Brit officials wrestle with cost of cancer drugs

April 7 2009, By MARIA CHENG , AP Medical Writer

(AP) -- In October, Rocky Fernandez was told he might not live to Christmas.

Suffering from kidney cancer that had spread to his lungs, his doctor wanted to prescribe him Sutent, a relatively new cancer drug. But Fernandez hit a roadblock.

The agency that tells the British government which treatments are worth paying for had decided last year that Sutent - at 3,500 pounds ($5,160) a month - was too costly to be offered free under the national health care system.

The decision on the Pfizer Inc. drug, and others, led to an outcry from thousands of British cancer patients and their doctors over the denial of costly drugs that don't cure but can prolong survival, if only for a few months.

"Many people might not understand why we want drugs that can only give you an extra three, six or 18 months," Fernandez said. "But for some families, that can make all the difference."

Under fierce pressure, the British health authorities relented in February. Thanks to that reversal, and a personal plea by Fernandez to his hospital to cut through red tape, he recently took his first tablet of Sutent.

Had he been in the United States, Fernandez, 45, would likely have

gotten the drug much sooner - though he might have had to pay for part of it depending on whether he had health insurance and what type of coverage.

"We consider Sutent to be an effective drug," said Dr. Len Lichtenfeld, deputy chief medical officer of the American Cancer Society. "If patients want it and doctors want to prescribe it, most (U.S.) programs will probably pay for it."

Still, Lichtenfeld said neither system is perfect.

"If you want to talk about early access to an effective drug, being in the U.S. may be slightly better," he said. "But if you want to talk about the most people having the most access to drugs paid for by the government, you're better off in the U.K."

Such issues are also part of the health care reform debate in the United States - but they are approached gingerly. Congress recently approved a billion dollars to study the effectiveness of certain treatments and tests, but lawmakers refused to link the results of such research to payment policy. One possibility is that in the future, insurers might require higher copayments for treatments that are deemed less effective.

As more costly, life-extending drugs are developed, Britain's National Institute for Health and Clinical Excellence, or NICE, will likely face more tough decisions of its own. NICE acts as a kind of budgetary police, advising which treatments are a good buy; its recommendations are almost always adopted by the government.

When the institute first rejected Sutent, leading cancer doctors slammed the decision, while some patients mortgaged homes or dipped into pensions to pay for the drug on their own.

In changing course earlier this year, the institute decided that expensive treatments like Sutent would be approved under certain conditions: Such drugs had to extend life by at least three months and be used for illnesses that affect fewer than 7,000 new patients a year. That means the government is willing to pay to extend lives of those suffering from some rare diseases, but not for more common ones. That criterion offers a built-in protection for the government's limited health budget.

One of NICE's most contentious criteria is how much should be paid per each added year of a patient's survival. The general threshold calls for not spending more than 30,000 pounds ($44,235) per year of life.

As NICE chairman Michael Rawlins puts it: "We have a finite pot of money."

He said the institute recognized the significance of prolonging life, and noted that NICE had sometimes approved treatments costing up to 48,000 pounds ($70,775) per year of life added.

But Rawlins said that the government wouldn't be able to afford such expensive medicines if they were for more common conditions like breast cancer or heart disease, since the cost would be astronomical.

Health economist Julien Le Grand of London's School of Economics worries that NICE's authority is being undermined by constant challenges to its decisions.

"We should have a consistent rule that says what will be funded (by the government) and what won't. It shouldn't be a question of who shouts the loudest," he said.

Some doctors say Britain, which spends about 9 billion pounds ($13 billion) a year on all drugs including cancer drugs, needs to loosen the

purse strings. France, for example, spends 10 times more on new cancer drugs - defined loosely as having been on the market for less than five years - than Britain.

According to Britain's department of health, Britain spends about 76 pounds ($112) per person on cancer care each year. In comparison, both France and Germany spend more than 120 pounds ($177) per person. In the U.S., direct medical costs for cancer care are about 200 pounds ($295) per person, according to the National Institutes of Health - almost three times what Britain spends.

"My colleagues in Paris can use drugs freely, but I can't do it here because they haven't been approved (for government payment)," said Dr. Karl Sikora, an oncologist and medical director of Cancer Partners UK.

Sikora acknowledged that amid the financial meltdown, boosting budgets is probably unrealistic. "We do need a rationing system because in a lot of cases, there just isn't the money."

To get cheaper drugs, Britain has cut deals with pharmaceutical firms that either offer a discount or a refund if a drug doesn't work.

When NICE decided that Velcade, a treatment for the blood cancer, multiple myeloma, wasn't worth the cost, its Belgian maker, Janssen-Cilag, offered reimbursement if it failed in certain patients. Other companies, including Roche AG and GlaxoSmithKline, have made similar offers for some of their cancer drugs.

Jacky Pickles, a blood cancer patient, who has campaigned for years with two other patients to get access to Velcade, says the drug strategies show the government has listened to patients' concerns. In her own case, she says that without Velcade, "I would be dead."

All health systems will eventually be forced to make hard decisions about which patients to spend money on, experts say. "These new cancer drugs are incredibly expensive, and the risks and benefits need to be weighed carefully," Lichtenfeld said. A recent report in the New England Journal of Medicine found that Medicare's spending on cancer drugs has jumped 267 percent in the last seven years.

"We are far behind the U.K. when it comes to deciding what will be paid for by the government in health care," Lichtenfeld said. "For us, cost-effectiveness doesn't enter into the discussion. Maybe it should."

On the Net:

National Institute for Health and Clinical Excellence: http://www.nice.org.uk