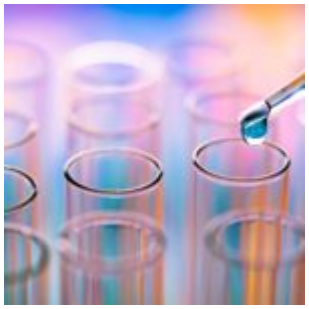
FDA Issues Final Rule on Regulation of Laboratory Developed Tests

 On April 29, 2024, the U.S Food and Drug Administration (FDA) announced its **final rule** on Laboratory Developed Tests (LDTs). This final ruling amends the FDA's regulations to make explicit that *in vitro* diagnostic products (IVDs), including those manufactured by laboratories, are devices under the Federal Food, Drug, and Cosmetic Act (FD&C Act). Alongside the amendment, FDA issued its policy to phase in regulatory requirements for certain LDTs over the course of four years.

The FDA will host a webinar to provide an overview of the final rule on May 14, 2024. A link to register can be found **here**. The final rule is expected to have profound effects on many LDT developers. Goodwin's **Life Sciences Regulatory & Compliance Team** are ready to work with clients to navigate the challenges that the final rule may pose. Our breakdown and analysis of the rule will be upcoming on **Goodwin's LDT Resource page**.

FDA's Laboratory Developed Test (LDT) Final Rule Under OIRA Review; Subcommittee on Health to Hold Hearing on Regulation of Diagnostic Tests



On March 1, 2024, the Office of Information and Regulatory Affairs ("OIRA"), Office of Management and Budget ("OMB"), Executive Office of the President **received** the final version of FDA's rule on regulation of laboratory developed tests ("LDTs") for administrative review. Having swiftly moved to OIRA review in under 5-months from the publication of the **proposed rule** and under 3-months from the end of its comment period, the rule has undoubtedly been a top priority for the FDA. Further, as of the date of this post, OIRA has **scheduled** four back-to-back meetings with interested

stakeholders, all of which are to be held the week of March 18th. All of this signals that the final rule remains on track for potential issuance in April 2024, the target date for final action on the rule as we previously discussed **here**.

Further, on March 14, 2024, the House Energy and Commerce Committee Chair and Subcommittee on Health Chair announced a subcommittee hearing titled "Evaluating Approaches to Diagnostic Test Regulation and the Impact of the FDA's Proposed Rule." The hearing is scheduled for Thursday, March 21, 2024 at 10:00 AM ET. Additional information on attending or viewing the hearing is available **here**.

Be sure to bookmark our dedicated **LDT Resource Page** to stay informed on the latest news and analyses on LDTs.

FDA Targets April 2024 for Laboratory Developed Test (LDT) Final Rule

On December 6, 2023, the Office of Information and Regulatory Affairs ("OIRA") released the **Fall 2023 Unified Agenda of Regulatory and Deregulatory Actions** (the "Agenda"), a semiannual compilation of information regarding regulations under development by federal agencies. In its **preamble**, the Department of Health and Human Services ("HHS") notes that the regulatory actions forecasted for the Agenda reflect the priorities of HHS Secretary Xavier Becerra and the Biden-Harris Administration, HHS, and the U.S. Food and Drug Administration ("FDA").

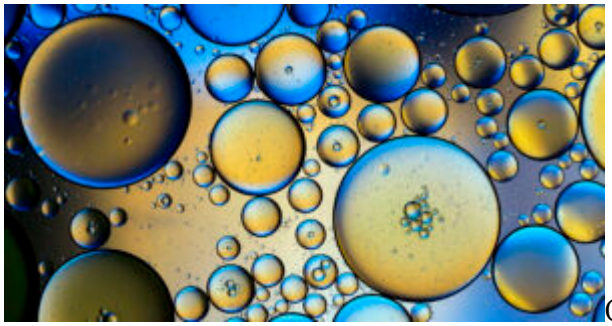
As we analyzed in detail in recent articles (see **here**, **here** and **here**), the **proposed rule** for laboratory developed tests ("LDTs") was released in October 2023. Citing factors including "extensive background of public comment on this topic" and "the public health benefits of proceeding expeditiously," FDA **declined** to extend the 60-day comment period, which closed on December 4, 2023. FDA received over **6,000 comments** from individual citizens, laboratories, academic medical centers, and other industry stakeholders. As part of the Agenda, FDA has **updated** the target date for final action on the LDT proposed rule to **April 2024**.

FDA is under no obligation to publish the LDT rule according to the schedules reflected in the Unified Agenda. If the rule and related LDT policy are finalized as proposed by April 2024, **high-risk LDTs** may be called-in for premarket review as early as **October 1, 2027**. Subsequently, **low-to-moderate risk LDTs** may be called-in for premarket review as early as **April 1, 2028**.

To stay informed on the latest news and analysis affecting LDTs, be sure to bookmark our dedicated **LDT Resource Page**.

Newly Launched: Goodwin's Laboratory

Developed Tests Resource Page

 Our Life Sciences Regulatory & Compliance team has launched a new resource page, keeping you up-to-date on the latest regulatory developments affecting laboratory developed tests (LDTs). Our dedicated LDT page provides foundational materials, legislative and regulatory history, and updates and analyses regarding initiatives to increase oversight over LDTs, including FDA's LDT Proposed Rule (October 2020). Our Life Sciences Regulatory & Compliance team will continue to keep this page updated with the latest happenings.

Read the full announcement **here**.

Recent FDA Initiatives to Support Development of Individualized Cell and Gene Therapies and Rare Disease Therapies

 Last month, FDA issued a **Request for Information** (RFI) in the Federal Register seeking information and comments from interested stakeholders regarding "critical scientific challenges and opportunities to advance the development of individualized cellular and gene therapies (CGTs)." Individualized CGTs are therapies "developed for a single patient (or a very small number of patients) based on designing or engineering a product that specifically targets the mechanism underlying a patient's (or small number of patients') illness."

FDA's request focuses on three core areas:

1. Manufacturing: Manufacturing and product quality challenges and opportunities for individualized CGTs in light of, for example, small batch sizes, tailoring of batches to individual patients, and need for rapid testing and release.

On this topic, FDA asks:

i. *Given the challenges to develop consistent manufacturing strategies for CGTs designed for a very small number of patients or an individual patient, how can manufacturers leverage their prior experience manufacturing one CGT to support subsequent development and approval of another related, but distinct CGT (potential areas for leveraging may include manufacturing process validation, control strategy, assay validation, and drug product stability studies)?*

ii. *When the batch size of a CGT is very small, what are some challenges and solutions regarding the volume of product (or number of vials) needed for batch release testing, stability testing, retention of reserve samples, and comparability studies?*

iii. *What are some challenges and solutions for individualized CGTs that need to be tested and released rapidly, either because the product has a very short shelf life or because the patient's clinical status may be rapidly declining and treatment is urgently needed?*

iv. *For many individualized CGT products, each batch is tailored to an individual patient (e.g., autologous CAR–T cells, tumor neoantigen vaccines, certain genome editing products). For such products, what are some challenges and solutions for assuring that each batch has adequate potency to achieve the intended therapeutic effect?*

v. *What are some challenges and solutions for individualized genome editing products that aim to treat monogenic diseases for which the target gene has different mutations in different patients?*

2. Nonclinical development: The use of nonclinical data to support individualized CGTs, considering the lack of relevant animal models in many instances, the uniqueness or limited applicability of individualized CGTs, and the potential of using prior knowledge from other CGTs—for example, where gene therapy vector products use the same vector backbone.

On this topic, FDA asks:

i. *What nonclinical studies could be leveraged in support of a related product using similar technologies? What nonclinical studies are important to conduct with each final clinical product?*

ii. *What nonclinical development approaches could be considered when there are no relevant animal models or animal models are unable to replicate each individual disease/condition?*

iii. *For patient-specific products where evaluating each individual product is infeasible or impractical, what is the role for nonclinical studies conducted with representative product(s)?*

iv. *What are the opportunities and challenges with using computational approaches to support nonclinical development?*

3. Clinical Development: Clinical development of individualized CGTs, considering for example the infeasibility (for ethical or other reasons) of conducting randomized controlled studies, novel endpoints, and limitations in statistical analyses.

On this topic, FDA asks:

i. *What are challenges and strategies/opportunities with interpreting efficacy data from individual patients (including expanded access) and small groups of patients? What opportunities are there in leveraging prior and/or collective experiences?*

ii. *What strategies can be utilized to accumulate and interpret safety data in personalized/individualized CGTs?*

iii. *For genetic disorders with clear genotype-phenotype associations for disease manifestations or severity, what opportunities are there for tailoring treatments and study design to specific genotypes/phenotypes?*

FDA also requested input on several additional significant questions:

i. *What additional major scientific challenges to advance the development of individualized CGTs should be considered?*

ii. *What existing best practices or scientific approaches should be leveraged to address any of these challenges? Are there specific opportunities for collaborations to advance the development of individualized CGTs?*

iii. *Are there specific areas where flexibility in regulatory approaches would improve the feasibility of developing and commercializing individualized CGTs?*

Comments are due on November 20, 2023.

At the end of last month, FDA also **announced** a pilot program "to help further accelerate development of rare disease therapies." The program, titled Support for clinical Trials Advancing Rare disease Therapeutics ("START"), will include selected sponsors with an active IND for products meeting certain eligibility requirements. Products regulated by CBER are eligible for the program only if they are a gene or cell therapy treatment for a rare disease or condition that is "likely to lead to significant disability or death within the first decade of life." Products regulated by CDER are eligible only if they are "intended to treat rare neurodegenerative conditions, including those of rare genetic metabolic type." Participants selected for the pilot program will "be able to obtain frequent advice and regular ad-hoc communication with FDA staff to address product-specific development issues, including, but not limited to, clinical study design, choice of control group and fine-tuning the choice of patient population."

FDA will accept applications to the START program beginning January 2, 2024 and until March 1, 2024.

Mark Your Calendars: This Halloween, Don't Miss FDA's LDT Webinar

The U.S. Food and Drug Administration (FDA) has announced an upcoming **webinar** on its **proposed rule** on the regulation of laboratory developed tests (LDTs).

The webinar is scheduled for **October 31, 2023 from 1:00 – 2:00 PM ET** and will include an overview of the proposed rule, a description of the proposed phaseout of FDA's general enforcement discretion approach to LDTs, and a question and answer session. Stakeholders must submit questions by **October 23, 2023** to be considered for the discussion.

For our detailed analysis of the 83-page proposed rule, please see our two-part Insight series: **Part I: Underpinnings of FDA's Proposed Rule** and **Part II: FDA's Proposed Phaseout Policy – Key Considerations & Open Questions**.

If you have questions on the proposed rule or its potential impact, contact the authors or a member of the **Goodwin Life Sciences Regulatory & Compliance** team.

FDA's Proposed Rule for Oversight of Laboratory Developed Tests: Part II: FDA's Proposed Phaseout Policy – Key Considerations & Open Questions

After an over decade-long discourse amongst interested stakeholders, on October 3, 2023, FDA unveiled its **proposed rule and policy** to increase oversight over LDTs.

If finalized as proposed, FDA would implement a new "phaseout policy" that would, across five stages and within four years, apply the same regulatory requirements applicable to in vitro diagnostics (IVDs) on the majority of clinical laboratories offering tests as LDTs. Once implemented, tests offered as LDTs that do not meet the applicable regulatory requirements, including premarket review and the quality system regulation, may be expected to come off the market.

In our **first post** in this Insight series, we recapped the underpinnings of the proposed rule and policy, including the significant discussions contained in the proposed rule on (1) the rationale for the agency's proposed phaseout policy and (2) FDA's legal authority for issuing the rule.

In this Insight, we provide our full analysis of FDA's proposed five-stage phaseout policy and the open questions that remain. Read the full Insight **here**.

FDA's Proposed Rule for Oversight of Laboratory Developed Tests: Part I: Underpinnings of FDA's Proposed Rule

On October 3, 2023, the U.S. Food and Drug Administration (FDA) published its widely anticipated **proposed rule** on the regulation of laboratory developed tests (LDTs). The proposed rule and policy are the latest in an over decade-long discourse amongst interested stakeholders – laboratories, IVD manufacturers, regulatory agencies, Congress, providers, and patients – as FDA has sought to enhance oversight over LDTs.

In this Insight, we recap the underpinnings of the proposed rule and policy, including the two lengthy discussions contained in the proposed rule on (1) the rationale for the agency's proposed phaseout policy and (2) FDA's legal authority for issuing the rule. Stay tuned next week for our additional analysis of the details of FDA's proposed five-stage "phaseout" policy and the open questions that remain.

Contact the authors or a member of the Goodwin **Life Sciences Regulatory & Compliance** team for any questions. Read the full Insight **here**.

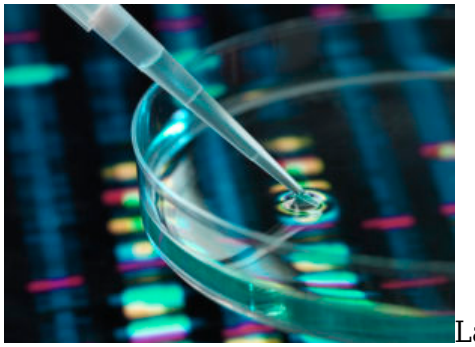
FDA Proposes Phased Approach to Regulating Laboratory Developed Tests

On September 29, 2023, the U.S. Food and Drug Administration (FDA) posted and scheduled for publication its long-awaited **proposed rule** concerning FDA regulation of laboratory developed tests (LDTs). If enacted, the proposed rule would amend the Agency's regulations to make explicit that in vitro diagnostic products (IVDs) are devices under the Federal Food, Drug, and Cosmetic Act; and this includes when the manufacturer of the IVD is a laboratory.

Upon finalization of the rule, FDA proposes to phase out its general "enforcement discretion" approach for LDTs so that tests manufactured by a laboratory would generally fall under the same enforcement approach as other IVDs.

Comments to the proposed rule are due 60 days after the date of publication of the proposed rule in the Federal Register. We will provide our full analysis of the proposed rule in the coming days. Contact the authors or a member of the Goodwin **Life Sciences Regulatory & Compliance** team for any questions.

Is it Biosimilar or Interchangeable? It Won't Be Easy to Tell Under FDA's Latest Draft Labeling Guidance



Last week, **FDA released** a draft guidance, "**Labeling for Biosimilar and Interchangeable Biosimilar Products**" that—when finalized—will revise and replace its July 2018 final guidance, "**Labeling for Biosimilar Products**." FDA noted that this 2023 Draft Guidance reflects recommendations based on the "valuable experience about labeling

considerations" that FDA has gained through its approval of 42 biosimilar products, including four interchangeable biosimilar products.

Notably, the 2023 Draft Guidance provides further recommendations regarding when to use a biosimilar or interchangeable biosimilar product name, and when to use the reference product name in labeling:

- The biosimilar or interchangeable biosimilar product's proprietary name[1] (or if the product does not have a proprietary name, its proper name[2]) should be used when –
  - Information in the labeling is *specific to the biosimilar (or interchangeable biosimilar) product*, including such references to the product in the INDICATIONS AND USAGE, DOSAGE AND ADMINISTRATION, DESCRIPTION, and HOW SUPPLIED/STORAGE AND HANDLING sections, and/or
  - For "directive statements and recommendations for preventing, monitoring, managing, or mitigating risk," including such references to the product in the BOXED WARNING, CONTRAINDICATIONS, WARNINGS AND PRECAUTIONS, and DRUG INTERACTIONS sections.

- When referring to the *drug substance* in the labeling, the biosimilar or interchangeable biosimilar product's proper name should be used.

- When information *specific to the reference product* is described in the biosimilar or interchangeable biosimilar product's labeling (for example, data from clinical trials of the reference product in the ADVERSE REACTIONS and CLINICAL STUDIES sections), the reference product's proper name should be used.

- In sections of the labeling containing *information that applies to both the biosimilar (or interchangeable biosimilar) product and the reference product*—such as BOXED WARNING, CONTRAINDICATIONS, WARNINGS AND PRECAUTIONS, ADVERSE REACTIONS—the labeling should use the core name of the reference product followed by the word "products."[3]

FDA acknowledges that the application of these recommendations is highly context-dependent and may not always be clear, but recommends that biosimilar and interchangeable biosimilar product sponsors evaluate all statements in product labeling carefully to determine the most appropriate product identification approach in each instance.

Another noteworthy aspect of the 2023 Draft Guidance is the Agency's recommendation regarding the biosimilarity statement and footnote in the HIGHLIGHTS section of a biosimilar or interchangeable biosimilar product's labeling.[4] Previously, FDA recommended a biosimilarity statement for a biosimilar product and an interchangeability statement for an interchangeable biosimilar product. The 2023 Draft Guidance now recommends a statement and footnote in the HIGHLIGHTS section that the product is biosimilar to the reference product, *regardless of* whether the product is a biosimilar or an interchangeable biosimilar to the reference product. In the **Federal Register notice** announcing the 2023 Draft Guidance, FDA acknowledges that this marks an "evolution in our thinking" and explains that "a labeling statement noting that certain products within a 351(k) [Biologics License Application] have been approved as interchangeable, and explaining the interchangeability standard, is not likely to be useful to prescribers, who can prescribe both biosimilar and interchangeable biosimilar products in place of the reference product with equal confidence that they are as safe and effective as their reference products." FDA further states that "information about interchangeability is more appropriately located in the Purple Book rather than labeling."

Other notable elements of the 2023 Draft Guidance include recommendations regarding how to describe pediatric use data in a range of scenarios and how to incorporate immunogenicity data. With respect to immunogenicity data, the 2023 Draft Guidance suggests that a contextual paragraph[5] generally be included in the relevant CLINICAL PHARMACOLOGY subsection before describing the available immunogenicity data for the reference product and the biosimilar or interchangeable biosimilar product. The 2023 Draft Guidance also outlines the Agency's expectations for patient labeling—such as a Medication Guide, Patient Information, or Instructions for Use—for a biosimilar or interchangeable biosimilar product, if the reference product has such patient labeling.

Information on how to submit comments on the 2023 Draft Guidance can be found at **https://www.regulations.gov/docket/FDA-2016-D-0643.**

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[1] The proprietary name of a biosimilar product is a brand name determined by the sponsor. The fictitious example provided in the 2023 Draft Guidance is "NEXSYMEO."

[2] The proper name of a biosimilar product is the nonproprietary name designated by FDA that consists of a biological product's core name plus a unique four-letter suffix. The fictitious example provided in the 2023 Draft Guidance is "replicamab-cznm."

[3] The fictitious example provided by FDA in the 2023 Draft Guidance is "replicamab products".

[4] The fictitious example provided by FDA in the 2023 Draft Guidance is "NEXSYMEO (replicamab-cznm) is biosimilar* to JUNEXANT (replicamab-hjxf)" and the accompanying footnote is "Biosimilar means that the biological product is approved based on data demonstrating that it is highly similar to an FDA-approved biological product, known as a reference product, and that there are no clinically meaningful differences between the biosimilar product and the reference product. Biosimilarity of *[BIOSIMILAR OR INTERCHANGEABLE BIOSIMILAR PRODUCT'S PROPRIETARY NAME]* has been demonstrated for the condition(s) of use (e.g., indication(s), dosing regimen(s)), strength(s), dosage form(s), and route(s) of administration) described in its Full Prescribing Information."

[5] The Agency's suggested paragraph is, "The observed incidence of anti-drug antibodies is highly dependent on the sensitivity and specificity of the assay. Differences in assay methods preclude meaningful comparisons of the incidence of anti-drug antibodies in the studies described below with the incidence of anti-drug antibodies in other studies, including those of [*proper name of reference product*] or of other [*core name*] products."