

Costly cancer drugs are worth it, study finds

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(PhysOrg.com) -- The cost for chemotherapy medications to treat colorectal cancer for six months has jumped 2,600 percent from 1993 to 2005. But such rising costs are worth the price, asserts a new report from Cornell, when improved longevity and quality of life are taken into account.

Sean Nicholson and Claudio Lucarelli, associate and assistant professors, respectively, of policy analysis and management at Cornell, used four methods to compare the costs and benefits of newer [chemotherapy](#) medications for colorectal cancer, whose costs rose to \$36,300 in 2005 from \$127 in 1993 for a six-month treatment, against older, cheaper medications. They took into account life expectancy, tumor responses and side effects, using data from thousands of [colon cancer](#) patients and treatment decisions by oncologists nationwide.

The new drugs -- which are often used in combination and include [bevacizumab](#) (Avastin), [oxaliplatin](#) (Eloxatin) and leucovorin -- improve survival rates by almost 100 percent (to 23.2 months from 12.5 months), and patients taking the newer drugs often experience fewer side effects, the researchers report in a working paper issued by the National Bureau of Economic Research in July.

Their analyses found that "prices either fell or rose by 30 percent, depending on the method we used," said Nicholson, pointing out that inflation during the period studied rose by about 35 percent. That's a far cry from the 2,600 percent they have risen if one looks only at the dollars and cents, he added.

Either way, "costs are rising much more slowly or even decreasing if one accounts for quality [of the drugs]," he added.

"Our study is consistent with others that show that the increase in [medical](#) costs isn't a lost cause," said Nicholson, a faculty research fellow at the National Bureau of Economic Research. "We are getting value in return."

Knowing that, "companies are pricing the new medications to extract that value," he added. "When the drugs go generic in about 10 years, that [economic] value will presumably shift to the consumer."

The study was funded by the Merck Foundation, Pfizer Inc., Johnson & Johnson and AstraZeneca with unrestricted grants, which means the researchers were free to report whatever conclusions they came to.

Provided by Cornell University

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