

FAIR PRICING COALITION

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Fair Pricing Coalition Praises Congressional Committee Hearing on Drug Pricing; Blasts HIV Pharmaceutical Manufacturers for Heedless New Year Price Increases

The Fair Pricing Coalition (FPC) commends the House Committee on Oversight and Government Reform for its hearing today on drug price increases for older, off-patent medications. The hearing was spurred by a 5,000% rise in the price of pyrimethamine (Daraprim) for toxoplasmosis. At the end of December 2015, the FPC urged Turing Pharmaceuticals to restore its lower price (already a hefty \$13.50 a pill), and has been disappointed that no action has yet been taken. We hope the hearing leads to policy actions that prevent companies from having free rein to price-gouge older drugs with little or no competition.

On the heels of today's hearing and other federal investigations into unjustified drug pricing, the FPC is outraged that manufacturers of some of the most frequently prescribed antiretrovirals for treatment of HIV ushered in exorbitant Wholesale Acquisition Cost (WAC) price increases with the new year. The WAC increases show complete disregard for a year-end plea by FPC to industry leaders urging them to refrain from any price increases or, barring that, certainly no increases over the medical Consumer Price Index (CPI).

"With committees in both houses of Congress investigating out-of-control drug pricing in response to intensifying public frustration, it defies logic that we're starting 2016 with arbitrary increases in drug prices already at the upper limit of any conceivable justification," said FPC Co-Chair Lynda Dee. "This trend is unsustainable and will continue to hinder patient access to life-saving HIV treatment and prevention, as well as curative hepatitis C regimens."

WAC Price Increases for Antiretroviral Drug Products				
Company	Product	2016	2015	Since Launch
Abbvie	Kaletra	6.9%	5.9%	70.2%
	Norvir	0%	0%	477%
BMS	Reyataz	7.9%	7.9%	108.4%
	Evotaz	7.9%	Launch	7.9%
	Sustiva	7.9%	9.7%	188.5%
Gilead	Atripla	8.0%	7.1%	106.6%
	Truvada	6.9%	6.9%	125.3%
	Complera	6.9%	6.9%	38.1%
	Stribild	4.9%	4.9%	15.4%
Janssen	Intelence	7.9%	7.9%	66.7%
	Prezista	7.9%	7.9%	81%
	Prezcobix	7.9%	Launch	7.9%
Merck	Isentress	6.9%	4.9%	58.9%
ViiV	Epzicom	9.4%	6.9%	107.7%
	Selzentry	6.9%	6.9%	49%
	Tivicay	7.9%	6.9%	21%
	Triumeq	4.9%	3.9%	9%

“We made this point very clearly to executives at the major pharmaceutical companies in our annual plea for price freezes,” said FPC Co-Chair Murray Penner. “Yet our December 2015 letters went unheeded. We are once again looking at WAC increases mostly in the 7 to 8 percent range, all over last year’s exorbitant prices.”

Though the January 2016 CPIs—measures of inflation—have not yet been announced, the 2016 WAC increases for leading antiretrovirals are approximately three times higher than the ten-year CPI average of 2.5 percent. They are also higher than all medical CPI categories, which average 2 to 3 percent and are driven in part by unrestrained drug pricing (see preceding table).

Current drug prices are unsustainable and are preventing people living with HIV from accessing life-saving antiretrovirals. “HIV care providers are reporting an uptick in Medicaid and private plans requiring prior authorization for antiretroviral drugs, particularly for preferred standard-of-care single tablet regimens,” said FPC member Andrea Weddle. “Most concerning are provider reports that some insurance coverage requests are being denied outright. While denials are presently rare, it is nonetheless disturbing that people living with HIV are now facing these sorts of challenges.”

Egregious drug pricing has also resulted in a clear inability of people living with hepatitis C virus (HCV) to access many of the direct-acting antivirals (DAAs) that achieve as much as a 99% cure rate with minimal side effects. “Numerous health plans, both public and private, have instituted treatment utilization policies and prior authorization processes that are based on cost-containment concerns, rather than on the best and most current clinical science,” explained FPC member Emalie Hurliaux. “Nowhere is this more apparent than in state Medicaid programs, many of which cover DAAs only for patients with advanced fibrosis or cirrhosis, contrary to published guidelines. Many of these programs also have policies that deny curative therapy to people who use drugs or alcohol, despite guidelines and clinical evidence that this population should be prioritized for treatment, both for their personal health and to prevent ongoing transmission of the virus.”

As exemplified by today’s House Committee on Oversight & Government Reform hearing, runaway drug pricing continues to be of tremendous interest to Congressmen, Senators, and presidential candidates of both parties. “The political pressure is now on, meaning there is yet another pragmatic reason for HIV and hepatitis C drug manufacturers to curb their overreach,” said FPC member Tim Horn. “In this election year, our hope is that industry will show restraint, and respect public awareness of the burgeoning crisis of health care financing. Unfortunately, it appears we’re not off to a very good start.”

The Fair Pricing Coalition, founded by the late Martin Delaney of Project Inform, is a national coalition of activists who work on HIV and viral hepatitis drug pricing issues, and to help control drug costs for patients who are privately insured, underinsured and uninsured. The FPC also works to ensure access for individuals covered by state AIDS Drug Assistance Programs (ADAPs), Medicare, and Medicaid. For more information about the Fair Pricing Coalition and its history, visit: fairpricingcoalition.org.