

Economic benefits of integrated molecular testing, evidence-based pricing, and pooled procurement across diseases:
an illustration

Roundtable on Access to Multi-disease Molecular Diagnostics

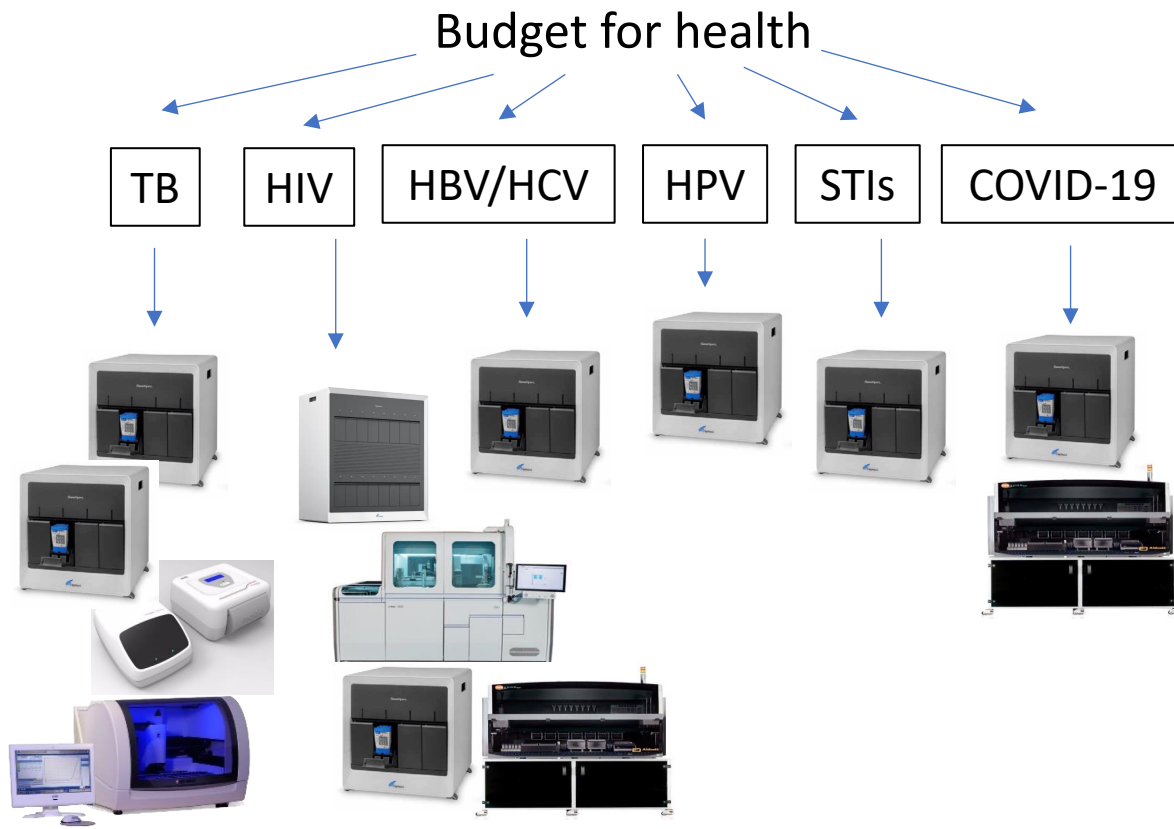
Presented by David Branigan, Treatment Action Group

david.branigan@treatmentactiongroup.org

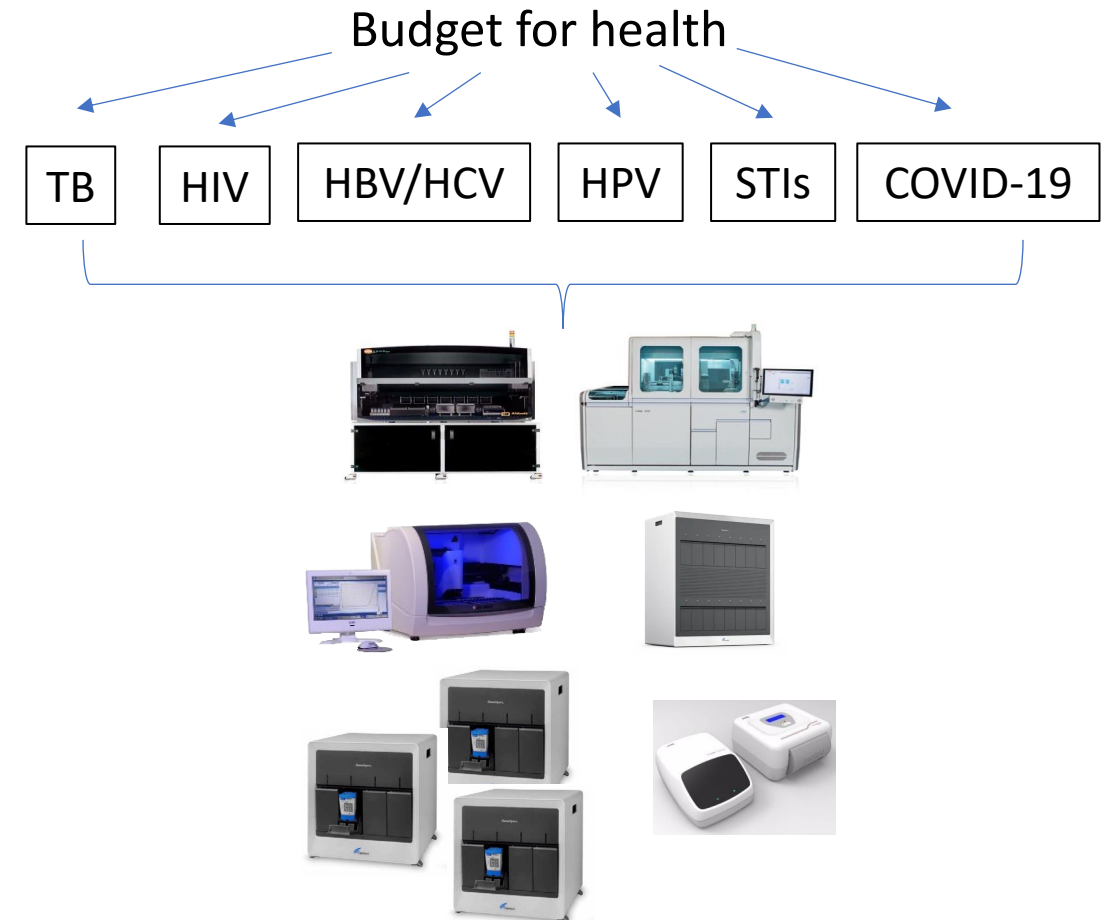
June 2, 2022

Economic benefits of integrated molecular testing

Siloed testing



Integrated testing



Economic benefits of evidence-based pricing

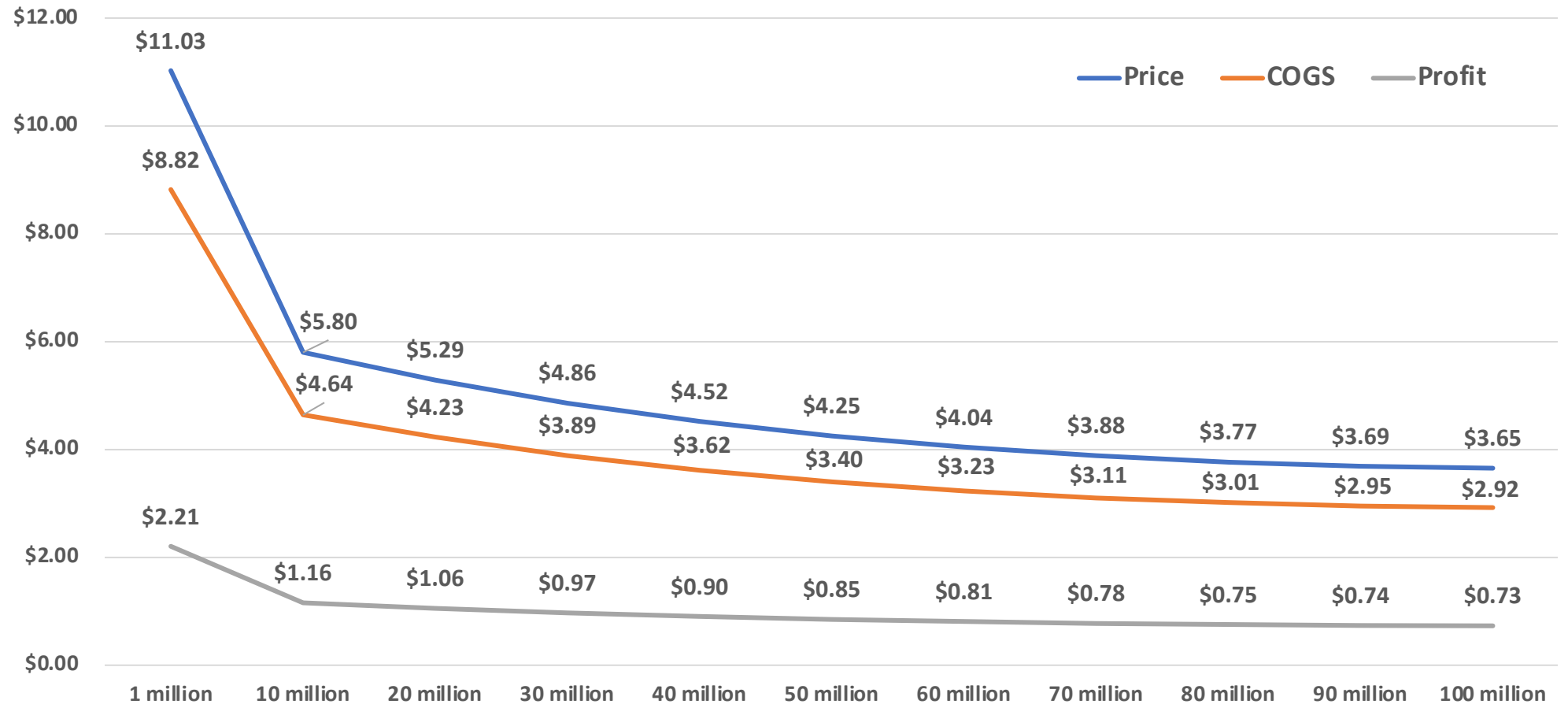
Overview

- This graph illustrates a hypothetical cost curve for molecular tests, based on data points from the [independent cost-of-goods-sold \(COGS\) analysis of GeneXpert tests commissioned by MSF](#).

Assumptions:

- MSF-commissioned COGS analysis estimated GeneXpert cartridge COGS to be about \$8.82 at volumes of 1M, and \$4.64 at volumes of 10M, including IP royalties
- Subsequent volume-based price reductions along the cost curve are based upon conservative estimates
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Model of volume-based variation in evidence-based price, COGS, and profit for molecular tests, based on estimated COGS of GeneXpert tests



Economic benefits of evidence-based pricing

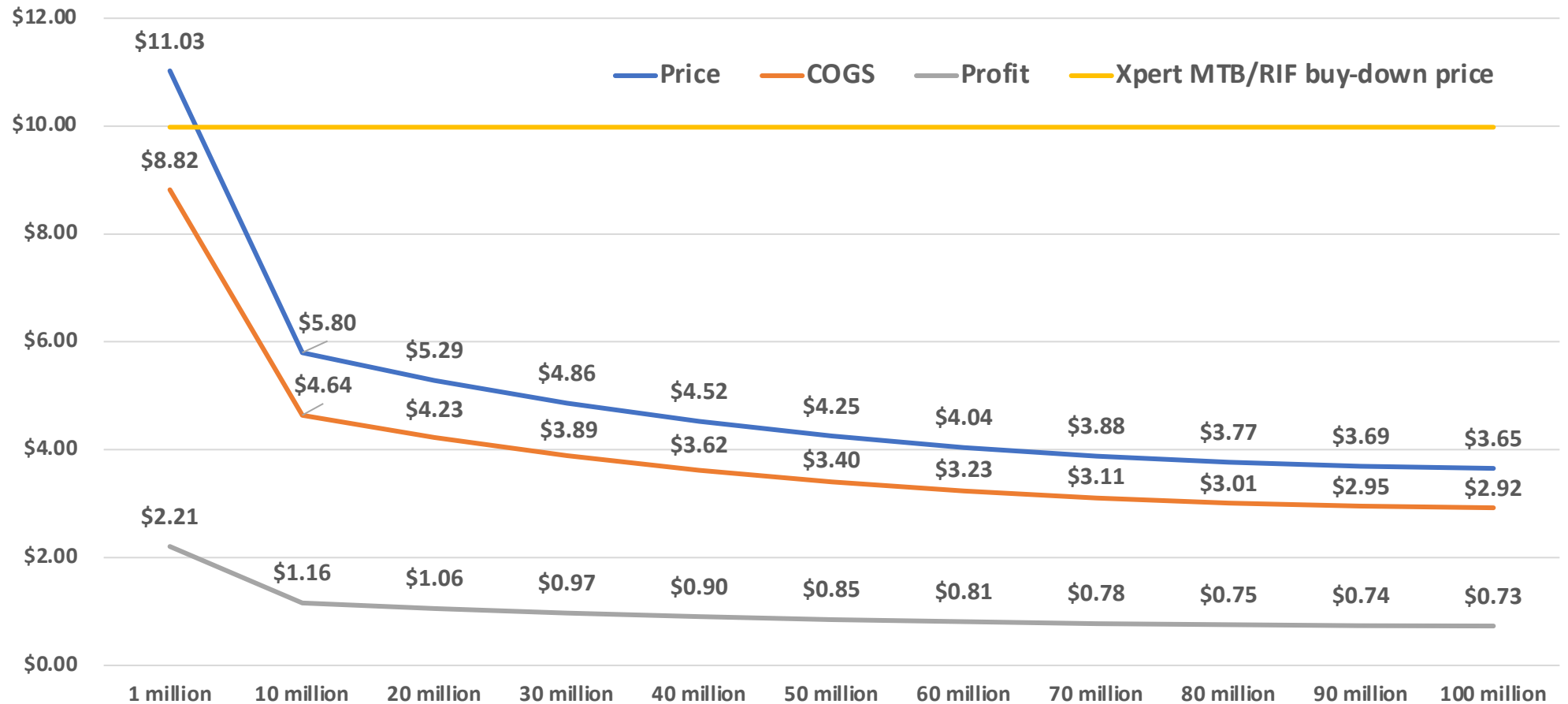
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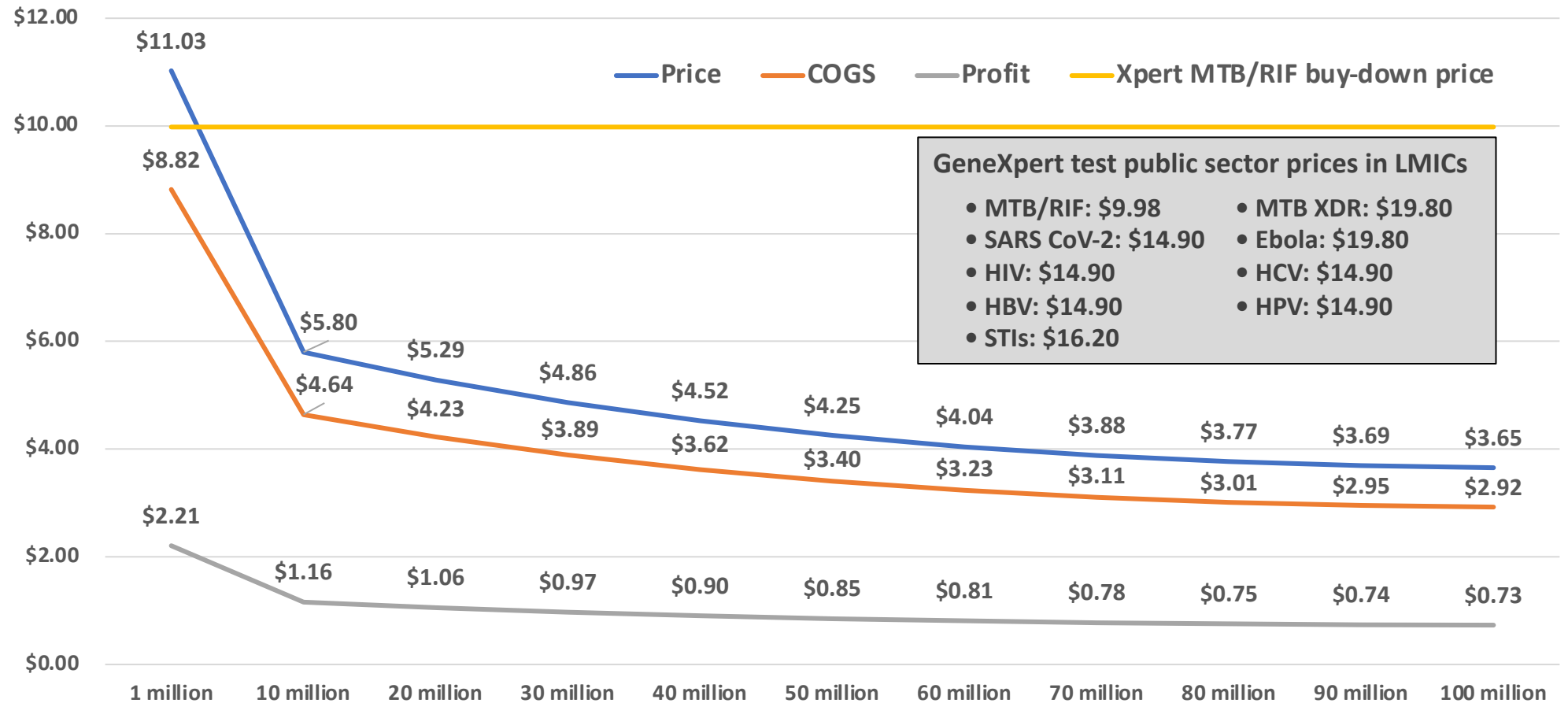
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Economic benefits of pooled procurement across diseases

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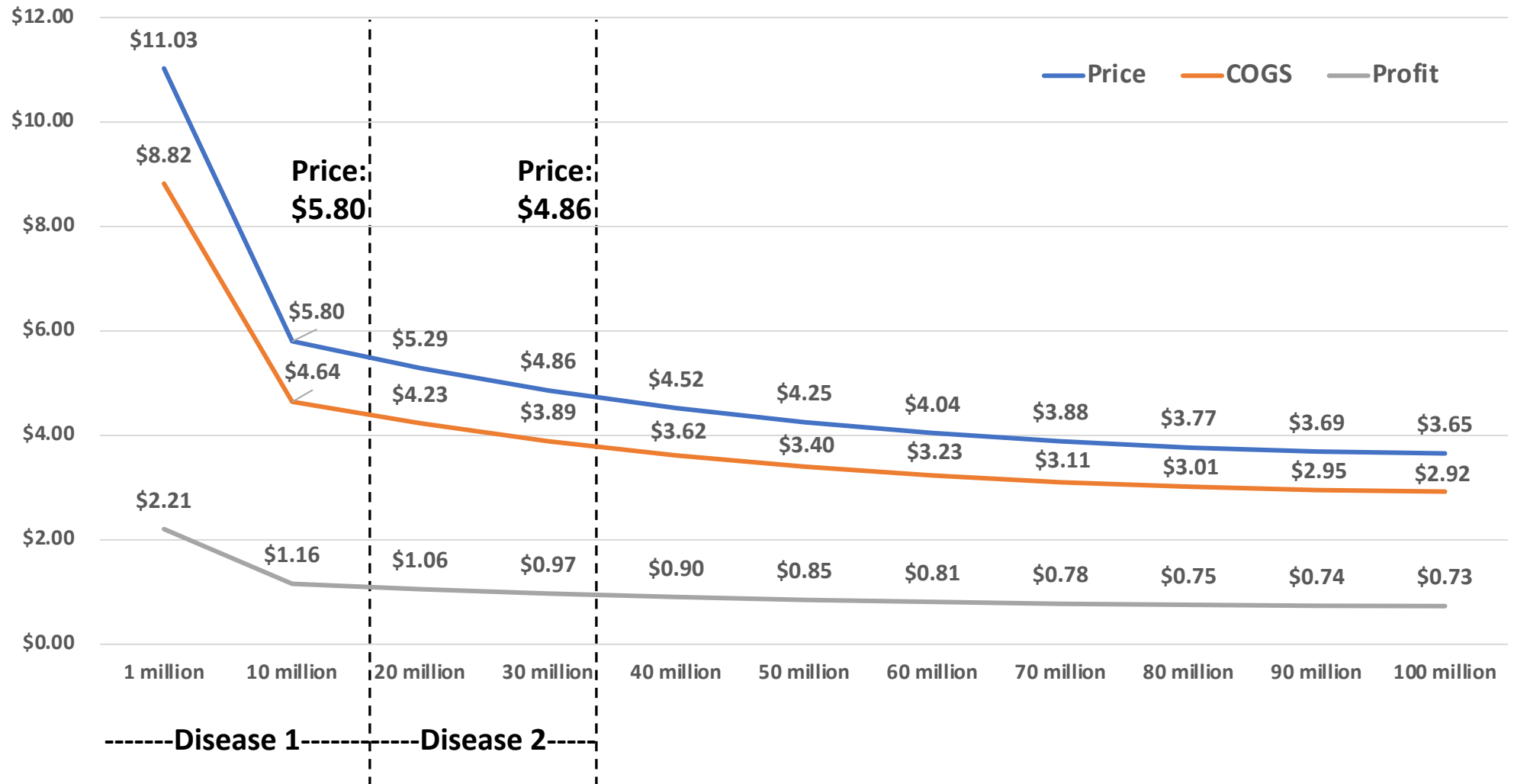
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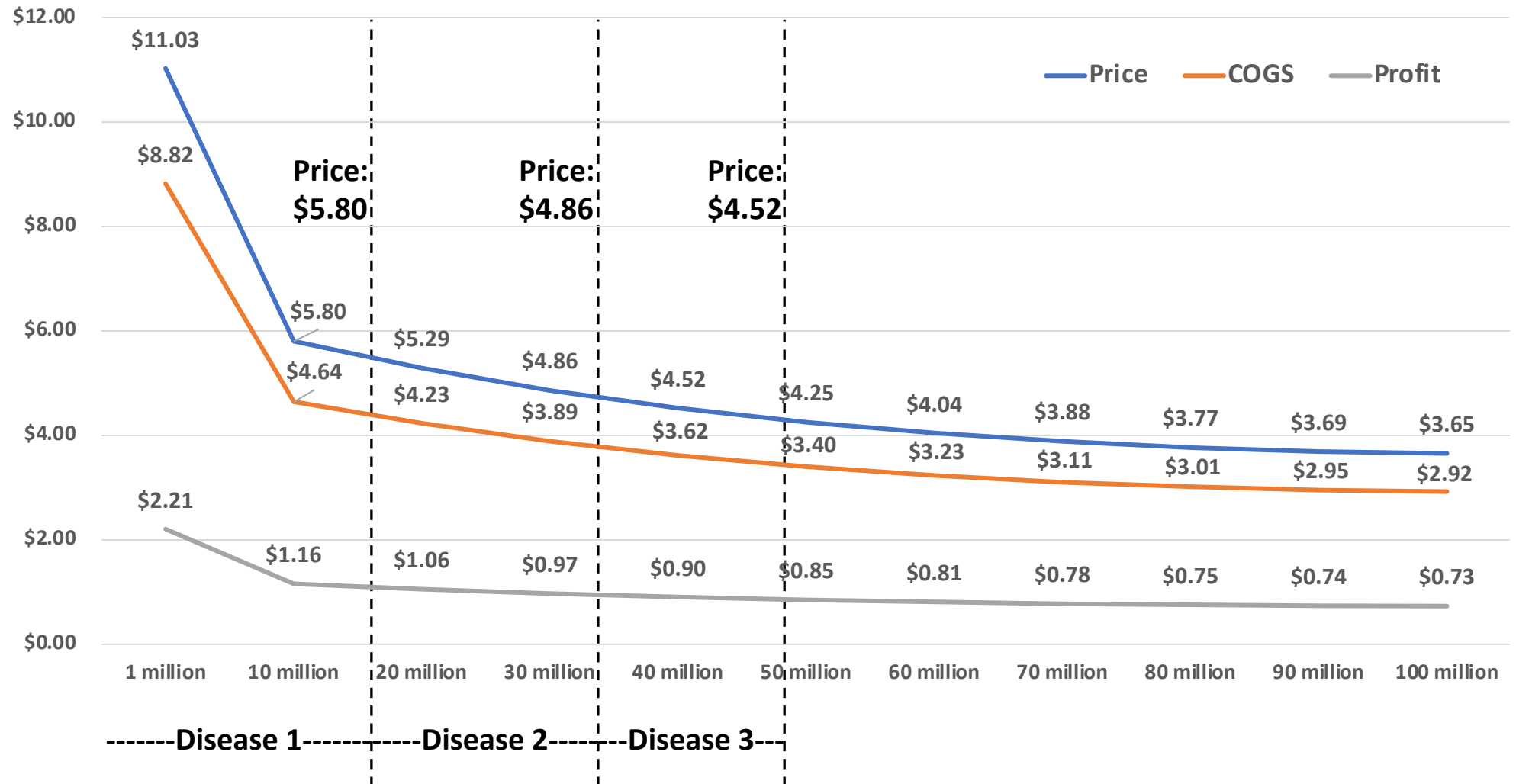
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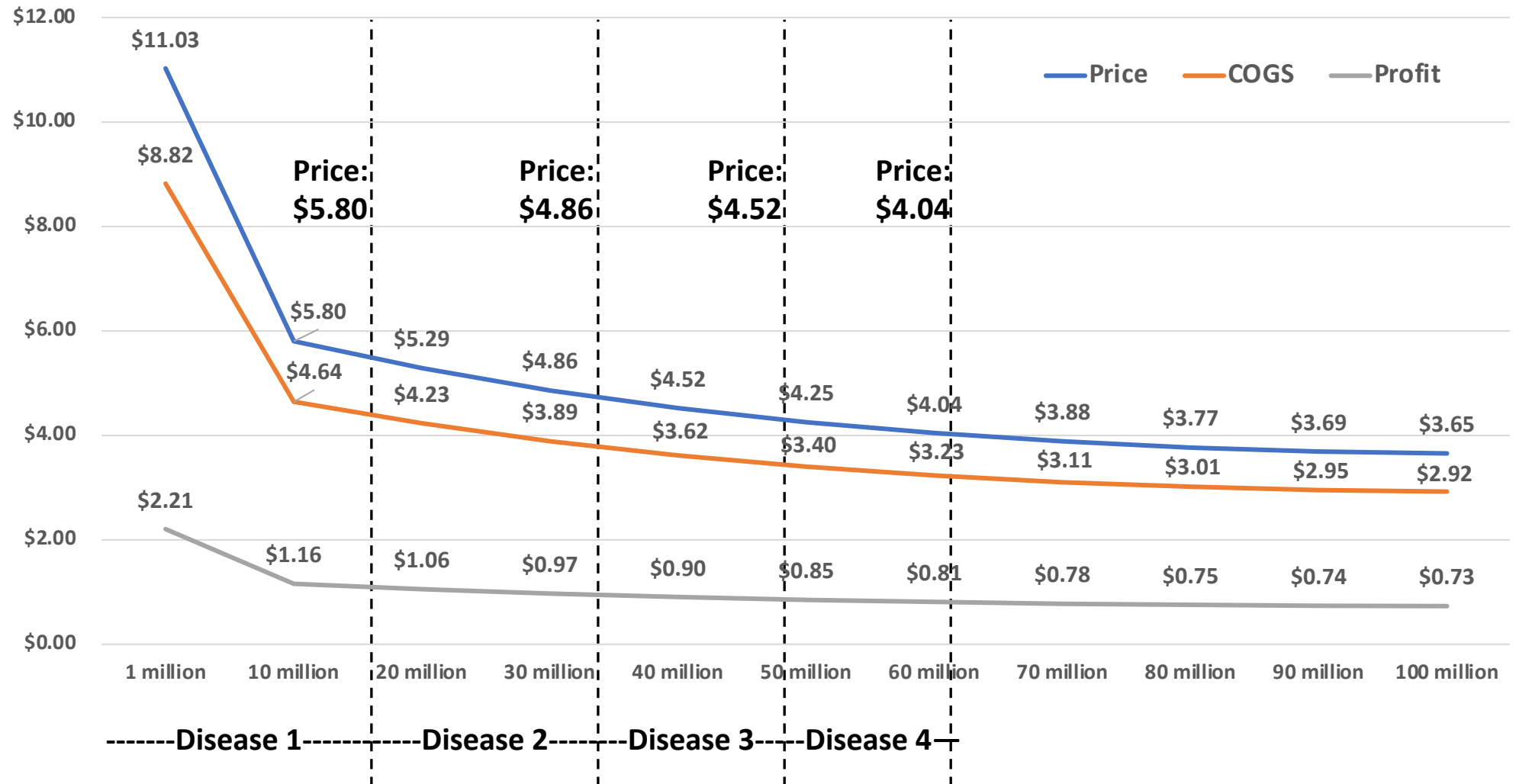
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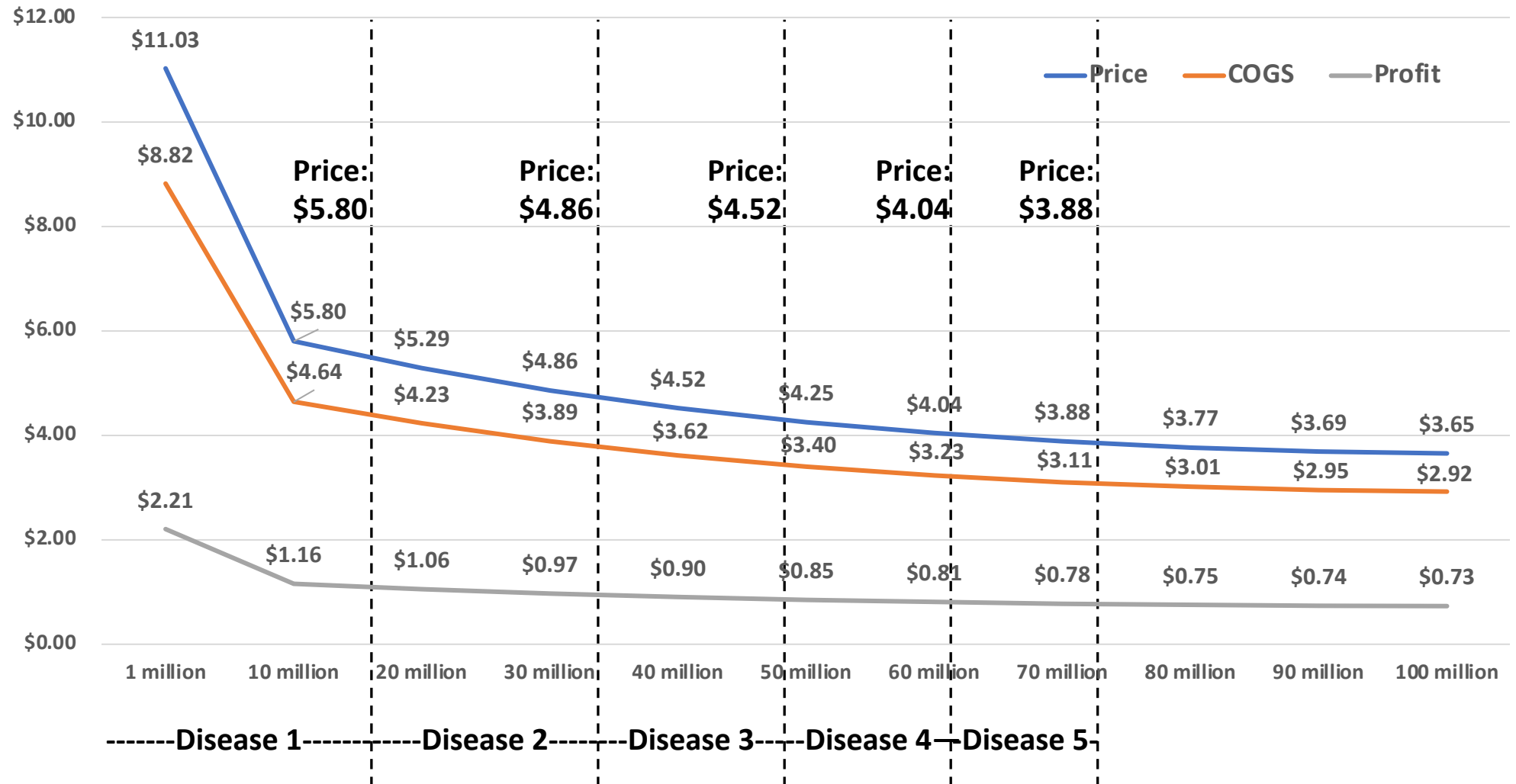
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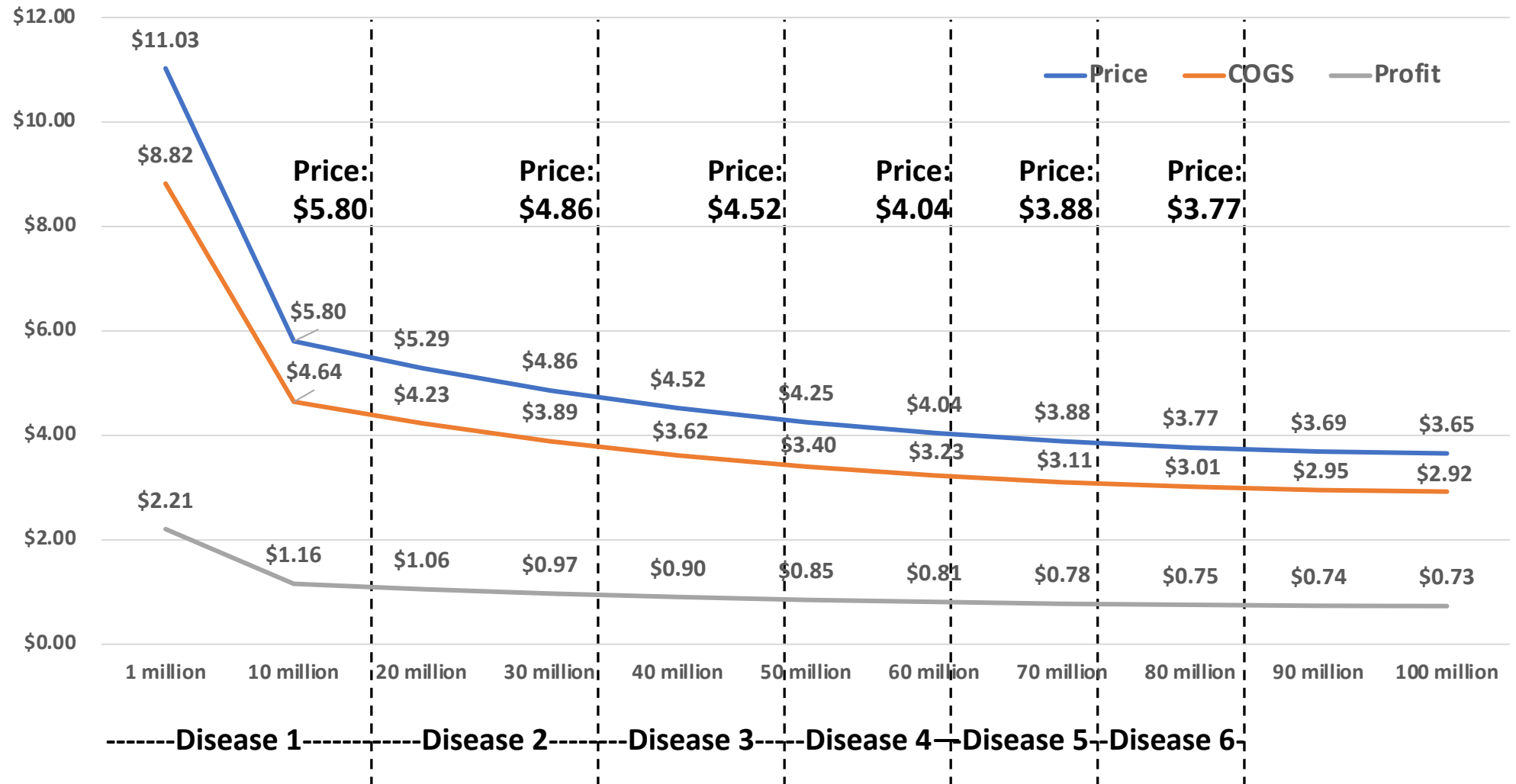
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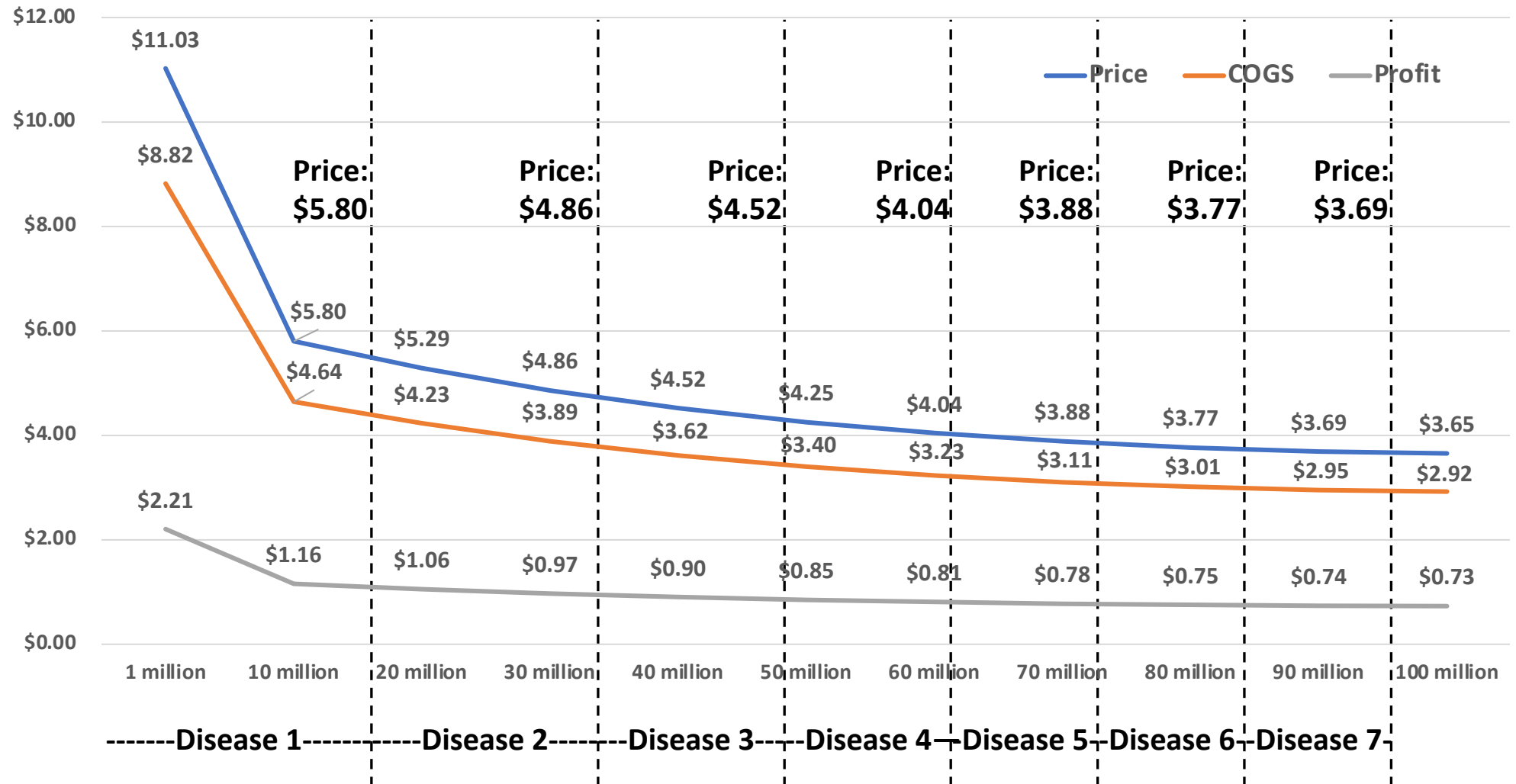
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Economic benefits summary

Integrated molecular testing:

- Efficient use of molecular diagnostic instruments across diseases is cost-saving and offers the potential to improve quality of care

Evidence-based pricing:

- Transparent pricing based on COGS with volume-based price reductions, plus a reasonable profit mark-up, enables lowest sustainable pricing and offers the potential to significantly reduce procurement costs

Pooled procurement across diseases:

- Pooling volumes of tests across diseases offers the potential to leverage overall volumes in negotiations with suppliers and reduce procurement costs across diseases