

## This tiny, one-drug biotech company is the loudest critic of Trump's new international drug pricing policy

Nicholas Florko Dec. 16, 2020

WASHINGTON — A tiny biosimilar company called Coherus Biosciences is emerging as one of the loudest critics of President Trump's plan to tie what the U.S. pays for pricey injectable drugs to what other countries pay.

In the three weeks since the Trump administration unveiled the controversial policy, the company has had roughly a dozen conversations with Trump administration officials, inserted itself into the ongoing lawsuit against the policy filed by the Biotechnology Innovation Organization, and already filed sharply worded comments on the regulation — six weeks ahead of the official deadline.

All of this action comes from a company with just one registered in-house lobbyist and two outside lobbying firms. Pharmaceutical behemoths, like Amgen and Genentech, have been taking similar actions, but they have more money at stake, and far more resources in Washington. For comparison: Amgen has 10 in-house lobbyists and 24 outside firms on retainer.

Why's Coherus on high alert? The policy will cut reimbursement for its only approved product, the white blood cell booster Udenyca, by more than 20% come January 1st, and by an additional 95% within four years. The company is already warning that it may be forced to lay off employees and cut its research budget if the policy is implemented.

The policy, Coherus argues in a recent court filing, would put it in a particularly precarious vis-a-vis its competitors. Pfizer, Novartis, and Viartis all make competing biosimilars, but none are included in Trump's plan.

“By using different reimbursement methodologies for pegfilgrastim biosimilars, the [regulation] incentivizes physicians to stop prescribing UDENYCA and instead prescribe its biosimilar competitors.

Physicians will prefer to prescribe these biosimilars because they will have substantially higher reimbursement rates,” the company wrote in a court filing.

The company estimates that it will lose \$64 million in the first six months after Trump's policy is implemented.

The inclusion of Coherus' drug in the new drug pricing program is actually a little perplexing: While its drug launched at \$4,175 per vial, that's still 33% cheaper than the biologic drug it copies. The drug is widely hailed as an example of how cheaper biosimilars can lower drug costs for seniors. Udenyca is also the only biosimilar included in the program.

Even more perplexing: The drug isn't sold anywhere but the United States, so the Trump administration technically can't peg its price to any international price. Instead, they're pegging the drug to the price of the branded product it copies, Amgen's Neulasta.

“The U.S. is our Only Favored Nation,” the company's CEO Denny Lanfear told STAT in a statement.