

US prisons ration expensive hepatitis C drugs

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An investigation by the *Wall Street Journal* published on Monday found widespread rationing of new hepatitis C treatments for US prisoners due to the high prices of the drugs.

The newspaper surveyed all 50 state departments of corrections. Of the 34 states that had data, there were roughly 101,000 inmates with hepatitis C, but only 3.4 percent were receiving treatment with new drugs.

The hepatitis C virus (HCV), which attacks the liver, is the most common blood-borne virus in the United States. Although it can take two to three decades before the disease becomes life-threatening, patients can transmit the disease during this entire period, such as through needle sharing or less commonly through sexual contact.

The Centers for Disease Control and Prevention (CDC) estimates that there are between 2.7 and 3.9 million chronic cases in the US. In 2014, there were 30,500 new cases of HCV, while 19,659 deaths were attributed to the disease.

Whereas about 1 to 2 percent of the total US population has HCV, among prisoner populations the prevalence rate is over 17 percent, according to a 2014 article in the journal *Public Health Reports*.

Older hepatitis treatments, such as interferon-alpha and ribavirin, required treatment times of up to a year, included intolerable side effects for many patients and had cure rates of about 65 percent. Many of the older treatments have been discontinued by manufacturers. The development of new direct-acting antiviral drugs, which started hitting the market in 2011, significantly decreased the side effects, reduced treatment time to three months, and provided cure rates above 90 percent.

The new treatments are also extremely expensive, with list prices ranging from \$54,000 to \$94,000 for a 12-week course of treatment.

The high price of the new treatments has led both state and federal prisons to ration the drug, limiting it to

patients with a high risk of the development of liver problems or with low blood-platelet levels.

“While we realize that certain patients with advanced liver disease do need the treatment more quickly, that does not abrogate the responsibility to treat patients at earlier stages of the disease,” Dr. Arthur Kim, an infectious-disease specialist at Massachusetts General Hospital, told the *Journal*.

“We would never not treat diabetes until there were later complications,” he added.

According to the survey by the *Journal*, there were 17,000 prisoners infected with HCV in Texas, but only 412 (4.4 percent) were in treatment. In New York, of the 5,940 infected inmates, 546 (9.2 percent) were in treatment.

In California, only 751 of the 17,000 infected inmates (4.4%) were in treatment. The state’s department of corrections spent \$66 million in the fiscal year ending June 30 on treatments, an increase from \$47 million the previous year. The increase in cost was not due to more patients being treated, but to the high prices of the drugs.

In Pennsylvania, only 50 of the 7,000 infected inmates (0.7 percent) were in treatment. According to a March court filing by the state’s department of corrections, the cost of treating all of the inmates would be around \$600 million.

Among federal prisons, only 222 of the 9,200 infected inmates (0.24 percent) were in treatment. And while spending on HCV treatments has tripled since 2013, the number of patients treated declined, as the new treatments were reserved only for the sickest inmates.

Drug makers responded to the investigation by pointing to drug discounts the companies offer to prisons, without providing details.

New hepatitis treatments include Merck’s Zepatier, priced at \$54,000 for a 12-week course of treatment,

and AbbVie's Viekira Pak, priced at \$83,000.

However, it is Gilead Science's drugs, Sovaldi and Harvoni, that dominate the market, bringing in \$19 billion in annual revenue for the company. Sovaldi is priced at \$84,000 for a 12-week course of treatment, or \$1,000 per pill, while Harvoni is priced at \$94,500.

Gilead's pricing strategy was the subject of a [HYPERLINK "http://www.wsws.org/en/articles/2016/08/31/pers-a31.html"](http://www.wsws.org/en/articles/2016/08/31/pers-a31.html) US Senate report released in December of last year. The 18-month Senate investigation looked at 20,000 pages of internal company documents.

The investigation found that Gilead priced the new hepatitis C treatments as high as they thought the market would bear, with no consideration for how this would limit patient access.

"Gilead pursued a calculated scheme for pricing and marketing its hepatitis C drug based on one primary goal, maximizing revenue, regardless of the human consequences," said Senator Ron Wyden on the release of the report.

Sovaldi (sofosbuvir) was initially developed at the biotech company Pharmasset, which spent \$62.4 million researching the drug. Gilead acquired Pharmasset in 2012 for \$11.2 billion, largely based on the potential of Sovaldi.

Gilead spent a further \$880.3 million researching and developing Sovaldi. This figure, however, also includes the research costs associated with two other sofosbuvir-based regimens.

Pharmasset had planned to sell Sovaldi for \$36,000 per treatment, and no higher than \$55,000, according to documents filed with the Securities and Exchange Commission in 2011. The Senate investigation found that Gilead itself believed that its purchase of Pharmasset would be profitable if Sovaldi was priced at \$65,000, but instead priced the drug at \$84,000. The price was set to establish a pricing floor for its follow-on combination drug, Harvoni, priced at \$94,500.

The rationing of health care among the prison population mirrors the rationing of health care for workers and their families under Obamacare. They both reflect the irrationality of a system in which the health needs of the population are subordinated to the profit interests of large pharmaceutical companies, insurance firms, and hospital and drug store chains.



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