



## **Another New Hepatitis C Medication Approved**

On Friday, October 10, 2014 the USA Food and Drug Administration (FDA) approved yet another new Hepatitis C medication, Harvoni, which is expected to cost \$1,125 per pill. The manufacturer, Gilead Sciences is the manufacturer of Sovaldi, the relatively new Hepatitis C medication that took the market by storm (and surprise) earlier this year with its \$95,000 per patient treatment cost.

Harvoni is actually a combination of medications mixed together for patients with genotype 1 of Hepatitis C; a form of the liver-destroying virus that accounts for 70% of the estimated 3.2 million cases in the US. For the first time, these patients will not have to take a decades-old combination of antiviral pills and shots that causes flu-like side effects. The new pill combines Gilead's Sovaldi with a new antiviral drug called Ledipasvir which attacks the virus using a different mechanism. This mixture is called Harvoni. The dual-acting approach mimics drug combinations that Gilead has long used to treat HIV. This latest medication is another breakthrough for California-based Gilead, which analysts expect to bring in billions of dollars in new sales. The company says the new drug will cost \$94,500 for a 12-week supply. They have also indicated that 40% of patients may be able to take the drug for eight weeks, reducing the price to about \$63,000.

The incredible costs and utilization explosion with compound medications, specialty drugs and these new Hepatitis C medications have rocked the pharmacy benefits world. Plus, recent evidence of an up-tick in generic trend poses additional concerns. We are watching these issues closely and are working with clients around PBM design techniques to protect their plans. Yet these cost spikes and new medications seem to suggest a new round of pharmacy cost acceleration not seen in many years.

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