

**PRIVATE AND CONFIDENTIAL**

23<sup>rd</sup> November 2007

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Dear Kim,

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

Thank you for the letter from Professor David Barnett and we welcome the opportunity to further comment as part of the Appeal process. We greatly appreciate and recognise your acceptance of the points and issues we have raised in our appeal and thank you for allowing our continued involvement in this process.

We agree with the comments on the fact that our appeal centres on paragraphs 4.2.5 and 4.2.6 and further that our appeal is based on technical issues as raised.

However, we still disagree with the conclusions from the use of unweighted and weighted means in this guidance document because we can demonstrate that these figures are incorrect and firmly believe that this results in guidance which is inconsistent in the light of the evidence submitted.

We are not challenging the use of unweighted and weighted means within the cost comparison sections – however we are challenging the calculations around DPI BDP and the fact that these calculations alter the comparative costs of BDP. This then results in the perverse conclusions that FP becomes the cheapest option as opposed to BDP when using the weighted mean and excluding CFC BDP.



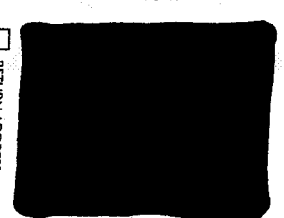
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This conclusion is due to the fact that the incorrect apportionment has been used because PCA 2005 accounts differently for BDP DPI Volumes compared to other products, which artificially increases the recorded volumes of DPI used (See details below).

Whilst we welcome the suggested changes to the wording of these sections of the guidance, we believe that this still has not fully addressed the issue in our appeal, in particular with regard to the weighted means and the conclusions drawn that FP is cheaper than BDP when CFC BDP is removed from the calculation.

The weighting from PCA 2005 used takes a higher disproportionate amount of BDP DPI into the calculation due to the methodology used. This is particularly evident once CFC BDP is excluded due to the perversity of how PCA 2005 accounts for volumes used of DPI and the subsequent cost calculation tables derived from these calculations. We have aimed to summarise our concerns and issues in the comments and points below.

From PCA data 2005

Drug name	Pxs	Owc2	Nic	Qty	% PXS	%NIC	%QTY
	(thousands)	(thousands)	(£thousands)	(thousands)			
CFC BDP	5740.9	5026.5	70838.1	7417.3	82%	76%	61%
HFA BDP	985.2	214.2	16354.5	1218.5	14%	17%	10%
DPI BDP	238.1	18.8	6566.6	3573.5	3%	7%	29%
BDP the Molecule Total	6964.2	5259.5	93759.2	12209.3	100%	100%	100%

As can be seen in the preceding table – The % that could be attributed to DPI varies depending on whether the calculation uses % of prescriptions (PX = 3%), % of Net Ingredient Cost (NIC = 7%) or % of volumes used (QTY = 29%).

The reason for this is that the QTY used in PCA attributes 1 QTY to 8 doses of DPI as opposed to 1 inhaler of 112 or 120 doses.

With an MDI 1 QTY = 1 inhaler (200 doses).

With a DPI 1 QTY = 8 doses.

A DPI inhaler is usually a 112/120 dose pack with for example 14 or 15 foil strips of 8 doses (blisters of drug). This is around a months supply at usual doses but with PCA, this single pack which is equivalent to 1 months supply at normal use is counted and recorded as 14 or 15 not 1.

The correct quantity then of DPI should be reduced by a factor of approx. 14.

This can be clearly demonstrated when we look at Becodisks (a DPI) use in PCA 2005.

Drug name	Pxs	Owc2	Nic	Qty	Nic/Pxs	Nic/Qty	Qty/Pxs
	(thousands)	(thousands)	(£thousands)	(thousands)	(£)	(£)	
Becodisks Disk 100mcg & Diskhaler	6.3	0	85.5	106.1	13.63	0.81	16.92
Becodisks Disk 100mcg Ref	14.8	0	190.6	248.8	12.87	0.77	16.8
Becodisks Disk 200mcg & Diskhaler	20.4	0.1	538.1	350.4	26.41	1.54	17.19
Becodisks Disk 200mcg Ref	60.3	0.2	1573.4	1052.9	26.08	1.49	17.45
Becodisks Disk 400mcg & Diskhaler	12.2	0.1	645.7	212.9	52.78	3.03	17.41
Becodisks Disk 400mcg Ref	50.7	0.2	2535.4	847.9	50.05	2.99	16.74

The NIC per QTY is significantly lower than with BDP MDI and also the average quantity per PX is higher suggesting greater than 16 inhalers per prescription have been prescribed. This is in fact 16 foils strips of 8 doses. In comparison, the MDI NIC per QTY is just greater than 1 inhaler.

Drug name	Pxs	Owc2	Nic	Qty	Nic/Pxs	Nic/Qty	Qty/Pxs
	(thousands)	(thousands)	(£thousands)	(thousands)	(£)	(£)	
Beclomet Diprop_Inha 50mcg (200D)	455.5	0	2498.1	560.1	5.48	4.46	1.23
Beclomet Diprop_Inha 100mcg (200D)	2548.4	0	27276	3310.2	10.7	8.24	1.3
Beclomet Diprop_Inha 200mcg (200D)	790.7	0	12032.3	1039.7	15.22	11.57	1.31
Beclomet Diprop_Inha 250mcg (200D)	669.9	0	14104	893.6	21.05	15.78	1.33

According to these volumes, Becodisks (which is 69% of all DPI prescriptions and only 2.4% of all BDP) has greater volumes than 50, 200 and 250mcg BDP MDI put together. (These strengths of BDP MDI actually account for 28% of all BDP prescribing = over 11 times more than Becodisks).

This is why the overall quantity of DPI in PCA 2005 at 3573.5 is inaccurately shown as nearly 3 times the volume of HFA used – despite being only 3% of prescriptions as opposed to 14% of prescriptions for HFA.

When these volumes are then used for the calculations of costs in weighted means this results in an incorrectly apportioned figure – which takes a greater weighting for DPI than should be.

This then results in a higher cost attributed to BDP upon exclusion of CFC BDP and therefore the false conclusion that FP is cheaper when looking at weighted means.

This can be clearly demonstrated when we look at the tables 61 and 62 in the economic section of the review which refers to 800mcg CFC BDP equivalent. The figures are incorrect due to the apportionment with regard to DPI quantity. If the correct apportionment had been used in the calculation, the mean excluding CFC BDP would not increase from 157 to 208. DPI should have a small effect on this cost due to the small amount used (3%). The only reason that these costs increase so dramatically is that a greater weighting has been

attached to DPI and this is due to the incorrect volumes being used in the calculations as explained above.

These higher costs from the incorrect weighting thus result in the conclusion that FP is cheaper.

800mcg dose - unweighted mean	pMDI with CFC	pMDI with HFA	DPI	Including CFC propelled	Excluding CFC propelled
BDP	59	128	166	130	153
BUD	153	NA	227	212	227
FP	NA	176	218	204	204
MF	NA	NA	249	249	249
CIC	NA	204	NA	204	204
800mcg dose - weighted mean	pMDI with CFC	pMDI with HFA	DPI	Including CFC propelled	Excluding CFC propelled
BDP	59	126	248	157	208
BUD	153	NA	268	225	268
FP	NA	176	225	195	195
MF	NA	NA	235	235	235
CIC	NA	204	NA	204	204

In addition, as demonstrated in our appeal, the calculations do not take sufficient notice of the puff patterns to achieve comparative doses and the real world application of these and what would need to be prescribed to achieve the doses suggested using the different strengths of inhalers.

We fundamentally then challenge and appeal against the conclusion that when CFC beclometasone (BDP) is excluded from the analysis (with Becotide already discontinued), fluticasone (FP) becomes the cheapest option and that this underpins the guidance and conclusions that have been made.

### **In summary**

Points that need to be checked and further verified:

- 1) Is the weighted mean of £ 248 for DPI correct when the unweighted mean is £166?
- 2) What figures are used for apportioning in calculating the weighted mean for BDP excluding CFC BDP, prescriptions or volumes? And, are the correct volumes used due to the way PCA counts volumes for DPI? HFA BDP accounts for more than 4 times the number of prescriptions but when excluding CFC BDP, the weighted mean costs reflect more the cost of DPI than HFA.

This, in our view is due to an incorrect apportionment with regard to the impact of the DPI use, and this will be due to the incorrect use of volumes in PCA 2005 as we have outlined them here.

This then results in too high a figure for the weighted mean of BDP excluding CFC and the conclusion that FP is cheaper.

We would welcome the opportunity for further discussion, if the points we have raised here need greater clarity and appreciate the situation with regard to our appeal and the subsequent delayed publication of this guidance, the publication of which we too would like to expedite at its earliest opportunity.

We trust that you will take this letter as further clarification of the points as we see them with regard to the appeal and look forward to hearing from you subsequently.

Yours Sincerely,

