cancer as a large number of narrowly defined diseases and yielding therapeutic options for an expanding number of patients is rapidly transforming the oncology treatment landscape," said Mr Murray Aitken, IMS Health senior vice president and executive director of the IMS Institute for Healthcare Informatics. "Most health systems are struggling to adapt and embrace this evolution-including the regulatory systems, skilled professionals, diagnostic and treatment infrastructures, and financing mechanisms that are required to serve the needs of cancer patients around the world. These challenges demand urgent attention in light of the strong near-term pipeline of clinically distinctive therapies, and new programs such as the US government's 'cancer moon shot' that are galvanizing research efforts to change the trajectory of cancer."

The report's other key findings include the following:

Ã¢â?¬Â¢ Sustained level of innovation expected through 2020. The pipeline of oncology drugs in clinical development has expanded by more than 60 percent during the past decade, with almost 90 percent of the focus on targeted agents.

The median time from patent filing to approval for oncology drugs in 2015 was 9.5 years, down from 10.3 years in 2013.

A series of initiatives, including the FDA Breakthrough Therapy designation introduced in 2012, may be contributing to the reduction.

In the past three years, three molecules were approved within four years of patent registration.

Ã¢â?¬Â¢ The availability of new cancer treatments varies widely around the world. Of the 49 oncology New Active Substances analyzed that were initially launched between 2010 and 2014, fewer than half were available to patients by the end of 2015 in all but six countries: the US, Germany, UK, Italy, France and Canada.

This reflects manufacturers' efforts to file for registration in each country, as well as the regulatory process and timing.

Targeted immunotherapies are available in most developed countries, but none of the emerging markets outside of the European Union has yet registered these treatments.

Even when available through the regulatory review process, not all cancer drugs are accessible to patients due to lack of reimbursement under public insurance programs.

Of the drugs approved in 2014 and 2015 by a set of developed countries analyzed, only the US, France and Scotland have more than half included on reimbursement lists at the end of 2015.

In some cases, reimbursement may be provided in the future for specific indications, depending on health technology assessments or other processes used by the country.

Ã¢â?¬Â¢ The growth in costs of oncology therapeutics and supportive care has accelerated since 2011. The annual growth rate in cancer drug costs has risen from 3.8 percent in 2011 to 11.5 percent in 2015, at constant exchange rates.

Growth in the US market increased from 2.0 percent to 13.9 percent in the same period.

The US now accounts for about 45 percent of the global total market for therapeutics, up from 39 percent in 2011, due in part to the strengthening of the US dollar and more rapid adoption of newer therapies.

In the US, cancer drugs now make up 11.5 percent of total drug costs, up from 10.5 percent in 2011. Pricing concessions by manufacturers-including mandatory and negotiated rebates, discounts and patient cost offsets-are reducing manufacturer-realized net sales across many markets.

Net price growth in the US on existing branded oncology drugs have averaged an estimated 4.8 percent in 2015, compared with 6.4 percent invoice price growth.

In Europe, a wide range of discounts and other mechanisms also exist, resulting in lower realized prices by manufacturers.

Ã¢â?¬Â¢ The distribution of cancer drugs is shifting due to reimbursement changes and expanded use of targeted therapies. The mix of oncology drugs distributed through hospitals/clinics and retail channels varies widely across countries and reflects differences in healthcare practice, reimbursement and mix of formulations.

In European markets including Italy, Spain and the UK, costs have shifted to hospital channels during the past five years, while in Canada, France and the US costs have increased more rapidly in retail channels.

In the US, cancer drugs dispensed through retail channels now account for more than one-third of total costs, up from 25 percent ten years ago and typically covered by pharmacy benefits.

This reflects a shift in the mix of new therapies toward oral medicines, eliminating the need for injection or infusion in a physician's office or outpatient facility.

Nearly 40 percent of the total costs of targeted therapies in the US are now for oral formulations, up from 26 percent in 2010.

Ã¢â?¬Â¢ Key trends within the US oncology market include a shift toward integrated delivery systems, rising treatment costs and higher patient out-of-pocket expenses. Only 17 percent of US oncologists are in independent practices, unaffiliated with some type of integrated delivery network or corporate parent, down from 28 percent in 2010.

State-level variation is wide, with 14 states having fewer than 10 percent of oncologists in independent practices, and six states having more than 30 percent.

Average total treatment costs for patients in commercial insurance plans with a cancer diagnosis who are receiving active treatment reached $58,000 in 2014, up 19 percent from 2013.

Patients with commercial insurance who were treated in 2014 with cancer drugs received by injection or infusion were responsible for more than $7,000 of costs on average, compared to $3,000 for those patients receiving only oral medicines.

Some type of coupon or patient cost offset was used for more than a quarter of cancer drug retail prescriptions filled by patients with commercial insurance in 2015, up from 5 percent in 2011 and reflecting efforts by manufacturers to reduce patient out-of-pocket costs. The average cost offset has averaged about $750 per prescription over the past five years.