



Unpacking what \$475,000 means

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My 2 cents on price

- Whether Kymriah's \$475,000 price is "appropriate" is up for debate, but there's no question it's expensive
- Even at this price, it could be cost effective
 - The improvement in health outcomes may be incrementally greater than the additional cost compared with existing treatment
 - Blinotumumab costs \$178,000 for 6 weeks of treatment, consistent with many other cancer therapies
- But budget impact will balloon as more treatments reach more patients

How much will future health gains cost, and what is the right frame of reference for judging their value?

And how will we pay for them?

CAR-T introduces new dynamics to this “ecosystem”, which could shift who benefits financially

- The manufacturing process breaks the mold
 - Changes pattern of physical custody
 - Enables patient-level data collection
 - Circumvents wholesalers
- As more CAR-Ts enter the market, HCPs and manufacturers will be looking to streamline logistics and paperwork for efficiency

With wholesalers cut out, who fills that vacuum?

The business model that fills this space could offer some interesting tools

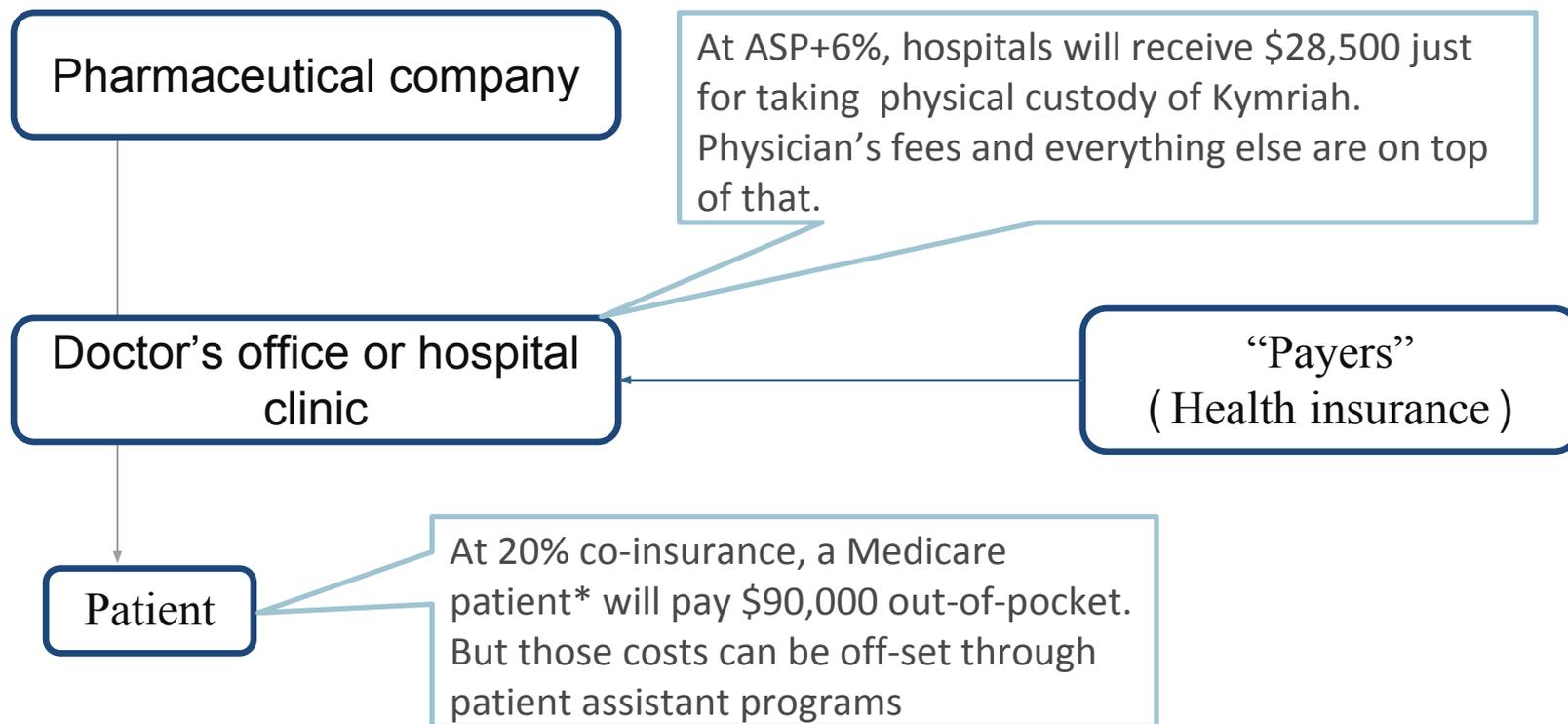
- Potential to dis-intermediate the provider
- Mechanism to control fraud (“designated felon”)
- Ability to track use by indication
- Ability to track outcomes

How can we apply these capabilities?

And what kinds of spillover might we expect to other therapeutic categories?

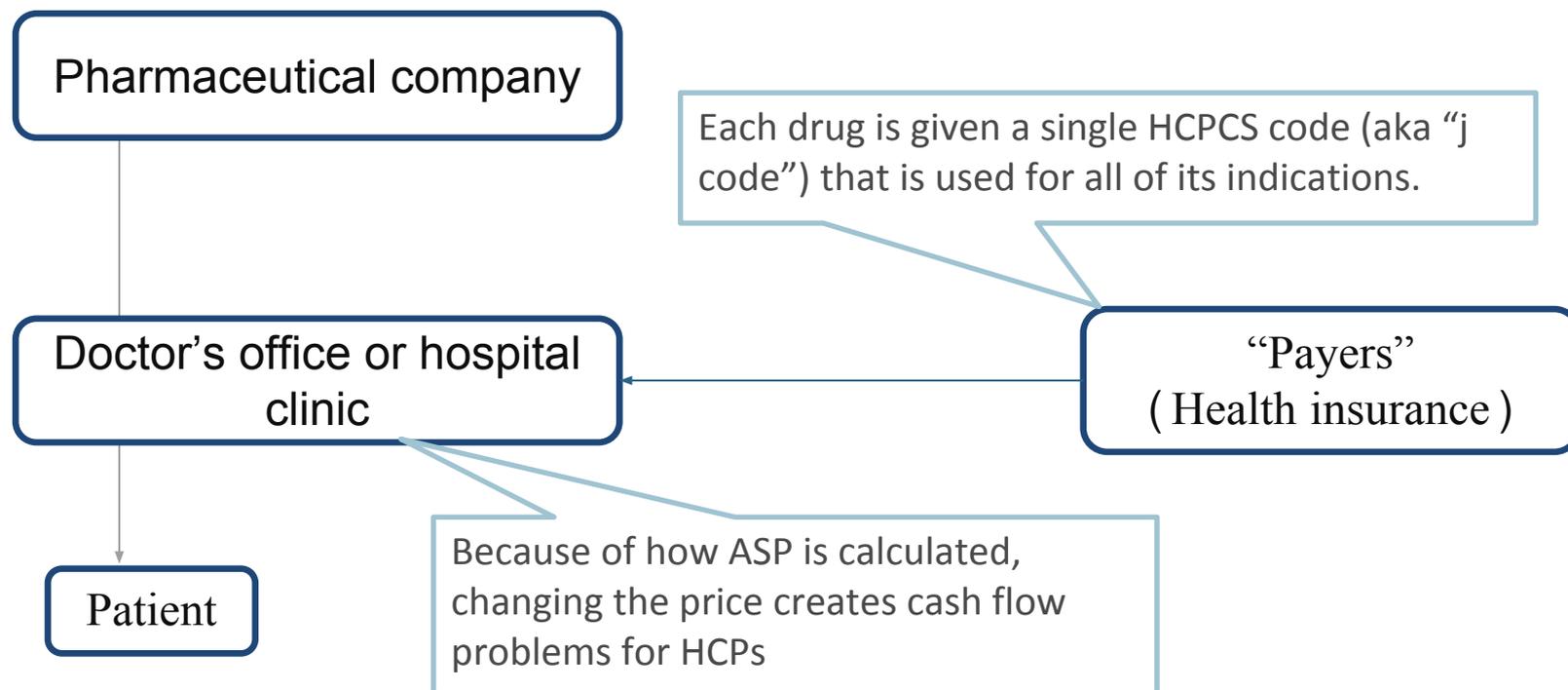
Appendix

The way we pay for drugs creates an ecosystem that fosters higher prices, regardless of consumer demand



If you're trying to compete for the same patient population, will you choose a higher or lower price?

And once you set a price for a drug providers administer, you're locked in



Even if you wanted to, how could you change your price for your drug's next indication?