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Prepared for June Manning, compliments of General Manager with VerusMed

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Peregrine, Stason Pharmaceuticals agree to develop new tumor necrosis therapy products

Peregrine Pharmaceuticals Inc. signed agreements with Stason Pharmaceuticals Inc. to develop tumor necrosis therapy (TNT) products implementing Peregrine's TNT technologies, which use monoclonal antibodies to target intracellular tumor antigens in dead or dying tissues.

The agreements grant Stason certain exclusive development and commercialization rights to Peregrine's TNT technologies in certain Asia-Pacific Economic Cooperation countries. Peregrine retains exclusive rights to its TNT technologies in the United States, the European Union and other countries.

Stason will pay Peregrine up-front fees, annual fees and milestone payments during the term of the agreements, as well as double-digit royalty payments on net product sales.

Peregrine's lead TNT product candidate is Cotara, a monoclonal antibody conjugated with the radioisotope Iodine-131. Cotara has been designated as an orphan drug by the Food and Drug Administration and is in Phase II clinical testing as a potential treatment for glioblastoma multiforme, a deadly type of brain cancer.

U.S. drug spending increased 6.4 percent in 2009; cancer drugs contribute

Spending on prescription drugs in the United States increased 6.4 percent in 2009, and inflation in drug prices for branded products appeared to be the single most important factor in cost-per-unit growth, according to a new report, which also highlighted behavior-related factors that contributed to spending waste.

In its 2009 Drug Trend Report, which was based on analyses of two independent random samples of approximately 3 million members in both 2008 and 2009, Express Scripts Inc. noted that prices increased 9.1 percent for branded drugs within traditional therapeutic classes, while prices for specialty drugs increased 11.5 percent. These price increases, in addition to changes in utilization, drove a 4.8 percent increase in overall spending on traditional drugs and a 19.5 percent increase in spending on specialty agents.

Overall, more than 12 percent of drug spend was attributed to specialty agents. Approximately two thirds of specialty drug spending was associated with three therapeutic areas: cancer, which had per member per year (PMPY) spending of \$17.40, inflammatory conditions, which had PMPY spending of \$30.94, and multiple sclerosis, which had PMPY spending of \$25.76. In the next three years, the PMPY costs for cancer are expected to rise almost 93 percent.

Higher cost per unit contributed 10.6 percent to increased spending for cancer drugs. Increased prevalence and use of higher-cost drugs also contributed (4 percent and 7 percent, respectively).

In the 2009 report, Express Scripts for the first time analyzed behavioral factors that affect drug spending trends. With regard to cancer drugs, behavioral factors drove drug spending trends up 7.1 percent, largely because of the increased use of more expensive agents.

Express Scripts noted that it "sees great potential for ... enhanced understanding of human behavior not only to improve the health of Americans, but also to lower overall health care costs."