

Cost and Cancer Care

Dr. Bruce Hillner

When Will the U.S. Flinch at Cancer Drug Prices?

High hopes in cancer research are pinned on the targeted therapies—those that aim directly at cancer cells or that cut off a tumor's blood supply without harming healthy tissue. And 2004 was a banner year for such drugs reaching the marketplace; Avastin (bevacizumab), Erbitux (cetuximab), Tarceva (erlotinib), and Iressa (gefitinib) all became available to great fanfare.

With their approval came sticker shock because some of the drugs were priced at thousands of dollars per month of treatment and were only effective as add-ons to other therapies. Clinicians are wondering whether these new cancer treatments—which may, on average, add only a few months of survival—are worth the cost.

"America doesn't want to ask the question," said Bruce E. Hillner, M.D., of Virginia Commonwealth University in Richmond. "We're not willing to accept limits, so we'll put off that discussion." Hillner has been doing cost-effectiveness analyses for 15 years. He said the response he usually gets is, "Yes, Dr. Hillner, it's nice of you to call our attention to these issues, but let's not go there."

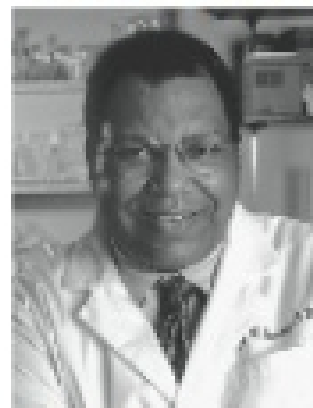
"America is starving for effective therapies," Hillner explained. "We're

compounds," Levy said. "The average cost of producing proteins through chemical synthesis can be more than 20 times the average cost of producing drugs through chemical synthesis."

To date, payers, including Medicare, are not refusing to pay and Congress is not pushing hard for reforms.

Colon Cancer Leads the Way

Advanced colon cancer has experienced the most substantial progress. In



Otis Brawley

2004, two different regimens added about 4–5 months survival beyond standard therapy. FOLFOX (fluorouracil and leucovorin plus oxaliplatin) was found to increase survival by 4.5 months over the standard therapy of IFL (irinotecan, fluorouracil, and leucovorin). A separate phase III clinical trial found that Avastin added to IFL extended survival by 5 months.

Each improvement, however, came with a steep price increase, according to

not responded to other treatments, based on a study in which the epidermal growth factor receptor inhibitor improved survival by 2 months over placebo. Because Tarceva is used as monotherapy in place of chemotherapy, Genentech's Levy said, at \$2000 per month, Tarceva is 50% less expensive than standard chemotherapy and produces fewer side effects that would require their own set of treatments.

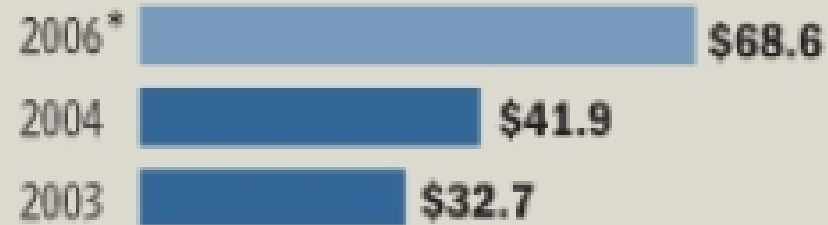
Still, the future will likely bring more costly combinations rather than monotherapies. Tarceva and Avastin are being studied together and in combination with other drugs in renal cell, lung, and breast cancers. Iressa, which failed to show a survival benefit as a monotherapy in lung cancer, is being studied in combination with hormonal therapies or radiation in brain and other cancers.

Access to Care

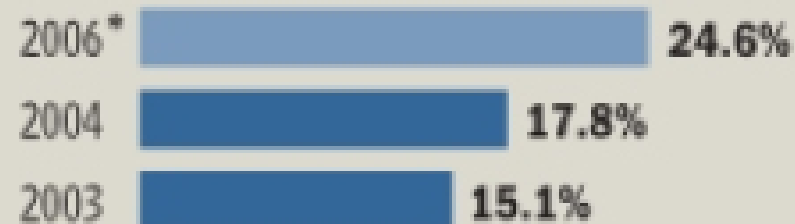
Public hospitals are likely to face the tough cost questions sooner. Otis W. Brawley, M.D., treats cancer patients at Emory University's Winship Cancer Institute and at Grady Hospital, a large public hospital in Atlanta. "I have had to sit down with my pharmacy and therapeutics committee and say, 'What am I going to not purchase in order to

Strong Niche

Spending on specialty pharmaceuticals,
in billions:



Spending on specialty pharmaceuticals as
a percentage of the total pharmaceutical
market:



*Projections Note: 2005 figures are not available.

Source: Health Strategies Group