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J&J argues that Pfizer is whining about competing with Remicade

By [Ed Silverman @Pharmalot](#)

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Mel Evans/AP

Subscribing to the notion that the best defense is a good offense, Johnson & Johnson ([JNJ](#)¹) is appealing directly to large swaths of the public not to believe claims made by Pfizer ([PFE](#)²) in a [lawsuit](#)³ that the health care giant used illegal tactics to protect a best-selling drug.

In a [missive](#)⁴ posted on its web site late last week and addressed to patients, doctors, insurers, and employers, J&J argued that Pfizer is, essentially, whining about an inability to successfully capture market share for its biosimilar version of Remicade, a blockbuster treatment for rheumatoid arthritis and other diseases.

“Rather than demonstrating value and working to win the trust of physicians and patients, Pfizer is asking the court to protect it from having to compete,” the J&J statement contended. “Protecting Pfizer from having to compete vigorously is bad for patients, healthcare providers, payers, employers and the healthcare system.”

The statement appeared just two days after Pfizer [claimed](#)⁵ J&J used illegal contracting tactics to convince insurers not to cover Inflectra, its biosimilar version of Remicade that was launched a year ago. A [biosimilar](#)⁶ is a nearly identical variant of a brand-name biologic drug and is expected to provide the same result in patients, although regulators have not clarified when such drugs are interchangeable.

Drug makers sue each other all the time for any number of reasons, but the antitrust lawsuit filed by Pfizer received widespread publicity because of the high stakes involved. While only a few biosimilars have so far been

approved in the U.S., these drugs are forecast to save between \$27 billion and \$58 billion in health care costs by 2021, according to the Quintiles/IMS.

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And as we noted at the time, Pfizer also attempted to make a larger point, which was that J&J undermined the key goal of the Biologics Price Competition and Innovation Act. This was incorporated in the Affordable Care Act and was designed to provide a pathway for lower-cost versions of pricey brand-name biologic drugs.

“The lawsuit, and the actions alleged, are a huge deal to the extent this speaks to patient choice and lower drug prices,” said Linda Pissott Reig, who co-chairs the FDA and biotech practice at the Buchanan, Ingersoll and Rooney law firm. “We’ve not yet realized, here in the U.S., the promise that biosimilars are supposed to deliver in a crowded marketplace and drive costs down. It’s still unfolding.”

The Pfizer lawsuit also gained notice because the company attempted to describe the sorts of tactics that drug makers may use to win favorable insurance coverage. Despite initially pricing Inflectra at a 15 percent discount to the \$31,500 list price for Remicade, the drug generated just \$172 million in sales during the first six months of this year. Last year, Remicade generated about \$1 billion in U.S. sales.

Pfizer contended the poor sales are directly attributable to illegal J&J maneuvering and argued that J&J threatened insurers it would not pay desirable rebates on Remicade unless they agreed to withhold or greatly

restrict coverage for Inflectra. Pfizer also maintained J&J bundled rebates on many of its different medicines in order to win exclusive insurance coverage for Remicade.

In its statement, J&J countered that “since we are competing vigorously, healthcare system costs will go down ... competition is doing what competition is meant to do: driving deeper discounts that will lead to overall lower costs for infliximab, including Remicade. We stand by our contracts.”

Pfizer, however, maintained that such payers as the Centers for Medicare & Medicaid Services are actually paying more for Remicade. Why? The drug maker [contends](#)¹⁰ that J&J may have offered larger rebates, but has also increased its list price at the same time — rising from \$752.82 in early 2016 per 100 mg vial to \$822.16 by this fall.

A Pfizer spokesman sent us this remark: “The facts speak for themselves. Remicade’s average selling price has steadily increased this year, while Inflectra’s average selling price has gone down. J&J’s exclusionary anticompetitive contracts prevent patients and payers from the opportunity to benefit from Inflectra and save even more.”

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