Published in final edited form as:

Alzheimers Dement. 2018 June ; 14(6): 833–836. doi:10.1016/j.jalz.2018.02.007.

Accelerating Alzheimer's Drug Innovations from the Research Pipeline to Patients

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Abstract

In June 2017, a diverse group of experts in Alzheimer's convened to discuss how to accelerate getting new drugs to patients to both prevent and treat the disease. Participants concluded that we need a more robust, diversified drug development pipeline. Strategic policy measures can help keep new AD therapies (whether to treat symptoms, prevent onset, or cure) affordable for patients while supporting innovation and facilitating greater information sharing among payers, providers, researchers, and the public, including: a post-market surveillance study system, disease registries, innovative payment approaches, harmonizing federal agency review requirements, allowing conditional coverage for promising therapeutics and technology while additional data are collected, and opening up channels for drug companies to communicate with payers (and each other) about data and outcomes. To combat reimbursement issues, policy makers should address the latency time between potential treatment—which may be costly and fall on private payers—and societal benefits that accrue elsewhere.

There have been some disappointing results from Alzheimer's trials recently. In February 2017, Merck announced it would cease trials of verubecestat, the first in a new generation of BACE drugs, due to negative results, and in September, Axovant reported that intepirdine did not improve cognition or functional status relative to placebo in patients with mild to

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Competing Interests:

Dr. Goldman serves as a consultant to Precision Health Economics, a health care consultancy that provides services to the life sciences industry, and holds equity in its parent company, Precision Medicine Group.

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moderate Alzheimer's disease (AD). Experimental therapies from Eli Lilly & Co, Pfizer, and Johnson & Johnson have been similarly disappointing.^{1,2} Yet the burden of disease is so severe that many of these companies remain committed to future research, and several important clinical trials will read out in the next few years. Without any intervention, dementia prevalence could triple over the next several decades. However, interventions could dramatically alter this trajectory;³ a one-year delay in onset, for example, could generate billions in savings in medical and caregiving costs.⁴ These potential benefits explain why experts going back to the 1990's have proposed incremental goals to reduce both the incidence and rate of decline for Alzheimer's disease and related disorders (ADRD).⁵

The history of ADRD trials suggest that any progress in forestalling or mitigating symptoms will be incremental. In an era of rising health care costs, how can we ensure that we can afford these medications, and that patients will have access to them? In June 2017, patient advocates, academic researchers, payers, pharmaceutical innovators, and policymakers met in New York City to begin an early discussion about how to accelerate getting new drugs to patients to both prevent and treat. The meeting's goal was to identify policies that might more efficiently and effectively move incremental ADRD drug innovations from the research pipeline to patients in the United States' health care system, which is already struggling with high and rising costs.

We need a robust pipeline

The most significant hurdle we face in combating AD right now is widespread drug failure, due in part to a lack of diversity in novel targets and a lack of validated pre-clinical models. Unfortunately, there has not been a novel drug approved to treat Alzheimer's since 2003 when Namenda came to market. There are 105 agents moving through the development pipeline, targeted in three main areas: primary prevention before changes in the brain occur; secondary prevention when changes in the brain have already occurred, but before symptoms appear; and treatment when symptoms have appeared.⁶

As new drugs come to market in the United States, private insurers will rely on evidence that is generated through short-term clinical trial results to make coverage decisions for specific populations and sub-populations of beneficiaries. (For Medicare, oral agents are eligible for reimbursement if they are FDA approved and included in a compendium. If, however, drugs are not self-administered and therefore require a physician service, they are reimbursed under Part B and would therefore need to demonstrate evidence of improved outcomes in the Medicare population.) Either way, most of the near-term coverage decisions likely will involve modest improvements in symptoms or delays in disease progression. Nonetheless, payers are wise to begin thinking now about how to finance both a breakthrough treatment, which is more likely to be a long-term therapy than a one-dose cure, and a preventive drug which would have to be administered to tens of millions of patients, some of whom may never manifest the disease.

There is a high price to drug development failure

Pharmaceutical manufacturers often cite high research and development costs as the main reason for high drug prices. However, the high cost of developing drugs is driven largely by the number of failures; the drug approval process is not particularly expensive. The overall success rate of advancing the AD compounds studied from 2002 to 2012 to regulatory submission was just one in 244, or a failure rate of 99.6 percent.⁷ Without Namenda, the failure rate would have been 100 percent. To reverse the trend, innovators need to adopt practices that are more likely to lead to drug approvals, primarily by building on successful phase 2 trials to get robust results on both cognitive function and activities of daily living.

Pharmaceutical innovators also need to facilitate enrollment of patients with dementia in clinical trials. There are significant hurdles to AD clinical trial enrollment; potential volunteers are often concerned about risks, invasive procedures, and the time required for participation, while providers cite a lack of their own time, lack of available diagnostic tools, lack of proximity to a research center, and patient comorbidities as factors that prevent them from referring patients. Additionally, many prerequisites for AD trials can be prohibitive for possible participants, including a study partner or conflicting medication.⁸

To address some of these barriers, at least one pharmaceutical company has established an account with Lyft to transport study participants directly to their sites so that patients don't need to pay for a taxi upfront and wait for reimbursement. Development of more precise biomarkers can also help make sure appropriate patients are enrolled in trials and help avoid the costs of over-treatment⁹, however the demands for testing these biomarkers can also make studies much more complex and expensive. Social media can help increase awareness of trials, especially for difficult-to-reach populations, but its efficacy in boosting enrollment is unclear.¹⁰

Pharmaceutical innovators must conduct more phase 4 clinical trials for AD drugs to demonstrate longer-term outcomes for both patients and caregivers and avoidance of downstream medical costs like hospitalizations. To that end, participants agreed there are tremendous opportunities for innovators and payers to partner in phase 4 trials by linking trial data to claims and electronic health record data and examining outcomes over five or 10 years (or more) to determine clinical effectiveness and cost offsets over time.

We need creative financing mechanisms

With dozens of new Alzheimer's drugs in the pipeline involving many different mechanisms of action, it is likely that, in the near term, treatment innovations will be incremental – possibly similar to a stepwise approach for illnesses such as type-2 diabetes or hypertension. Longer term, many are hopeful that researchers will find a cure for Alzheimer's or a way to prevent the disease. And while Alzheimer's disease is a worldwide problem, payer systems are heterogeneous and national. In some respects, the U.S. through its market-based system finances pharmaceutical R&D for the rest of the world. Complicating the financing picture, Alzheimer's innovations would likely involve early treatment with downstream benefits decades later, but our health care system is operated on annual contracts.

Public and private payers also face different risks—in the near term, most cost exposure for AD is in the Medicare population, where potential utilization and cost savings would accrue to Medicare for inpatient care and Medicaid for nursing home care. But a breakthrough innovation aimed at people aged 50 to 60 that prevented the disease would be financed by private insurers—who would incur much of the cost and get little, if any, savings. This is a fundamental problem that policy makers and the Alzheimer's community must address.

Payers also lack long-term follow-up studies that can guide coverage decisions. Increasingly, payers are turning to value-based contracting methods such as warranties that annuitize costs over time to see if promised clinical outcomes and cost savings actually materialize. For example, if a drug costs \$40,000 for a course of treatment, the manufacturer gets \$20,000 up front but would not get the additional \$20,000 unless the patient shows marked improvement on predetermined outcomes, like remaining independent at home. Admittedly, this kind of risk-sharing can be challenging when the clinical outcomes are difficult to measure and delayed for years. The UK's experience with risk-sharing schemes for multiple sclerosis drugs provides valuable lessons¹¹ and best practices going forward.¹² Looking at the U.S. landscape more specifically, there are emerging opportunities for manufacturers, payers, and regulators to coordinate and open doors to a range of novel pricing arrangements.¹³

Beyond cost savings to the larger health system, some—including the World Health Organization—are beginning to view Alzheimer's disease as an economic issue because of the impact on low and middle-income countries and potential consequences for economic development.¹⁴ A similar framework was used with HIV AIDS, where efforts to get treatment to low- and middle-income countries were in part driven by economic development considerations, with the consequence that now many of the fastest-growing nations in the world are in sub-Saharan Africa. Looking at Alzheimer's as a global economic development issue also may create opportunities to tap nations' sovereign investment funds as a funding source for continued research.

Despite the market-based nature of much of the U.S. health care system, public policy can play an important role in ensuring progress on all of these goals. Key policy levers include:

- Deploying post-market surveillance study system, linking claims and electronic health records to clinical and patient-reported outcome data, to measure longer term utilization and other outcomes.
- Fostering collaboration between industry and the academic and clinical fields, both in financing and conducting experimental trials and establishing disease registries to store large quantities of relevant clinical data, i.e. biomarkers, neuropsychiatric assessments, and patient-reported outcomes, which could be used in phase 4 follow-ups and inform future risk-sharing cost models.
- Developing innovative payment approaches that share risk between manufacturers and payers.
- Harmonizing policies at the Food and Drug Administration and Medicare requirements through, for example, parallel review for drug approval and

coverage or the use of aligned metrics for regulatory coverage, quality reporting, and payment.

- Adopting “coverage with evidence development” policies to allow conditional coverage for drugs while additional data are collected.
- Adding flexibility for drug companies to communicate with payers about data and outcomes in diverse clinical settings.

In sum, patients with Alzheimer’s disease need effective treatments at affordable prices; pharmaceutical makers need commensurate return on investment for the value of innovative products; payers need population-based evidence of the effectiveness and value of innovative therapies; providers need better diagnostic tools and financial incentives to deliver appropriate care to patients with dementia and stop practices that make dementia worse;^{15,16} and the public needs demonstrable value from higher health care spending at the societal level. These are achievable through good policy and scientific progress.

Acknowledgments

This research was supported by a grant from Axovant Sciences and by the National Institutes of Health under award numbers R56AG052949 and P30AG024968, as well as by the Alzheimer’s Drug Discovery Foundation, the Schaeffer Center for Health Policy & Economics at the University of Southern California, and the Center for the Evaluation of Value and Risk in Health at Tufts Medical Center. We appreciate insightful comments from a diverse set of participants who attended a one-day meeting at the Paley Center for Media in June 2017. These include: Matthew Baumgart, Jason Doctor, Geoffrey Joyce, Pei-Jung Lin, Shari Ling, Steve Miller, Lewis Sandy, Nina Silverberg, Yaakov Stern, Sean Tunis, George Vradenburg, and Julie Zissimopoulos. The participants’ comments were made in an individual, rather than official, capacity. The opinions expressed herein are solely those of the authors.

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