



## Australian Study Reveals Significant Cost Savings and Market Impact From Biosimilars

The economic impact of biosimilars on the Australian health care system is now clearer, with data revealing their role in reducing market expenditure and driving price competition.

Researchers conducted the analysis to address a critical challenge facing health care payers: balancing the rapid growth in indications and costs of biologic medicines with finite health budgets. The researchers recognized that once patents for reference products expire, the introduction of biosimilar medicines is a key strategy to provide continued patient access to necessary treatments while ensuring the long-term affordability of funding schemes.

The primary objective of the present study was to describe the specific impact of biosimilars on the volume and cost of biologics within the Australian market. To achieve this, the research team extracted Australian sales data for selected biologic medicines with at least one biosimilar available for a minimum of 12 months. The data, spanning a decade from 2010 to 2020, was sourced from IQVIA-MIDAS. The researchers measured expenditure in US dollars and volume in standardized units (SUs). They calculated the differences in expenditure, volume, and average SU price for both the reference product and the total market for the 12-month periods before and after biosimilar market entry.

A key finding was the substantial reduction in total expenditure for biologic reference products. Just 12 months after a biosimilar entered the market, the expenditure for the reference product was reduced by 38.3%. This occurred in a market that experienced only a minimal increase in overall use, demonstrating that the savings were primarily driven by price reduction rather than a change in market size.

The price competition was also evident in the per-unit cost. The average price of a standardized unit for reference products decreased by 30% to 40%. Furthermore, the study confirmed that the price of biosimilar standardized units was as much as 40% lower than the price of their reference products. By 2020, the cumulative effect of these introductions was clear: biosimilars had grown to account for 30% of the total biologics market in Australia.

The demonstrated cost savings and increased market penetration indicate that biosimilars are not only viable alternatives but are also essential for maintaining accessible and affordable health care.

### Reference:

<https://www.centerforbiosimilars.com/view/australian-study-reveals-significant-cost-savings-and-market-impact-from-biosimilars>