TEVA UK Limited

Dr Carole Longson
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10 September 2007

Dear Dr Longson

Ref Health Technology Appraisal :
Corticosteroids for the treatment of chronic asthma in adults and children aged 12 years and over :
Final Appraisal Determination ("FAD")

As consultees to the technology appraisal process around the Final Appraisal Document we now wish to appeal against the FAD, using Ground Two of the Technology Appraisal Process: Guidance for Appellants (the "Guidance") that The Institute has prepared guidance which is perverse in the light of the evidence submitted.

Our concern and appeal surrounds the comments in section 4.2.5 and section 4.2.6 of the FAD. We find it perverse and incorrect that when CFC beclometasone is excluded from the analysis, the committee draw the conclusion that fluticasone becomes the cheapest option.

In accordance with paragraph 4.7 of the Guidance, in our appeal we have not provided any new data

For your ease of reference these sections are shown in italics below.

Section 4.2.5

"At the lower end of the low-dose range (400 micrograms beclometasone dipropionate equivalent per day), the cheapest ICS is beclometasone dipropionate with an average cost of £65 per year. When CFC-containing products are excluded the cost increases, but beclometasone dipropionate remains the cheapest ICS (average cost of £79 per year). Excluding CFC-containing products has no effect on the mean costs of fluticasone propionate, mometasone furoate or ciclesonide because these are available only as CFC-free products. At the upper end of the low-dose range (800 micrograms beclometasone dipropionate equivalent per day), beclometasone dipropionate is the cheapest product with an average cost of £130 per year. When CFC-containing products are excluded, fluticasone propionate becomes the cheapest option if a weighted mean is considered. "

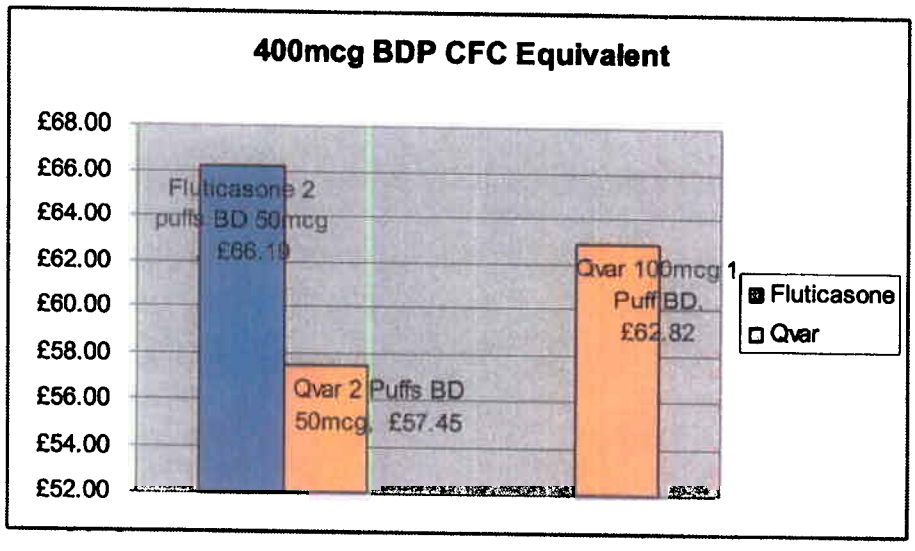
Section 4.2.6

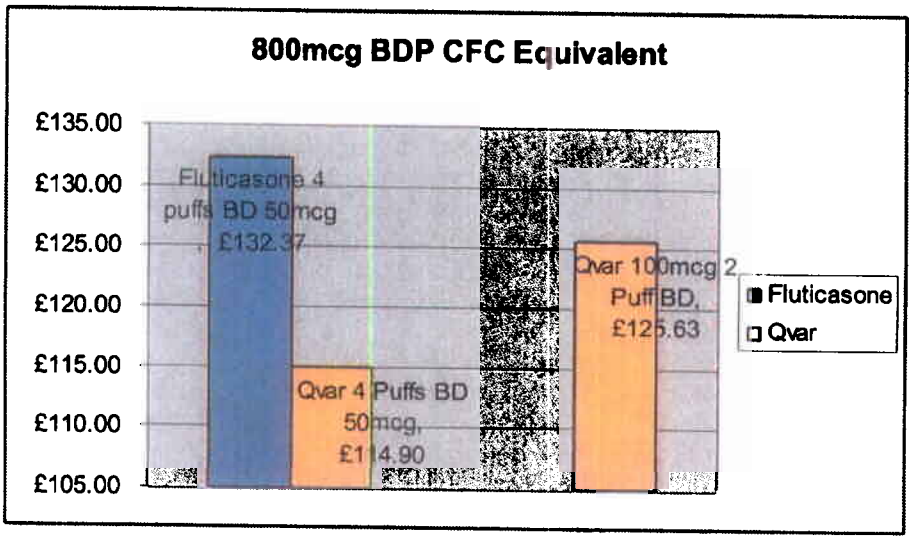
"In the high-dose range (800–2000 micrograms beclometasone dipropionate equivalent per day), only four ICSs were compared because ciclesonide is not licensed for use at an equivalent dose. The cheapest option is beclometasone dipropionate with an average cost of £198 per year. When CFC-containing products are excluded, fluticasone propionate is the cheapest ICS because cheaper CFC-containing beclometasone dipropionate products currently occupy a larger market share. "

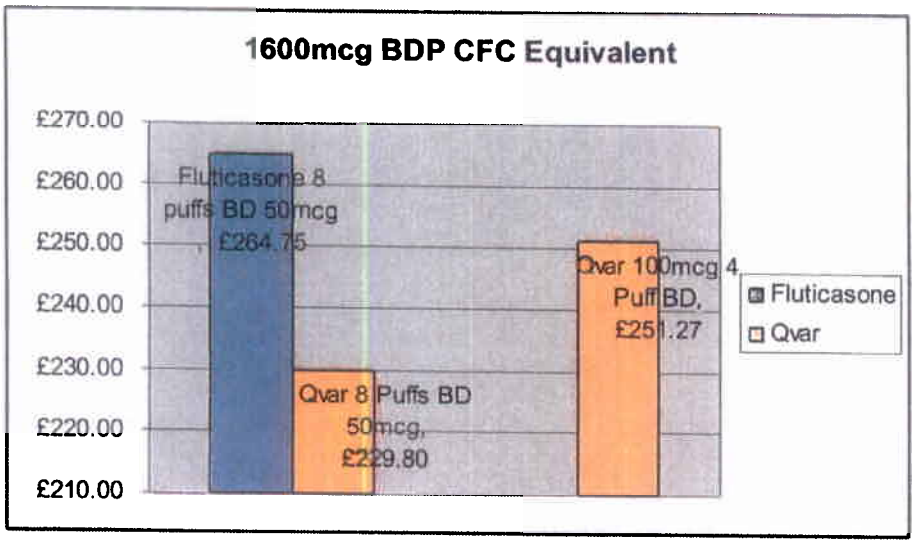
As a conclusion, section 1.1 states that "for adults and children aged 12 years and older with chronic asthma in whom treatment with an inhaled corticosteroid (ICS) is considered appropriate, the least costly product that is suitable for an individual, within its marketing authorisation, is recommended" which, according to the subsequent analysis, once beclometasone CFC is excluded, would be fluticasone.

We challenge the conclusion that when CFC beclometasone (BDP) is excluded from the analysis (with Becotide already discontinued), fluticasone (FP) becomes the cheapest option. We believe that the analysis comparing weighted mean annual costs fails to account for actual costs and dose patterns, and are concerned that the conclusion that fluticasone is the most cost effective option is erroneous. For example, in order to achieve a dose of 1600mcg daily, the cheapest option would mean 16 puffs of Flixotide 60mcg per day; we consider it unlikely that healthcare professionals would prescribe such a high use puff pattern of an inhaler per day. BTS Guidance recognises that inhaled steroids should be given twice daily and that there is little evidence of benefit of giving steroids more than twice daily.

The bar charts below and the table in the appendix clearly illustrate that at **every** dose (cost per dose), fluticasone MDI is more expensive than Qvar® (beclometasone CFC free MDI), even when comparing the cheapest version of Flixotide MDI which is the 50mcg inhaler.







Additionally, we are concerned that the analysis using either unweighted or weighted mean annual costs based on PCA 2005 data, exaggerates the effect of high cost dry powder beclometasone once CFC beclometasone is excluded. In fact, the most common inhaler used for both fluticasone and beclometasone (CFC-containing and CFC-free) is the MDI.

Our rationale was described in our previous response to the Appraisal Consultation Document (14 May 2007):

> "The use of weighted averages in the Assessment Report also includes BDP administered by dry powder inhaler (DPI). Since the DPIs are more expensive than their MDI equivalents, this assumption skews that the analysis in favour of FP, when CFC-BDP is clearly the more cost effective option. We also believe that the calculation of mean weighted and unweighted annual costs has made an erroneous assumption around the extent of DPI prescribing after the CFC phase out, that the DPIs will represent 8% of the ICS usage rather than the current 3% of prescriptions, due to the fact that the quantities of DPI shown in the PCA 2005 are based on dose and not units prescribed."

The comments in the FAD take greater account of the 3% volume of beclometasone which are prescribed as DPIs, once CFC beclometasone is excluded – resulting incorrectly in the conclusions in sections 4.2.5 and 4.2.6. This is due to the fact that fluticasone DPIs are the same price or marginally more expensive than the MDI. Using figures from the PCA 2005, the MDI accounts for 97 % of the inhalers used in beclometasone and 70% of the inhalers used with fluticasone. Fluticasone accuhaler accounts for 82% of the fluticasone dry powder use and this is priced the same as the MDI. Beclometasone dry powder however is priced substantially higher than CFC and CFC free BDP and therefore when CFC BDP is excluded, the mean price of BDP is increased by using this methodology in the analysis and therefore the conclusions are perverse.

The conclusions in sections 4.2.5 and 4.2.6 of the FAD are thus, in the Institute's terms "obviously and unarguably wrong", and we therefore wish to appeal against the resulting perverse guidance in the light of the submitted evidence.

If requested and if it would assist the Appeal Committee we are willing to make oral submissions as required at the hearing.

Yours faithfully,

Appendix

Annual costs of fluticasone and Qvar, based on various dose patterns (PCA 2005,MIMS September 2007)

Costs per annum for CFC BDP daily dose equivalent

	Cost per inhaler	Cost per dose	400mcg	500mcg	800mcg	1000mcg	1600mcg	2000mcg
Flixotide_Evohaler 50mcg (120 D)	5.44	0.045	£ 66.19		£ 132.37		£ 264.75	
Flixotide_Evohaler 125mcg (120 D)	21.26	0.177		£ 129.33		£ 258.66		£ 517.33
Flixotide_Evohaler 250mcg (120 D)	36.14	0.301				£ 219.85		£ 439.70
Qvar 50_Autohaler 50mcg (200 D)	7.87	0.039	£ 57.45		£ 114.90	£ 143.63	£ 229.80	
Qvar 100_Autohaler 100mcg (200 D)	17.21	0.086	£ 62.82		£ 125.63		£ 251.27	
Qvar 50_Inha 50mcg (200 D)	7.87	0.039	£ 57.45		£ 114.90	£ 143.63	£ 229.80	
Qvar 100_Inha 100mcg (200 D)	17.21	0.086	£ 62.82		£ 125.63		£ 251.27	
Qvar 50 E-Breathe_Inha 50mcg (200 D)	7.74	0.039	£ 56.50		£ 113.00	£ 141.26	£ 226.01	
Qvar 100 E-Breathe_Inha 100mcg (200 D)	16.95	0.085	£ 61.87		£ 123.74		£ 247.47	

number of puffs per day for CFC BDP daily dose equivalent

	cost per inhaler	Cost per dose	400mcg	500mcg	800mcg	1000mcg	1600mcg	2000mcg
Flixotide_Evohaler 50mcg (120 D)	5.44	0.045	4		8		16	
Flixotide_Evohaler 125mcg (120 D)	21.26	0.177		2		4		8
Flixotide_Evohaler 250mcg (120 D)	36.14	0.301				2		4
Qvar 50_Autohaler 50mcg (200 D)	7.87	0.039	4		8	10	16	
Qvar 100_Autohaler 100mcg (200 D)	17.21	0.086	2		4		8	
Qvar 50_Inha 50mcg (200 D)	7.87	0.039	4		8	10	16	
Qvar 100_Inha 100mcg (200 D)	17.21	0.086	2		4		8	
Qvar 50 E-Breathe_Inha 50mcg (200 D)	7.74	0.039	4		8	10	16	
Qvar 100 E-Breathe_Inha 100mcg (200 D)	16.95	0.085	2		4		8	