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CPhI: Dramatic changes ahead for the generics market

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Technology impacting generic drugs include artificial intelligence, telemedicine, fraud-preventing digital solutions and more, according to a report

The second part of CPhI's Annual Report for 2020 looks into the future of generics, with predictions including market changes impacting digital adoption and global generic consumption between now and 2025. The findings, released in conjunction with this week's virtual CPhI Festival of Pharma, suggest digital technologies hold the potential to lower healthcare costs and foster innovations for generic producers.

Bikash Chatterjee, CEO at Pharmatech Associates, said the concept of patient centricity has gone beyond being a buzzword to being a core value, and that telemedicine will have a long-lasting impact.

"*By 2025, telemedicine and patient participation in routine healthcare will be the norm in the US*," he said. "*The EU will be close behind, even if GDPR represents a significant compliance hurdle, as does the 2013 transparency legislation in the EU. Pharma will bring a more mature component of its R&D framework to analyze and harvest treatment information from telemedicine databases*."

Chatterjee also foresees the industry will see voice collection of data in the home begin to be incorporated into both home and health settings.

"*In April 2019, Amazon unveiled their secure software solution toolkit that allows health care companies to build Alexa voice tools capable of securely transmitting private patient information — a move that opens the door to a broad array of uses in homes and hospitals*," Chatterjee commented.

Aurelio Arias, engagement manager of thought Leadership with IQVIA Arias, predicts technology will transform the approach of generic and biogeneric companies by 2025. In his analysis, he reports that many generic companies will need to look at alternate strategies to maintain growth, switching from volume alone to innovative approaches that deliver greater patient value.

Growth in the last few years has been driven by increases in volume consumption in emerging economies, but generics will now have to offer additional value-added benefits, he added. This phenomena, along with sustained economic downturn, means biosimilar encroachment will have to increase in Western countries, where big savings need to be delivered.

"*Northwestern European countries, especially the Nordics, UK and Germany, have historically shown immediate entry and rapid uptake of biosimilars so they are well poised to generate the greatest savings by 2025*," Arias said. "*There are a couple of large biologics approaching expiry over the next few years such as Eylea and Stelara; these will be focus areas for EU healthcare systems*.

"*The US, however, will see the biggest saving of all when Humira exclusivity runs out in 2023*," Arias noted. "*Currently there are around eight biosimilar candidates lined up ready for launch in that year and this unprecedented level of competition will likely generate the highest savings*."

The result of the competition will be that generic companies will increasingly need to offer value-added approaches, as well as comparable reference products, to secure competitive advantages, Arias added.

"*It is likely that we'll see an increasing number of specialist generics and biosimilars companies that focus predominantly on innovation; for example, Celltrion have explicitly stated that they will increase their focus on biobetters and have recently announced trials on an oral biologic. Generics in five years' time could indeed come in many forms but the regulatory and payer environment will have to recognize and support them along the way*," Arias said.

Arias also predicts that by 2025, 56% of newly genericized drugs will be small molecules, and the speciality generics market, which accounts for the bulk of the value, should focus on reducing administration complexity and adding a digital layer to their therapeutic offering helping patients manage therapies.

The report also suggested tomorrow's off-patent leaders will be manufacturers who begin to behave in the way innovators do. Investing in patient-centric product design, engaging stakeholders, generating real world evidence and partnering with MedTech start-ups; this will allow them to align their products closer to patient needs and in doing so, create efficiencies in healthcare provision.

Because of this, some of the largest generics and biosimilars companies are already actively exploring innovative strategies as a source for continuing growth. Relying on volume increase alone cannot sustain their size; behaving like innovators offers avenues for growth, but gaining reimbursement for their efforts will be challenging if they struggle to communicate additional value to payers—some originators will be able to compete on price with their referenced copies, yet this still leaves scope for an innovator to improve upon any originator product.

Tara Dougal, head of content at CPhI Festival of Pharma, commented, "*Patient centricity and how technology will be integrated into therapies has been rapidly accelerated because of COVID. With generics coming off-patent, these will also become product USPs that drive growth in the years ahead*."

A copy of the CPhI Annual Report can be downloaded at www.globalpharmainsights.com.

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