High price to pay for late-stage prostate cancer drugs?

By ACSH Staff — June 29, 2011

In the past 15 months, the FDA has approved three new drugs for the treatment of late-stage prostate cancer. Two of them, Dendreon’s Provenge and Johnson & Johnson’s Zytiga, were shown in recent clinical trials to add between two and five months to median survival (about a year and a half after using docetaxel, the current standard of care approved in 2004) for men with late-stage cancer. Though some experts are hopeful that we are on the verge of a breakthrough in finding more effective prostate cancer treatments, the price tags on these new therapies raise concerns about providing affordable health care for late-stage prostate cancer patients, since 80 percent of them rely on Medicare.

For example, a full course of treatment with Provenge costs $93,000, while Zytiga runs $60,000 per year. Medicare is expected to announce on Thursday a final decision on whether they will provide coverage for Provenge. Currently, both private and public insurance, such as Medicare, are paying only for medications that are used according to the label’s list of approved drug applications.

ACSH’s Dr. Gilbert Ross is not very impressed with the reported benefits of the new drugs, which amount to, on average, perhaps a few months of extended life; he posits that the cost of the drug should reflect better survival odds. As far as insurance coverage goes, he says, while rationing of care based on cost is not the answer, perhaps the approval of new biologic drugs (such as Provenge, which is derived from a patient’s own immune cells) should be restricted to the subsets of patients most likely to benefit from the therapy.

ACSH’s Dr. Josh Bloom comments that biologic drugs, such as Avastin, are almost always more difficult to manufacture and purify, so the cost of producing biologicals is usually high, hence the very high prices. The materials and purification costs for synthetic, oral drugs, such as Zytiga, are typically much lower. He adds, ‘There is nothing obviously difficult about the synthesis of Zytiga, so I don’t understand the high price. Other factors are probably at work, such as the relatively short course that the drug is given, or possibly the worsening fiscal state of the pharmaceutical industry in general.”
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